Tokio Marine Holdings

*To Be a **Good Company***

2022 Integrated Annual Report

*To Be a **Good Company***

CORPORATE PHILOSOPHY

With customer trust as the foundation for all its activities, Tokio Marine Group continually strives to raise corporate value.

Through the provision of the highest quality products and services, Tokio Marine Group aims to deliver safety and security to all our customers.

By developing sound, profitable and growing businesses throughout the world, Tokio Marine Group will fulfill its mandate to shareholders.

Tokio Marine Group will continue to build an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential.

Acting as a good corporate citizen through fair and responsible management, Tokio Marine Group will broadly contribute to the development of society.

Tokio Marine Holdings Integrated Annual Report 2022

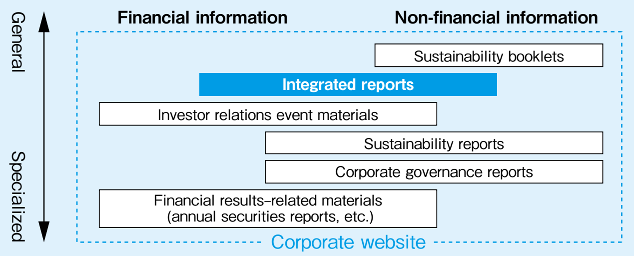
CONTENTS

References

During editing, we made our best efforts to incorporate substantial information, by consulting the IIRC's "International Integrated Reporting Framework" and the Ministry of Economy, Trade and Industry's "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation (Including Discussions for Revisions)," 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.
NF : Nisshin Fire & Marine Insurance Co., Ltd.
TMNL : Tokio Marine & Nichido Life Insurance Co., Ltd.
PHLY : Philadelphia
DFG : Delphi
TMHCC : Tokio Marine HCC
TMK : Tokio Marine Kiln
TMSR : Tokio Marine Seguradora

The Purpose Story of Tokio Marine Group

(Summary of This Integrated Report)

1 Our Purpose

The Group's purpose is to protect our customers and society in times of need. This is the Group's Purpose, unchanged since our founding in 1879.

2 Our Aspiration

We aim to continue to solve social issues through our business activities based on our Purpose and increase our corporate value as a result. In this age of volatility, uncertainty, complexity, and ambiguity (VUCA), we are increasingly expanding our field of business to accept risks, mitigate those risks, and prevent their reoccurrence. For example, climate change. Climate change is certainly a risk for the insurance industry, but we will grow, steadily understanding the opportunities with the increased need for disaster prevention and mitigation and the expansion of renewable energy as we reduce the effects of these risks through global risk diversification. In fact, we recorded our highest ever profits in fiscal 2021 as a result of helping our customers and society in times of need by means of solving social issues. We plan to achieve world-class growth in fiscal 2022 as well.

3 Our Strengths

Tokio Marine has three strengths needed to achieve both our Purpose and the enhancement of our corporate value. Specifically, these three strengths are as follows:

1) The ability to offer support in times of need, and always: Identifying issues for customers and society, developing products and services that resolve issues, and securely delivering these products and services
2) Portfolio management capabilities: Realizing risk diversification and sustainable growth based on our ability to execute stringent acquisition guidelines and a smooth post-merger integration (PMI)
3) Integrated group management: Achieving synergies while utilizing the expertise and wisdom of our diverse workforce through optimal deployment

The source of these three strengths is our intellectual and human capital. This intellectual capital is the owned data accumulated through our insurance business since our founding, our digital technology, and our ability to execute M&A and PMI. Our human capital is our diverse human resources with more than 40,000 staff. These are our key success factors for further growth in an uncertain environment. We will refine these three strengths and make solid investments in our intellectual and human capital to remain a "Good Company" that is trusted and truly needed by our customers and society in the coming century.

4 In Closing

We began as a company devoted fully to marine insurance 143 years ago, but today, marine insurance accounts for only 2% of our total sales. Our company has thus grown to be a leading global insurance company by responding to changes in the world, and this means that we are a company that is able to flexibly adapt to changes over the next 100 years.

With our Purpose as a springboard, Tokio Marine Group's value creation story will continue to evolve (spiral upward) as we look ahead to the coming century.

1 The Story of Our Purpose

1 Our Purpose

Why do we exist?

Protecting our customers and society in times of need. This has been our unwavering purpose since our founding, no matter the era.

Tokio Marine Group was founded in 1879, making it Japan's first insurance company. In an era when the concept of insurance was still foreign, Eiichi Shibusawa, the father of modern capitalism in Japan, was deeply involved in the establishment of the Company after soliciting investment from a number of parties, calling insurance a national business. This was a great impetus for the founding of our company. Shibusawa discussed the close relationship between morality and the economy in his writings. The philosophy of companies contributing to the resolution of social issues—in other words, existing for the sake of people and society—has been passed down over the years from our founding until the present day. When we were established, our mission was to contribute to the development of Japan's economy and society by protecting trade cargo, essential for modernization, from maritime accidents through marine insurance. Later, even amid the sweeping changes to the social structure and a great many challenges, such as the Great Kanto Earthquake, defeat in war, and the progress of motorization, we have sought to identify social issues in every age and have contributed toward solving them through an insurance business based on our mission of protecting our customers and society in times of need. Our business itself represents a solution to social issues. The more we grow our business, the more social issues we will solve for people around the world. We engage in business with this commitment and mission in mind.

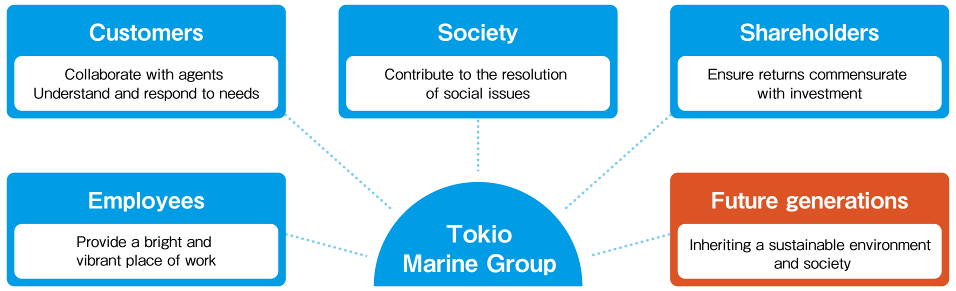
To realize this mission, we have worked to ensure a bright and vibrant place of work for our employees and have collaborated with agents to help resolve the many social issues that have evolved throughout our 143-year history. As a result, we have sought to achieve sustainable profit growth and return gains commensurate with investment to shareholders and investors.

With our strong belief that "it is our responsibility to pass on the irreplaceable global environment to future generations in a sustainable condition," we have clearly positioned future generations as stakeholders since 2021, together with customers, society, employees, and shareholders and investors.

Continually providing all our stakeholders with value is hardly a simple task, but we will never stop trying to find the right solutions. With this conviction, we will continue to explore this path well into the future. The status quo is never an option. We hope to become more of a "Good Company," even if only in a small way, through continuing to take on the challenge of innovation.

Eiichi Shibusawa, who was deeply involved in the Company's founding (from the Shibusawa Memorial Museum collection)

Provision of Value to Stakeholders



2 Our Vision

What will happen to our business in an age where past wisdom isn’t good enough?

Our business areas, with risk underwriting as our trade, will also expand as social problems increase and become more complex. We will grow in the future through solving social issues based on our Purpose.

Management Discussion and Analysis of the Business Environment

We aim to continue to protect our customers and society in times of need through solving social problems with our business activities based on our Purpose and, as a result, improve our corporate value.

In recent years, it has been said that we are living in an unpredictable and uncertain time, an era of volatility, uncertainty, complexity, and ambiguity (VUCA), and that social problems are accumulating, increasing, and becoming more complex. New social problems that we have yet to experience are appearing one after the other. It is already an age in which conventional wisdom no longer applies. However, our business areas, with risk underwriting as our trade, as well as our fields of action, will also increasingly expand as these kinds of social problems increase and become more complex. Because of these challenging times, we believe we can further improve our corporate value by returning to our Purpose and solving social issues, the core of our business.

There are many social issues and areas that we want to address, including support for people’s healthy and enriching lives, the promotion and support of diversity and inclusion (D&I), and the facilitation and fostering of innovation through digitalization (see page 67), but there is surely no greater issue for the world and for the insurance industry than climate change and the intensification of natural disasters. We are facing this global issue head on with a proactive response. In doing so, we are fulfilling our role as an insurance company and this will lead to an increase in corporate value. While controlling the risks of climate change and the intensification of natural disasters through our global risk diversification, we will grow, firmly understanding the opportunities of the protection gap, the increased need for disaster prevention and mitigation against the backdrop of an increased awareness of natural disasters, the expansion of the renewable energy market, and trends toward becoming carbon neutral (see pages 6–17).

We recorded our highest ever profits in fiscal 2021 as a result of helping our customers and society in times of need by means of solving actual social problems. We plan to achieve world-class growth in fiscal 2022 as well.

Accurately understanding the risks and opportunities of climate change and contributing to society will lead to an increase in corporate value.

Risk mitigation

Solving social problems and achieving growth at the same time

Seizing opportunities

Increasingly serious natural disasters

Risk mitigation

Global risk diversification (see page 8)

Diversifying risks globally to avoid excessive dependence on reinsurance

Risk mitigation

Securing fire insurance earnings (see page 10)

Flexible rate revision and shortening insurance periods

Raising awareness of natural disasters

Risk mitigation

Carrying out divestments and engagements (see page 16)

Carrying out divestments with underwriting and investment destinations and environmental-themed engagements (Policy on Climate Change amended in September and December 2021)

Seizing opportunities

Strengthening our pre- and post-incident fee business (see page 12)

Gaining new revenue sources through our disaster prevention, mitigation, and quick restoration businesses

Movement toward achieving carbon neutrality

Seizing opportunities

Capturing the renewable energy market (see page 14)

We acquired GCube, a global leader in insurance for renewable energy operators (May 2020)

Seizing opportunities

Capturing response needs for climate change

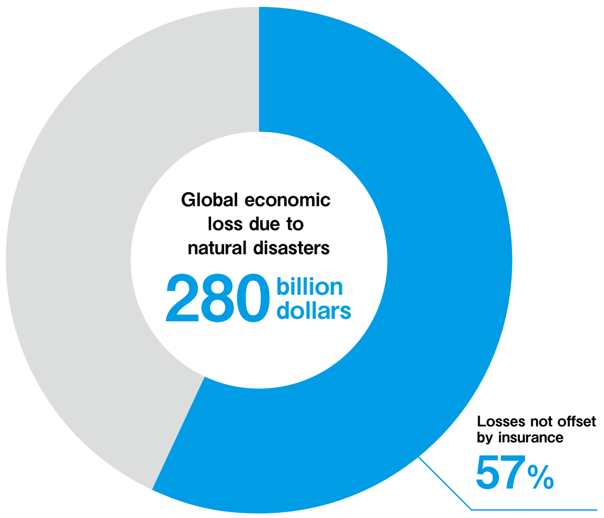
We worked in partnership with MUFG Bank, aiming to develop solutions to support the promotion of green transformations in Japan (March 2022)

Risk Assessment and Mitigation

An intensification of natural disasters is predicted across the globe due to climate change, and we will inevitably be affected as we operate a global business. At the same time, as we have made risk underwriting our main business and confronted risks for 143 years, we believe that we can use that experience to accurately understand how risks to our company will evolve and how we are able to reduce those risks. For example, we have gathered wisdom from the Group to evaluate changes in wind risk due to future climate change, changes in flood risks due to increased precipitation, and changes in climate-related risks based on future demographic changes. In addition, this is connected to reducing climate change risks through initiatives such as global risk divestment (see page 8), securing fire insurance earnings (see page 10), and carrying out divestments with underwriting and investment destinations and environmental-themed engagements (see page 16).

Seizing Business Opportunities

Climate change is a risk but it is also a business opportunity for us at the same time. For example, in fiscal 2021, global economic losses due to natural disasters were 280 billion dollars and only about 43% of those losses were offset by insurance, at 120 billion dollars. Put another way, about 57%, or 160 billion dollars, in losses were not offset by insurance, and we believe that this protection gap offers us room to help customers and to grow. Moreover, to play an even greater role in the global-scale issue of climate change, we can increase our corporate value by capturing other opportunities well, including an increase in disaster prevention and mitigation needs following an increase in awareness on climate change (see page 12) and an increase in the renewable energy market (see page 14).



Source: Munich Re

We will introduce specific initiatives on the following pages on risk mitigation and seizing opportunities with climate change.

Global Risk Diversification

We are working to diversify global risks to protect our customers in times of need as natural disasters intensify.

Risk Mitigation

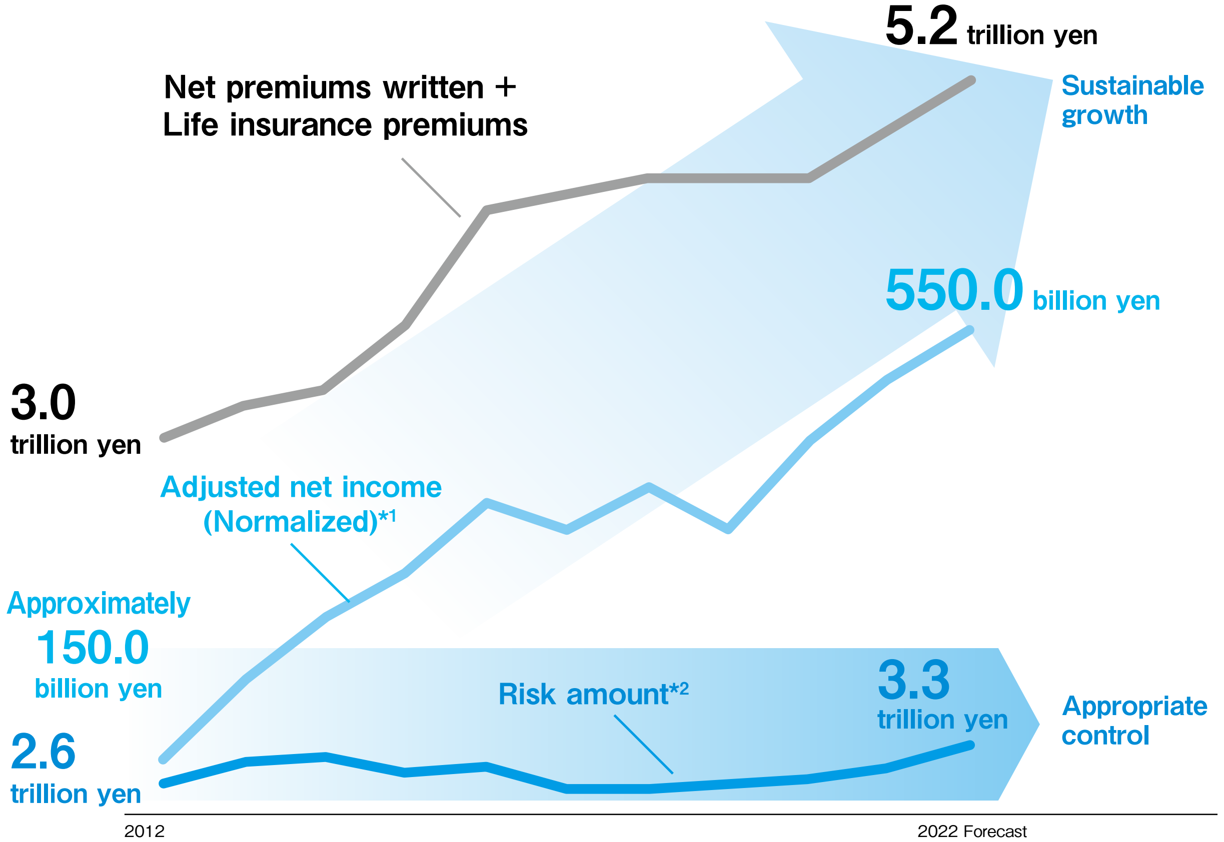
Global Risk Diversification

Insurance is a business that underwrites risk and protects customers. Under no circumstances can we allow the foundations of our business to be shaken. The key to this business is in diversifying risks across geographic areas, businesses, and products as well as appropriately controlling risks. From this viewpoint, we believe that the operation of an insurance company must be global from the start. This is why we have spent some 20 years working to expand our insurance business overseas where there is a low correlation with natural disasters in Japan, and in doing so, we have accelerated the diversification of global risk and are increasing our corporate value while suppressing the expansion of risks.

We believe the results of our efforts can be seen in the large-scale natural disasters that occurred in Japan in 2018 and 2019, as well as the COVID-19 pandemic in 2020. Even in such severe conditions, the impact on our profits was kept at around 20%–30%, and we have ensured stable earnings. This is precisely a result of the risk diversification we have been engaged in. On the other hand, we believe the 20%–30% standard is still too high, and we will accelerate our growth while controlling volatility in the future.

Reference: Realizing Increased Profits While Reducing Risks

Adjusted Net Income*1 and Changes in Risk Capital*2



*1: Adjusted for natural disasters in normal years; excludes the impact of COVID-19 and exchange rate fluctuations in 2020; COVID-19, North American capital gains, and gains on sales (that exceeds 100 billion yen) of business-related equities are excluded in 2021 (new definition basis)
*2: ESR risk (99.95% VaR after tax and on an original plan basis)

Securing Japanese Fire Insurance Earnings

We do not shy away from Japan where there are many disasters, but instead build sustainable fire insurance systems and protect our customers.

Risk Mitigation

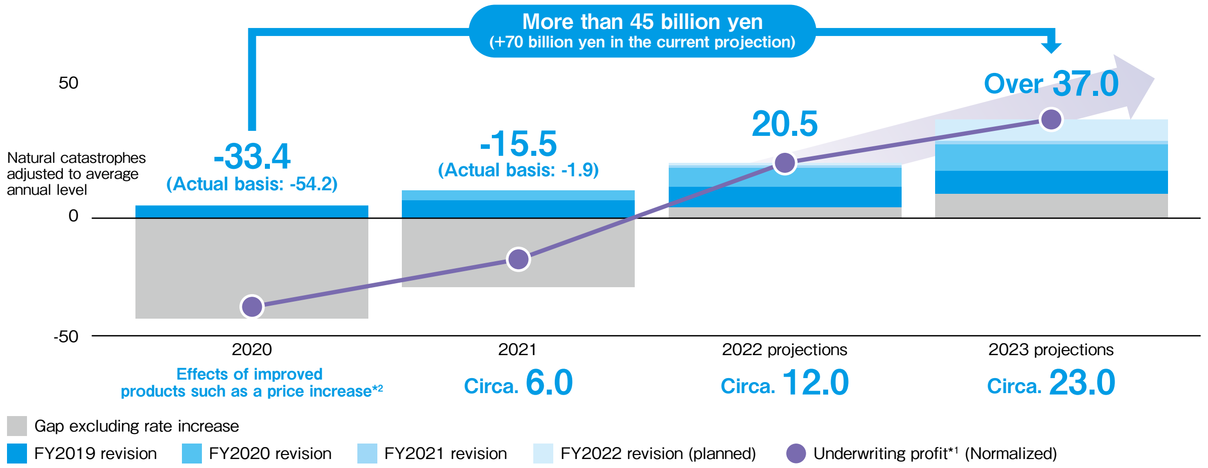
Securing Japanese Fire Insurance Earnings

It is said that, while the land area of Japan, our primary market, accounts for just 0.25% of the total land mass of the world and 6% of global GDP, losses from natural disasters in Japan account for nearly 20% of economic losses globally. This is why Japan is referred to as a country of natural disasters. Rather than shy away from the risk of natural disasters, we address these risks head on, working to protect and firmly help our customers through critical times.

Fire insurance is important in protecting customers from natural disasters, but it is hardly sustainable if the business experiences chronic losses. Therefore, in addition to our own efforts to reduce costs, we will build a sustainable fire insurance system through comprehensive initiatives including flexible rate revisions, product reviews including reduced insurance periods, advancing reinsurance strategies, disaster prevention and mitigation, and early restoration. Specifically, we will execute the road map below with conviction and will improve earnings by more than 45 billion yen by 2023 (currently projecting +70 billion yen). Even beyond 2023, given that the fire insurance business includes risks involving a major natural disaster, we will continue initiatives to improve profits so that we can secure profitability commensurate with capital cost, even compared to the quantity of risks.

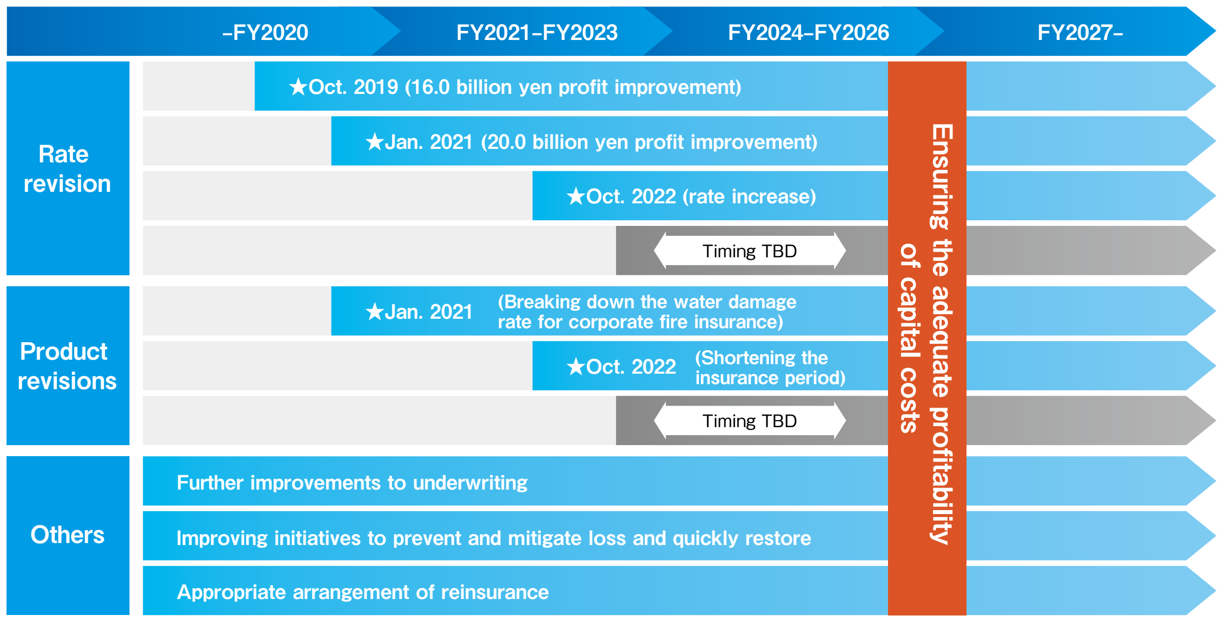
Reference: Changes in Profit for Fire Insurance

Insurance underwriting profit*1 (billions of JPY)



*1: Natural catastrophes normalized to an average annual level, and balance of earnings and expenditures excluding the impact of COVID-19 (after tax, approximation)
*2: Results of improved earnings through product revisions developed each year (after tax, approximation). However, the cumulative total value is listed excluding the results of improvements (circa. 4 billion yen) already developed in fiscal 2020.

Reference: Road Map for Improving Fire Insurance Earnings



Strengthening Our Pre- and Post-Incident Fee Business

To become a partner "always" with customers, we will expand our business to disaster prevention and mitigation.

Seizing Opportunities

From Payer to Partner

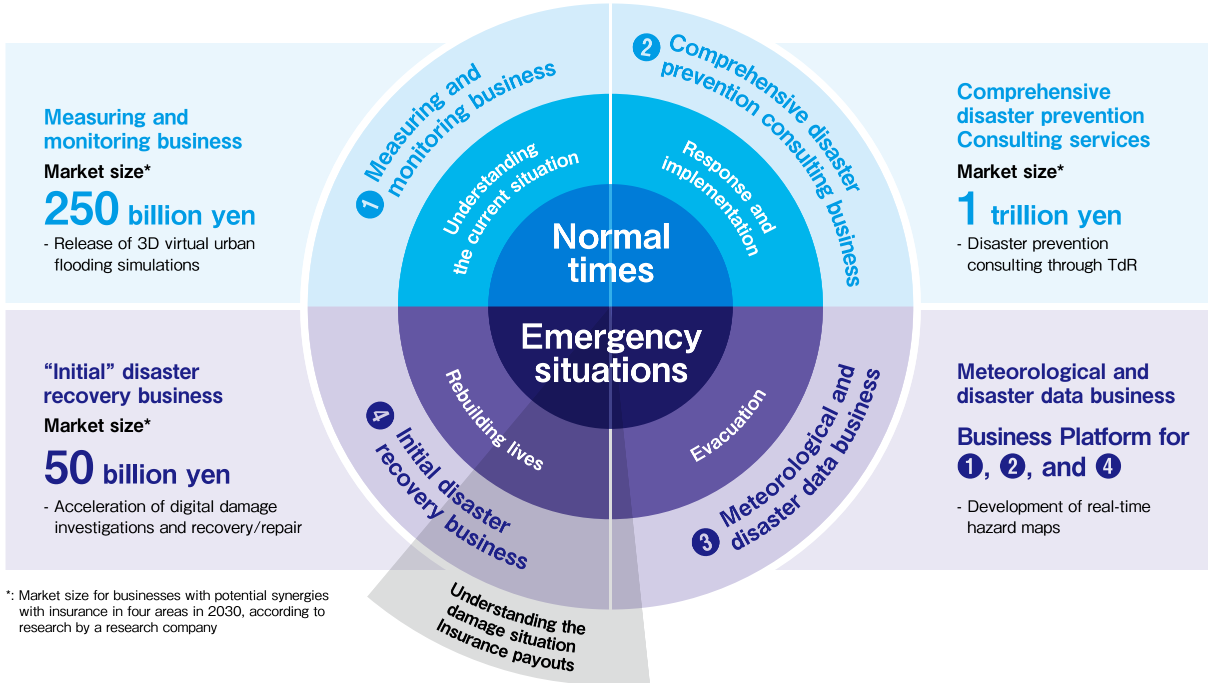
The payment of claims is an insurance company's most important function, but we believe that this alone does not mean we have adequately supported our customers. It is best if disasters do not occur in the first place. If they do occur, it is best if the damages are minimal, and a fast recovery is also best. It is also good if the disaster does not occur again. From this mentality, Tokio Marine Group is working to offer pre- and post-incident peace of mind, including disaster prevention, mitigation, swift recoveries, and reoccurrence prevention. By becoming a partner that continually supports the customer, rather than staying just as a payer of insurance claims, we will garner customer recognition and reduce our loss ratio.

One example of a disaster prevention and mitigation initiative is CORE, a disaster prevention consortium. We launched this consortium in November 2021, and as of July 2022, more than 60 companies from a diverse range of industries had participated. The consortium provides services directly related to disaster prevention and mitigation, including, for example, the creation of infrastructure management solutions to limit the severity of damage when a disaster occurs, prior disaster projections for evacuation, the development of real-time hazard maps, and the speeding up of recovery and reconstruction through digitalization, while making use of the technology and data of participating companies.

The collection, analysis, and utilization of data from disasters is of course essential in the prevention and mitigation of disasters. In July 2021, Tokio Marine Group established Tokio Marine dR Co., Ltd. (TdR), to head up our core data functions. TdR is consolidating the Group's sophisticated digital capabilities and spearheading efforts to strengthen the Group's data analysis and solution development capabilities.

Through the insurance business, we will create a comprehensive disaster prevention and mitigation solutions business by establishing a competitive advantage with wide-ranging competition in the CORE, a disaster prevention consortium, as a driving force that goes beyond industry boundaries. This is in addition to our existing "weapons" of refined technology, gathered data, and customer contact points. Through this, we will evolve to become a partner "always" with customers. And from the viewpoint of improving corporate value, we hope to nurture this business into one that can produce several tens of billions of yen in profit in the future.

Reference: Creating a Comprehensive Disaster Prevention and Mitigation Solutions Business with CORE as Its Engine

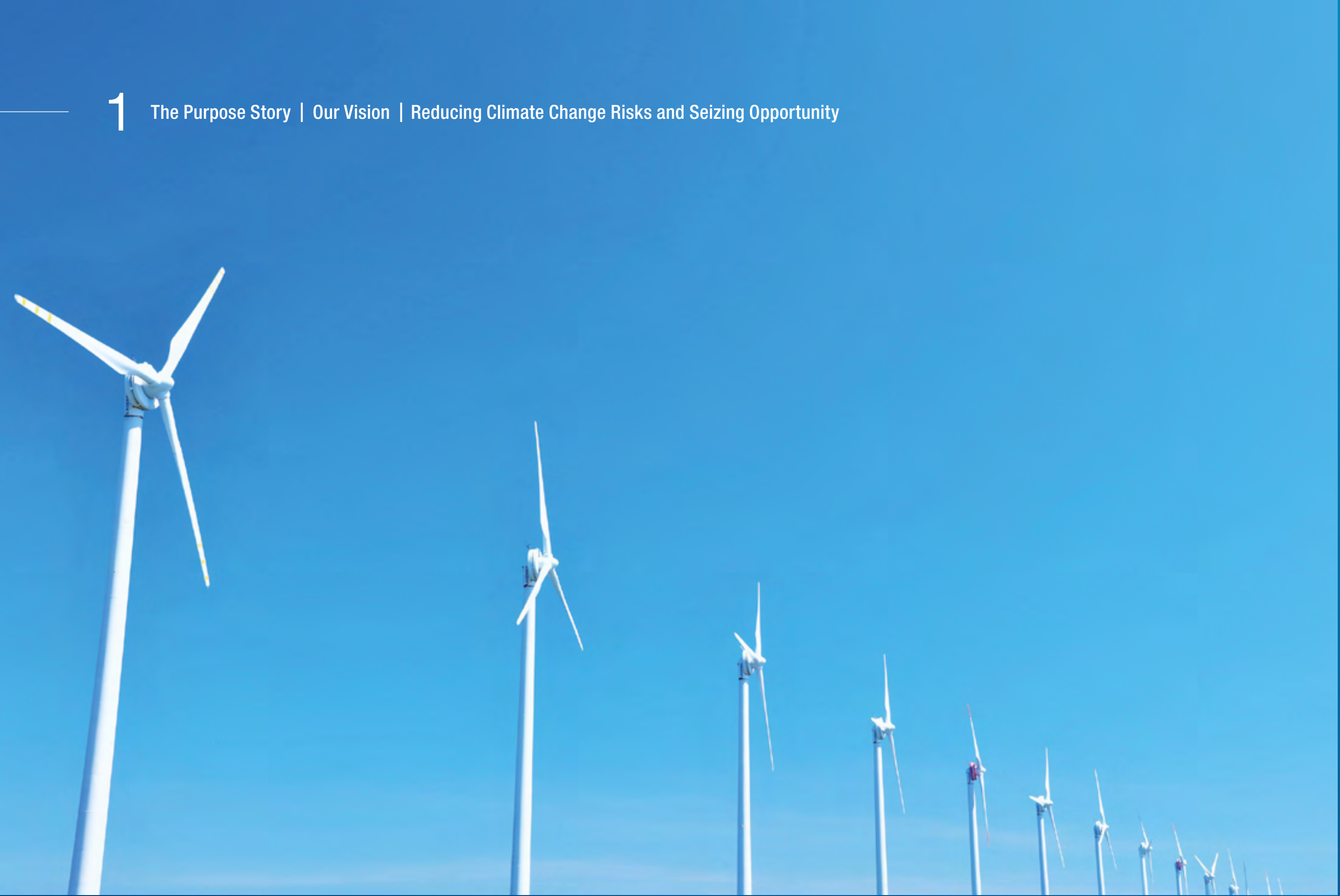


*: Market size for businesses with potential synergies with insurance in four areas in 2030, according to research by a research company

Reference: Initiatives Utilizing TdR

We and TdR contribute to the creation of natural disaster resistant communities by leveraging our risk data, data analysis expertise, and the expertise of our external partners. For example, with the cooperation of the National Research Institute for Earth Science and Disaster Prevention, we provide services that lead to the prevention and mitigation of disasters, including the AI-powered flood risk projection system and an AR hazard experience developed using hazard map information.

Sample image of system screen: Instantaneous forecasting of flood areas



Capturing the Renewable Energy Market

We will lead the global renewable energy insurance industry as a Group and will contribute to decarbonization and the enhancement of corporate value at the same time.

Seizing Opportunities

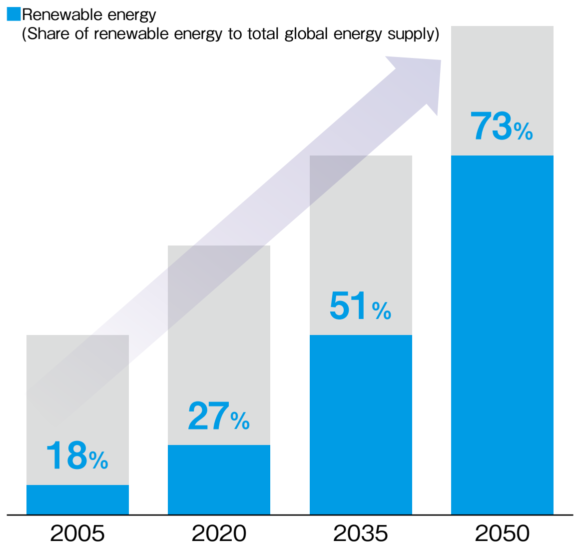
Capturing the Ever-Growing Renewable Energy Market

We are working to develop new products and services related to climate change, and one of these new products is insurance related to renewable energy.

As there is a global trend toward decarbonization and a shift toward renewable energy for efficiency in the supply of power in major nations, future growth is projected for the global renewable energy market. When it comes to, for example, the installation and spread of offshore wind power generators, insurance is essential, as projects cannot secure financing unless insurance coverage has been arranged. However, as offshore construction is complex and steps must be taken to reduce construction mistakes and prepare for typhoons, this kind of development project requires highly sophisticated underwriting and damage insurance planning that cannot be acquired in a short period. We are further improving our high underwriting abilities and high loss service capabilities, both essential to insurance related to renewable energy, by combining the knowledge of GCube (acquired in 2020), a leading global player in insurance for renewable energy operators, and Tokio Marine dR, which handles our core data functions, with the loss data and knowledge we have developed over the years.

We will contribute further to the decarbonization of countries around the world by gathering wisdom from within the Group and supporting the promotion of renewable energy through offering insurance and risk consulting.

Reference: Growth of the Renewable Energy Market



Source: McKinsey

Reference: GCube's Strengths

❶Advanced underwriting expertise

Calculating suitable insurance premiums and effectively selecting risks based on vast amounts of loss data collected over the past three decades since its founding

❷Leading damage insurance services

Offering high added value for customers through advice on loss prevention by in-house adjusters, based on the results of an abundance of payments for more than 4,000 claims over 10 years

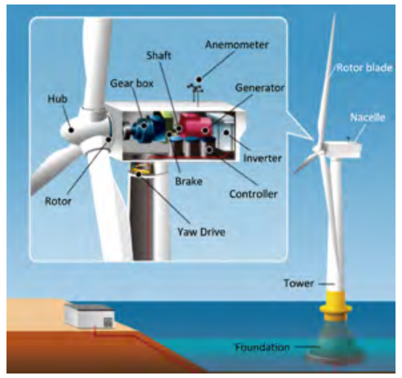
❸Leading industry presence

Participating in major global projects through its leading industry presence, with eight of the top 10 companies globally for renewable energy as customers, based on overwhelming results and its brand as a market leader

In-house adjusters Renewable Energy Loss Adjusters (RELA)

Reference: Offshore Wind Power Generators

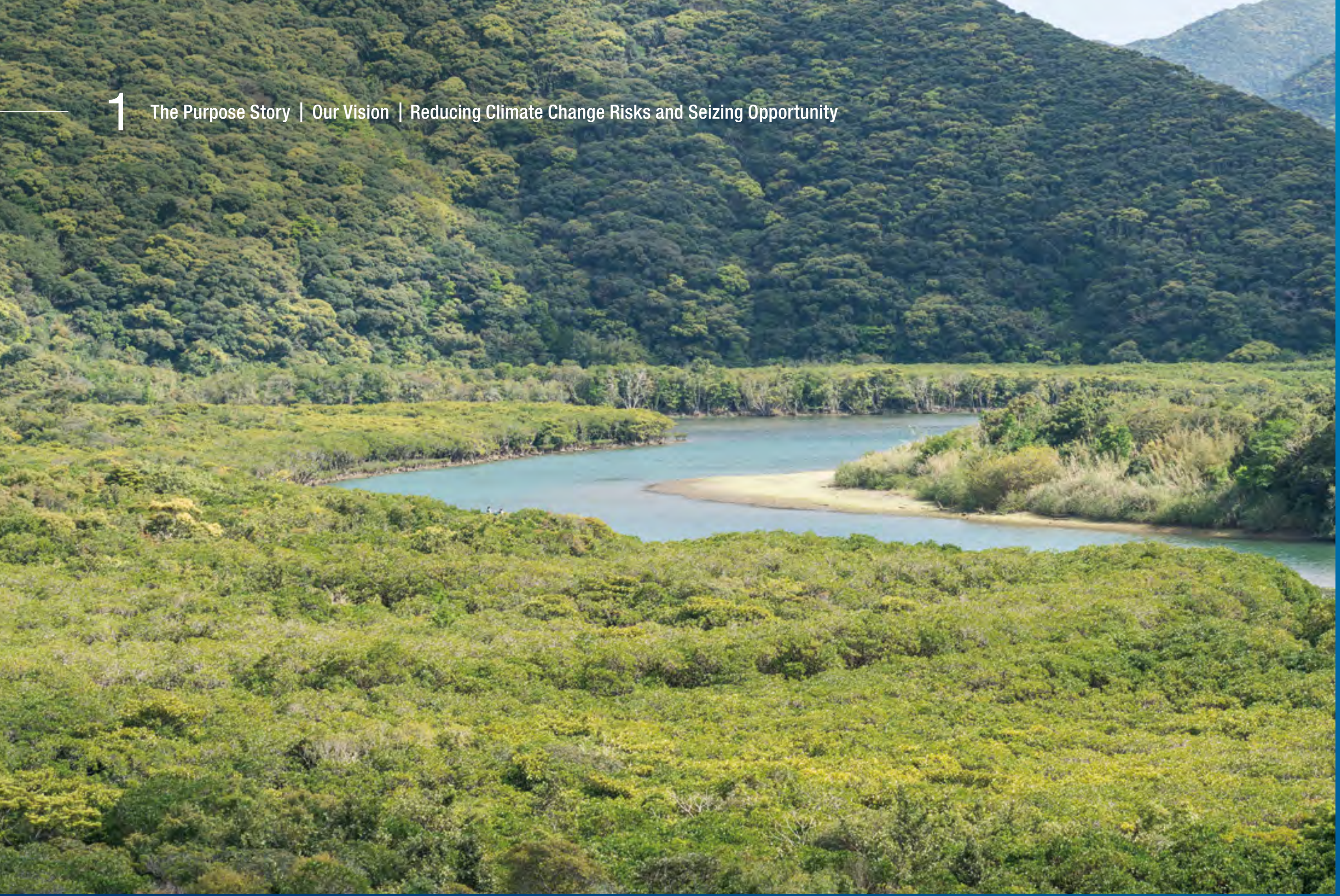
As there are a variety of models of offshore wind power generators and appropriate construction differs based on the marine area, a high level of expertise and knowledge is required in insurance underwriting.



Source: Created from information on the NEDO website

Foundation for a floating wind turbine

Taken from the energyfacts website



Carrying Out Divestments and Engagements

We will lead in global decarbonization as a responsible insurance company, an institutional investor, and a global company.

Risk Mitigation

Contribution to the Realization of a Decarbonized World

As an insurance company, an institutional investor, and a global company, we believe it is important that, while maintaining a strong divestment policy, such as ceasing the insurance underwriting of coal-powered power plants and exiting investments, it is also imperative to boost the transition toward the decarbonization and carbon neutrality of society through environmentally themed engagement and technological innovations, supported by the development of insurance products and investment.

For example, we have thus far entered into engagement dialogue with more than 150 clients as an insurance company and have offered proposals for problem resolution to more than 50 of those companies, making use of our expertise. More specifically, we strongly support the acceleration of transitions and innovations toward decarbonization by offering consulting services and specialty insurance that supports the development of the new technologies needed to promote the renewable energy business and reduce environmental impacts for our clients. In September 2021, we also established a policy of not offering new insurance underwriting for coal-burning plants or the development of coal mines (fuel coal), and in December of the same year, we established a policy of monitoring insurance underwriting for petroleum and gas extraction in oil sands and the Arctic Circle. We are ahead of the industry in updating our policies on insurance underwriting toward achieving a decarbonized society.

As an institutional investor, the Group's companies, TMNF and Tokio Marine Asset Management, have established ESG investment and loan policies as a PRI signatory institution. As a specific initiative, via constructive dialogue that takes non-financial information into account, we will help realize a decarbonized and sustainable society through the promotion of improvements to ESG initiatives with investees through ESG engagement that promotes enhancements to corporate value and sustainable growth for the corresponding company, as well as ESG integration that also takes non-financial information into account.

As a global company, we have actively led conversations on a decarbonized society both in Japan and abroad, including our involvement with the TCFD since its inception. In January 2022, we became the first Japanese insurance company to participate in the Net-Zero Insurance Alliance (NZIA), a global initiative, and we continue to play a leading role on highly important issues toward the realization of a net-zero society by 2050, including the creation of rules based on the energy situation in countries not only in Europe but also around the world, the establishment of standards for calculating emissions based on decarbonization, and the establishment of evaluation methods on the effects of carbon reduction through decarbonizing technologies. While making use of the knowledge and network that we have developed over the years, we will continue to actively contribute toward the creation of international rules for the insurance industry aimed at realizing a decarbonized society.

Reference: Participation in Global Initiatives

We participate in a variety of global initiatives, including our involvement in the TCFD since its inception and becoming the first Japanese insurance company to participate in NZIA, and we are engaged in surveying, researching, and advocating to help transition toward a decarbonized society and create a sustainable society.

PRI

PSI Principles for Sustainable Insurance

WE SUPPORT UN Global Compact

THE GENEVA ASSOCIATION

UNEP FINANCE INITIATIVE

TCFD

Net-Zero Insurance Alliance

We are gradually making headway toward achieving our long-term vision and KPI targets for 2023 and 2030.

	2021		2023	2030 / Long-Term Vision
Financial KPIs	FY2021 results (Normalized, with actual in parenthesis)	FY2022 projections	FY2023 plans (Current mid-term business plan announced in May 2021)	
Adjusted net income	505.4 billion yen (578.3 billion yen)	550.0 billion yen	CAGR +3%–7% (Approximately 480.0 – 540.0 billion yen)	
Adjusted ROE	12.7% (14.4%)	12.5%	About 12%	
Dividend payout ratio	43%	48.5%	40% or above→50% (Adjusted November 2021)	
Capital level adjustment	100.0 billion yen	100.0 billion yen	Flexible implementation	
Promoting climate action and improving disaster resilience	• Profitability improvement of fire: FY2021 +18 billion yen (compared with FY2020) → FY2023 +45 billion yen over (compared with FY2020) • Increased revenue in renewable energy: FY2023 + approximately 5 billion yen • Decarbonization: Reduction in greenhouse gas emissions by 32% in FY2021 (compared with FY2015) and achieving carbon neutrality in FY2021 (nine consecutive years)			• Profitability improvement of fire: Maintained profitability that exceeds capital costs • Increased revenue in renewable energy: Aiming for further increases in revenue by capturing the market • Decarbonization: Reduce our own greenhouse gas emissions by 60% compared with fiscal 2015 (achieving net-zero greenhouse gas emissions by 2050, including with investment destinations), increase the ratio of renewable energy to 100%, and switch to electric vehicles for company-owned cars
Supporting and generating innovation using digital means	• Strategic investments: FY2021–2023 several tens of billions of yen • Digitalization personnel: Mid-career recruitment of around 100 personnel			• Strategic investments: Continue with investments for growth • Digitalization personnel: Continue recruitment and training in keeping with business expansion
Promoting and generating D&I	As of April 2022 • Percentage of female directors and Audit & Supervisory Board members reached 15.8% • Percentage of female managers reached 10.4% at TMNF • Percentage of female sub-leaders reached 57.0% at TMNF			• Percentage of female directors and Audit & Supervisory Board members: Realize the philosophy set by the 30% Club • Percentage of female managers: 30% at TMNF • Percentage of female sub-leaders: more than 50% at TMNF
Supporting healthy and spiritually rich living	• Increased revenue in TMNF healthcare market: FY2023 +20–30 billion yen (compared with FY2020) • Increased revenue for TMNL: FY2023 new policies ANP: CAGR +5% (compared with FY2020) • Selected under the 2022 Health & Productivity Stock Selection (for the seventh consecutive year) • Provided health management support to approximately 2,300 companies (FY2021)			• Develop and provide new healthcare services • Widely promote services for facilitating health and productivity management • Consecutive inclusion in the Health & Productivity Stock Selection • Continuation of health and productivity management (TMNF)
Non-financial KPI				

Fiscal 2021 results and fiscal 2022 projections both have shifted to exceed the fiscal 2023 plan, and while anything beyond that is currently under review, we have decided

we will contine our world-class profit growth and expand ROE.

As a result,

we will expand shareholder returns.

The Group We Aim to Create

A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide

Our timeless endeavor to be a Good Company

The Society We Aim to Create

A sustainable society in which everyone can live in safety and security and take on any challenge

3 Our Strengths

Why are we positioned to provide protection in times of need in the future?

The reason we are positioned to provide protection in times of need in the future is founded on our three strengths, which we continuously strive to refine.

We have been able to realize our purpose and as a result achieve sustainable growth because of the many challenges we have undertaken and difficulties we have overcome during our 143-year history, which has enabled us to cultivate three unique strengths that we have continued to refine over the years.

First, we have the ability to offer support in times of need, and always.

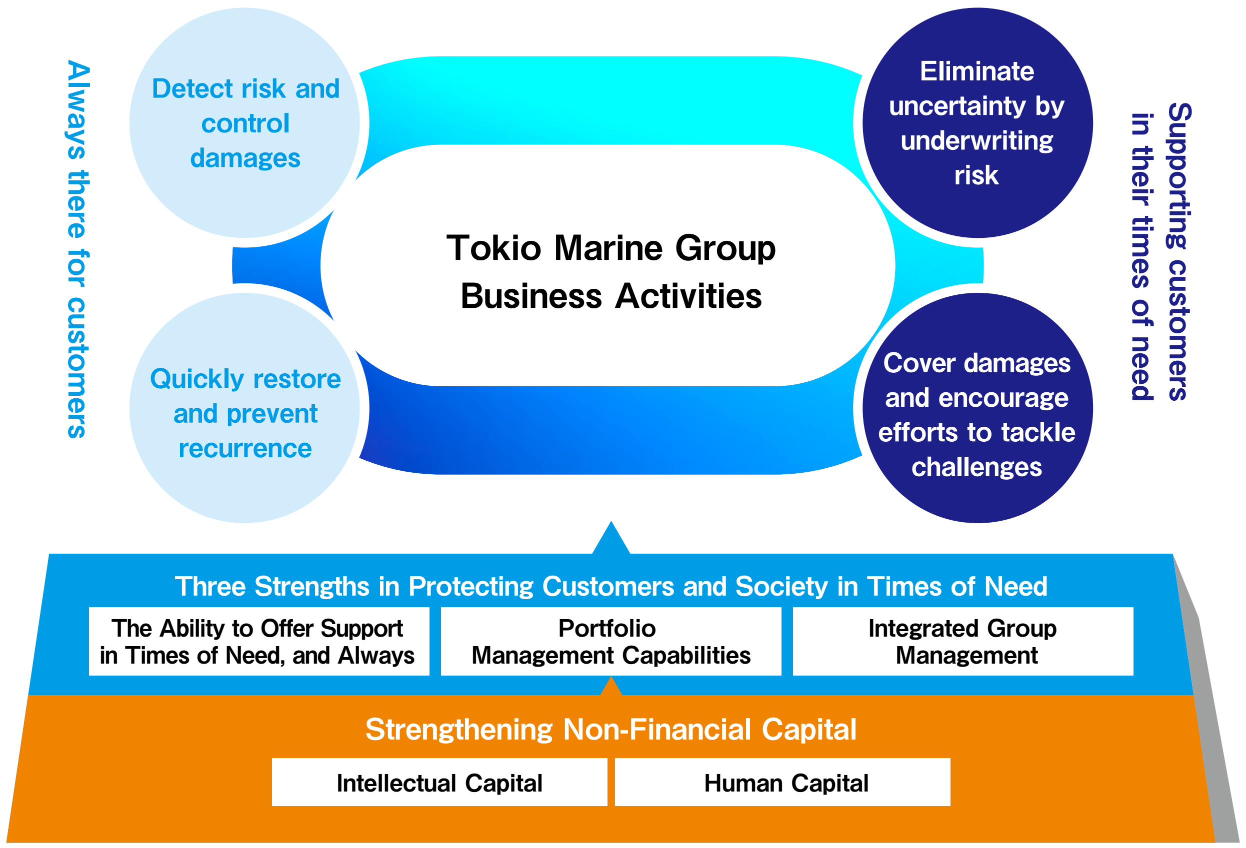
To resolve the issues of customers and society even in times of immense change, we must develop and ensure accessibility to products and services that address these issues and needs. As the business environment undergoes major transformations, we have acquired the abilities to detect issues, develop products and services that resolve these issues, and deliver these products and services. Yet even as we build on these abilities using digitalization and data, we will continue to enhance our capabilities in the traditional insurance business as we go beyond these areas to expand business into the domain of providing peace of mind before and after accidents.

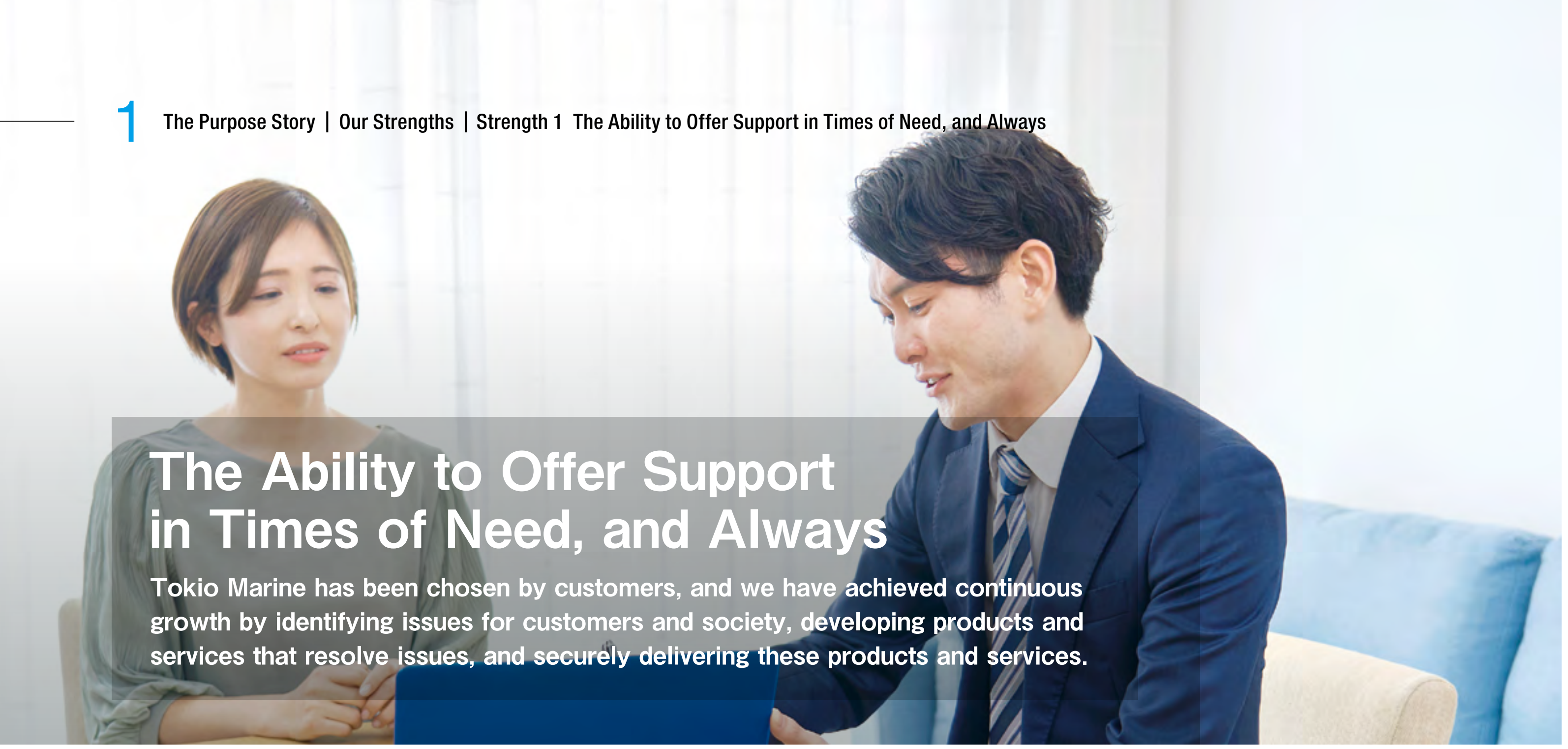
Second, we manage our business portfolio.

No matter how good a product or service might be, if our business platform is not rock solid as the underwriter of risk, we will not be able to protect customers in their times of need. In this sense, our businesses must be sustainable, and toward this end Tokio Marine needs to prepare for these times of need by diversifying risk and stabilizing our business portfolio. By optimizing our business portfolio through rigorous acquisition criteria, smoothly executing PMI, and making forward-looking business divestitures, we are able to balance risk diversification and business growth, as well as strengthen our business platform.

Third, we have integrated group management.

To adapt to global issues and continue to grow as a Group, it is vital that we work to resolve issues using the collective strengths of our diverse workforce. Tokio Marine deploys its diverse and talented workforce optimally inside and outside Japan to utilize their expertise and wisdom across the Group, which generates synergies.





The Ability to Offer Support in Times of Need, and Always

Tokio Marine has been chosen by customers, and we have achieved continuous growth by identifying issues for customers and society, developing products and services that resolve issues, and securely delivering these products and services.

Ability to Detect Issues for Customers and Society

The business environment is changing rapidly and radically, with COVID-19, an intensification of natural disasters, the rapid evolution of technology, and the resulting changes in customer behavior. It is important to quickly identify changes in our operating environment and issues for customers and society to protect our customers and society in times of need.

We have built a system for the frontlines to capture market feedback quickly and to gather feedback from customers and agents, which results in the development and improvement of products and services through analysis with consumer advisors.

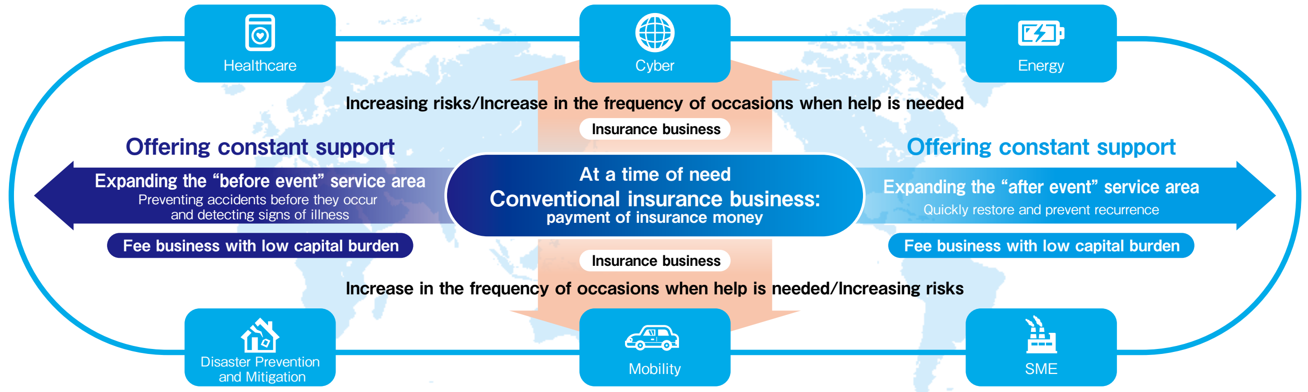
It is also necessary to take a medium- to long-term approach when understanding new risks and needs. We are additionally engaged in research on medium- to long-term environmental changes and the new risks and opportunities that arise from these changes, utilizing academic-industrial partnerships, Group think tanks, and external research organizations.

The Ability to Develop Products and Services That Resolve Issues

After obtaining a grasp of the issues affecting customers and society, all businesses must be able to appropriately incorporate the relevant findings into products and services. The key to the conventional insurance business is the capacity to correctly measure risks and stably underwrite products and services based on these risks. This is essential for sustainable business continuity as cost of insurance products is not fixed at the time of sale unlike typical products, and in some cases, a huge cost might be incurred to pay insurance claims. Accordingly, we routinely analyze past accident data while also considering the spread of risk in the era of VUCA. Based on this, we set premiums and underwriting standards commensurate with risk, and provide reinsurance as necessary for stable underwriting.

Currently, we are further upgrading risk analysis and pricing by making greater use of digital technology and data, such as THMCC's predictive analytics*[1] and big data analysis by TMNF, TMNL, and others. In addition, for reinsurance, where premiums are continuing to increase due to the hard market, we have implemented cycle management based on the important objective of reinsurance, which is used to avoid capital events*[2]. At the time of reinsurance renewal for domestic wind and flood disasters in April 2022, we conducted a necessary review of reinsurance coverage in the earnings area*[3] from the viewpoint of economic rationality.

To develop products and services in the "pre-accident and post-accident" field, assistance from external experts is essential. In the traditional insurance business domain, we have built up capabilities over the 143 years since our founding, but in the "preparation and recovery" field, we believe it is difficult to develop products and services needed by customers using our capabilities alone. The CORE disaster prevention consortium launched under our leadership in November 2021 is a good example of this, illustrating that we do not have to work alone to solve the problems of our customers and society. Tokio Marine will create new value by combining the capacities of our company with those of external parties.



*1: Analysis that applies statistical methods to data to predict future events.
*2: An event that could damage an insurer's capital, such as a natural disaster that occurs once in a few hundred years.
*3: An area of relatively small losses relative to capital events, characterized by high reinsurance rates and susceptible to market cycles.

The Ability to Deliver to Customers

Proposals for Optimal Compensation and Refinement of Contracting Procedures

No matter how good a product or service we develop, it has no meaning unless it can be appropriately delivered. As customers' needs and lifestyles diversify due to changes in household structures and the impact of the coronavirus pandemic, it is becoming increasingly challenging to deliver our products and services in an optimal manner to all of our customers through traditional, in-person human-mediated consulting.

Accordingly, the Group has introduced a system in which we use AI to analyze the policy data we have accumulated to date and then recommend plans with high adoption rates according to customer attributes (e.g., age, gender, family structure, assets/family finances, insurance preferences) and policy information. We have also created a system that allows customers to choose the contracting procedure according to their needs, whether that be to continue receiving full consulting services in person or to complete the contracting process by oneself using a smartphone. In this way, the Group is able to deliver its products and services through the best mix of human and AI, face-to-face and non-face-to-face communication.

Prompt Payment of Insurance Claims

This ability to deliver does not stop with insurance policy procedures, and the prompt payment of insurance money is one aspect of this ability. In the event of an emergency, we use man-made satellites and drones to quickly assess damage, and in the event of a major earthquake, we assess damage based on photos of the building uploaded by the customer and pay insurance claims without waiting for an appraiser to be present.

We are working to further expand support from customers with our ability to deliver to customers, which was bolstered by allocating time created through these initiatives to work that can only be done by people, including loss prevention (preventing an accident before it occurs) support, friendly and sincere responses to customers, etc.

Proposals of suitable coverage and simplification of policy procedures

● AI Recommendations

Illustration ©TMNF

● Policy procedures by smartphone

Use of technology for the prompt payment of insurance money

● Satellite image with an overlay of AI-generated flood assessment

● Surveying damages using drones

Portfolio Management Capabilities

We are adjusting our portfolio through disciplined acquisitions and forward-looking divestitures to achieve stable, profitable growth and capital efficiency while diversifying risks.

CEO Ross Buchmueller of the Pure Group visits Japan following the acquisition agreement

Closing of the Kiln acquisition

Closing of the PHLY acquisition

Closing of the DFG acquisition

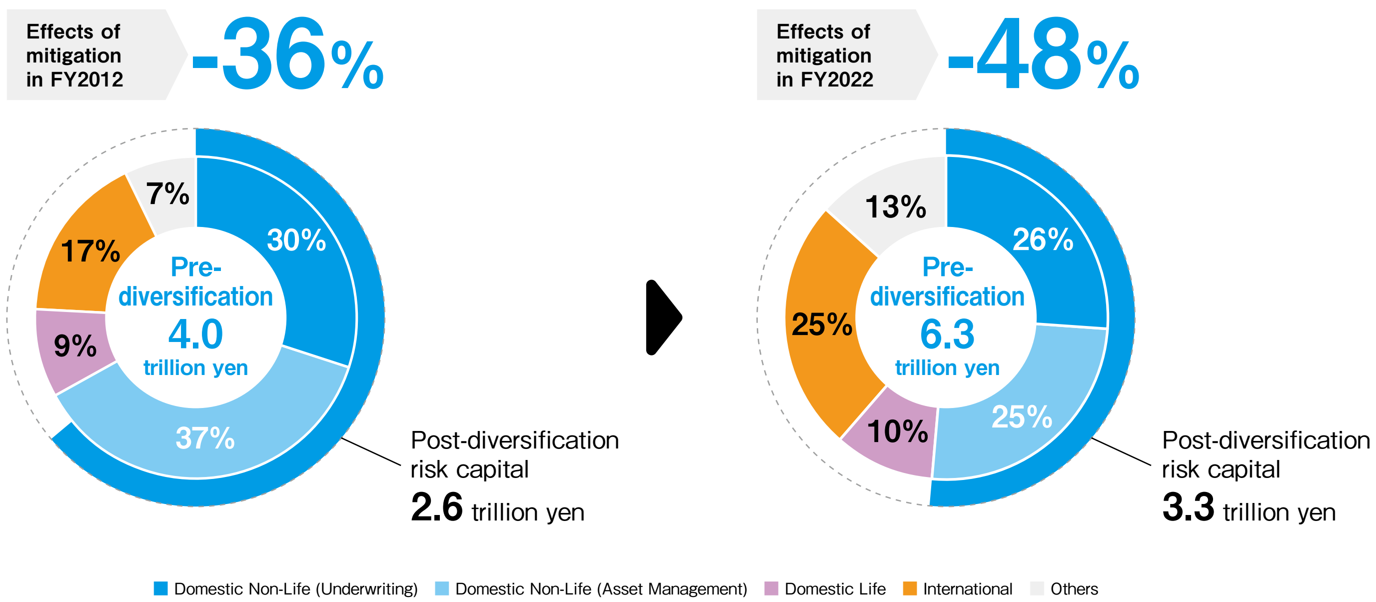
Closing of the HCC acquisition

Track Record of Portfolio Management

To achieve stable profit growth and improvements to capital efficiency, it is important to constantly adjust our business portfolio through disciplined acquisitions, forward-looking divestments, and new risk-taking. Risk diversification through portfolio management is the core of the insurance business, and mishandling this fact could cause the foundation of our business to falter (see pages 52–55 for details about Enterprise Risk Management (ERM)).

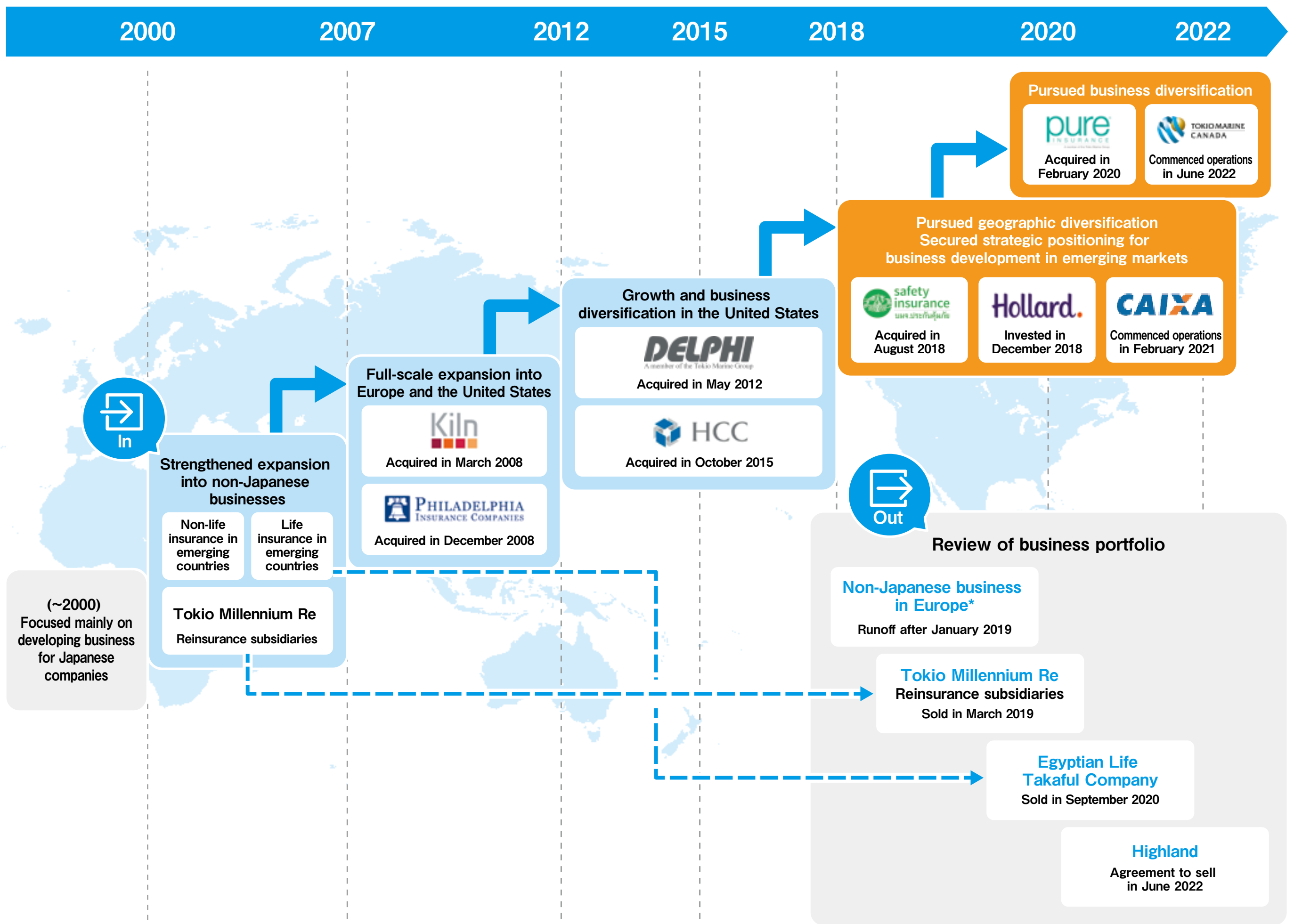
This is why we have spent some 20 years working to reduce business-related equities and expand our international insurance business where there is a low correlation with natural disasters in Japan, and in doing so, have diversified risks across geographic areas, businesses, and products. As a result, we have managed to expand our adjusted net income without greatly increasing risk volume.

The Effects of Risk Mitigation through Risk Diversification



Please refer to page 49 for our record of replacing our risk portfolio.

Portfolio Management to Date



*: U.K. non-Japanese business and some unprofitable non-Japanese businesses in other European regions (continuing the Lloyd's business)

Stringent Acquisition Guidelines Emphasizing Cultural Fit and Autonomy

The capital markets say that we are good at M&A, but the key to success lies in our stringent quantitative standards, as well as our Three Takeover Principles: cultural fit, high profitability, and strong business model. Cultural fit is the most emphasized, but we only pursue acquisitions that meet our quantitative standards. Only proposals that can effectively diversify risk and showcase synergies are considered, and we pursue acquisitions with stringent discipline.

Yet another characteristic of our M&A style that remains unchanged today is that we respect the autonomy of the target company and avoid invasive acquisitions.

The acquired companies, which come with a strong business model, are able to grow more autonomously by benefiting from synergies with Tokio Marine Group. Moreover, there are few companies in the world with a federated model for Group business operations like Tokio Marine, and our integrated group management under a federated model represents our characteristics in the market. In fact, all five of our overseas profit drivers in Europe and the United States have achieved bottom-line growth over and above that of the market, while also generating synergies since joining the Group. In North America, we have established a Top 12 position in the corporate insurance sector and are a top-class player in the specialty insurance field.

Regarding recent large-scale M&A, we are aware that endurance is necessary with recent large-scale M&As, as valuations are high and COVID-19 makes it difficult to tell if a company is a cultural fit. Given that, examples of our recent portfolio management are centered on the establishment of a new office in Canada and bolt-on M&A (see page 127) carried out independently by Group companies.

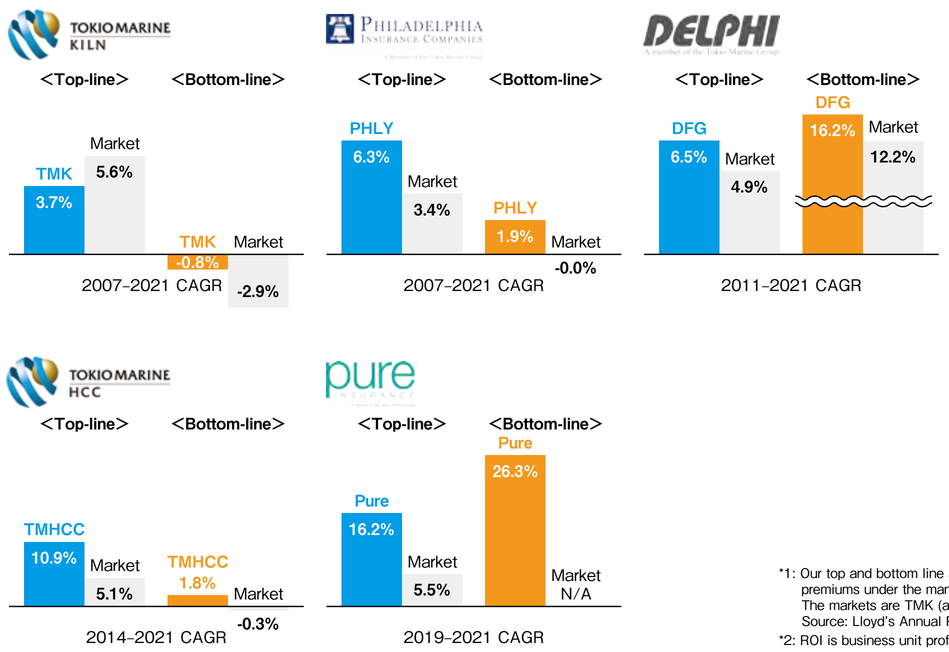
Stringent Acquisition Guidelines

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

Hurdle rate
Capital costs (7%)
+ risk premiums
+ country interest rate spread

Significant Growth at Five Companies in Europe and North America

Growth after joining Tokio Marine Group*1



ROI from large-scale M&A*2

12.1% > Capital Cost 7%

*1: Our top and bottom line are written on a local accounting basis (Pure's top line is the premiums under the management company).
The markets are TMK (all Lloyd's companies) and other (North American non-life insurance).
Source: Lloyd's Annual Report and S&P Capital IQ
*2: ROI is business unit profits planned for 2022 divided by acquisition cost.

Launch of Tokio Marine Canada Ltd., a New Company in Canada

Tokio Marine Canada Ltd. (TMC), a new company established in Canada in December 2021, was officially launched in June 2022. The company's aim is earnings in the Canadian market, which is the eighth largest in the world and features a business environment with regulations and laws in addition to profitability.

Aiming for success, we invited Michael George to be CEO, having successfully launched new insurance businesses twice in Canada, and we installed human resources with ample experience and knowledge of the local market for other senior business executive positions.

TMC has developed a non-life insurance business for corporations, including for specialty lines, and offers insurance to local companies and support for insurance underwriting for Tokio Marine Group in Canada. Aiming to become an insurance company with several hundred million Canadian dollars (tens of billions of yen) in premium revenue in five years, TMC will grow into a Group company that greatly contributes toward our risk diversification and stable profit growth.

TOKIO MARINE CANADA

Forward-Looking Business Divestments

Optimizing our business portfolio is not only about acquisition. It is also important to assess the business with a forward-looking mindset and to engage in divestments.

In fiscal 2022, we sold Highland Insurance Solutions, a subsidiary of TMK and part of Tokio Marine Group. Highland Insurance Solutions is an insurance agency handling construction work insurance in the United States as its flagship product. Since TMK began underwriting insurance in 2015, the construction work insurance market has rapidly expanded, but with high profit volatility, TMK decided to divest the business amid a project reexamining its underwriting portfolio (a project to reduce dependence on property that is easily affected by natural disasters and increase the ratio of liability insurance that can take advantage of hard markets), which it has been working on continuously since 2018. The enactment of a bill in 2021 promoting infrastructure investments created an advantageous situation, and the construction work market itself is expected to grow in the future. We decided that this was an opportunity to divest as new companies enter the market. While we currently have not decided on the use of the capital and cash created through divestments, we will move toward further risk diversification and growth. In the current environment, with major changes to the business environment and difficulties in future projections, we will continue to further diversify risks and achieve sustainable growth and improvements in capital efficiency by engaging in this form of portfolio management continuously.

Integrated Group Management

By deploying its diverse workforce with the right people in the right place, Tokio Marine is generating synergies and utilizing its expertise and wisdom.

Utilizing Expertise and Capabilities from Group Companies Across the Entire Group

Strong Growth among Group Companies

As regulations, culture, and social issues vary depending on country and region, Group companies must build a unique business model rooted in their regions and markets to establish a dominant competitive position no matter how global a business becomes. In fact, Group companies around the world in Tokio Marine Group possess strong stand-alone value, with Japan ensuring stable earnings and North America and developing nations achieving a high growth rate. We believe integrated group management on a global basis can work effectively precisely because of the establishment of strong localities.

Generating Group Synergies with the Group's Capabilities

Our strong Group companies are further refining their strengths and accelerating growth while fully harnessing the Group's capabilities of product lineup, underwriting capacity, and sales network. As a result, in the four areas of revenue (expanding premiums), investment (expanding investment income), capital (optimizing retention/reinsurance), and cost (reducing costs), Group synergies have materialized, leading to a profit contribution of approximately 370 million dollars annually, our highest level.

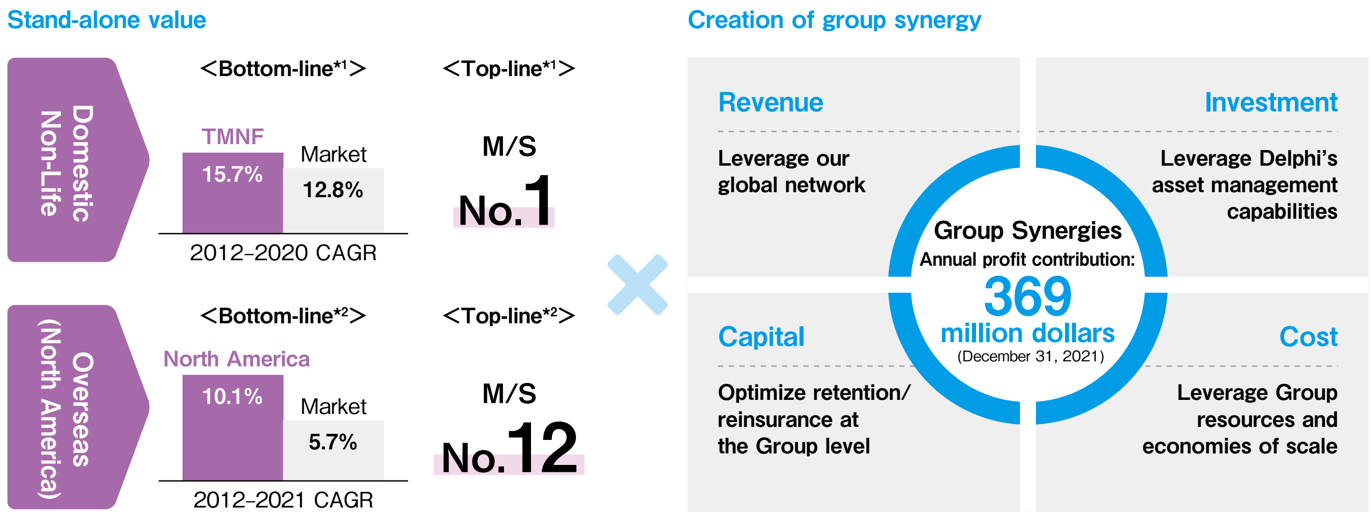
As specific examples of synergies, in addition to growing cross-selling (revenue) using our diverse and broad product lineup along with our global sales network, we are expanding investment income (investment) through DFG with its sophisticated know-how in asset management, optimizing retention/reinsurance (capital) including underwriting capacity, and jointly purchasing systems (cost). The effects of revenue synergies reached about 800 million dollars based on direct premiums, and we hope to increase this further in the future.

Today, discussions about generating these kinds of synergies are being held voluntarily among each Group company and the Group's sense of solidarity is growing. We will further accelerate these initiatives, leading to a Group-wide increase in level.

Achieving Conglomerate Premium

In this way, we are a conglomerate of many Group companies, and we have been asked by some institutional investors whether conglomerate discounts exist. Although there are discussions as to whether we are indeed a conglomerate, as insurance is the central pillar of our business, we intend to firmly deliver conglomerate premiums by routinely expanding synergies through overwhelming competitive advantages for each Group company in each country and region while making each a strong stand-alone company.

Achieving Conglomerate Premiums



*1: Bottom line: Tokio Marine's 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 website
Top line: FY2021 NWP base. Source: Public documents from various companies

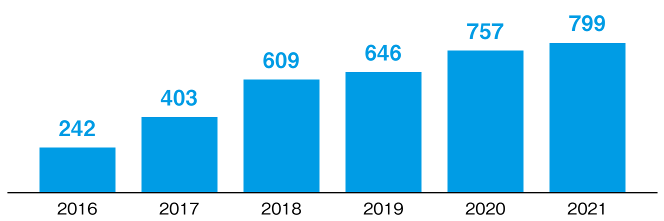
*2: Bottom line: Tokio Marine's local financial accounting profits and the market's net income on a financial accounting basis for North American damage insurance. Source: S&P Capital IQ
Top line: FY2021 DWP base, North American non-life insurance commercial event. Source: S&P Capital IQ

Specific examples of revenue synergy

Cross-Selling	Cross-Selling to TMNF Customers
Joint Approach	Joint Approach to Large-Scale Events and Big Companies
Regional Expansion	Rollout of Specialty Products
Strategic Use of Group Assets	Utilization of the Group's Significant Capital Strength, Intellectual and Human Capital, and Network

Revenue synergies (changes in direct premiums)

(millions of USD)



Assigning our Talented Workforce Optimally to Further Enhance Our Integrated Group Management

We have diversified risk and sustainably grown our business through M&A, and the greatest outcome from these transactions has been the acquisition of talented people (and the expertise and wisdom that have come with them).

For example, we appointed the head of an acquired company to lead the Group and appointed people with expertise in cyber risks, etc., to core positions for Group-wide strategy. In fiscal 2022, Donald Sherman and Christopher Williams were installed as new vice presidents, and we have decided to seek participation and action beyond international insurance, underwriting, and asset management. We are further developing our integrated group management in this seventh year by appointing a Deputy C-suite, etc. We will further improve the quality of our integrated group management by gathering global knowledge and making and executing decisions on important management issues.

Global Integrated Group Management

Topic	The Right Person for the Right Job, Worldwide: Overseas Top Management		The Right Person for the Right Job, Worldwide: Utilization of Specialties	Strategies Implemented
Underwriting	Robert O'Leary Managing Executive Officer	Brad Irick Executive Officer (2022.4~)	Specialties Philippe Vezio	• Creation of revenue synergies • Development and execution of Group retention and ceded reinsurance strategies
Asset Management	Donald Sherman Executive Vice President (2022.4~) Co-CIO	Randy Rinicella Deputy CLCO (Legal & Compliance) (2022.4~)	Reinsurance Barry Cook	• Creation of investment synergies • Appropriate control of interest rate risk
Business Environment	Christopher Williams Executive Vice President (2022.4~) Co-CRSO Co-Head of Int'l. Business	Gus Aivaliotis Deputy CDO (Digital) (2022.4~)	Insurance Reserve Daniel Thomas	• Development of a post-coronavirus strategy • Establishment of a reserve verification system
Digital & Cyber	José Adalberto Ferrara Executive Officer	Robert Pick Deputy CITO (IT) (2022.4~)	Cyber Insurance Daljit Barn	• Consolidation of the Group's advanced digital capabilities • Group-based cyber risk management
Sustainability & D&I	Susan Rivera Executive Officer	Caryn Angelson Deputy CDIO (D&I) (2022.4~)		• Establishment of a Group-wide sustainability strategy and goals • Creation of the Diversity Council

Penetration of Our Purpose as a Foundation

It is essential to spread a sense of purpose that unites our diverse workforce of more than 40,000 employees as one team to flexibly respond to changes and solve issues. To this end, Tokio Marine's CEO, who also serves as the Group Chief Culture Officer (CCO), takes the lead. He engages our employees around the world both physically and remotely. By asking "What is our business for?," each employee has opportunities to reconfirm the meaning of his or her work while thinking about and discussing Tokio Marine's purpose. Employees can consider how our work contributes to our customers and society and what is necessary to solve issues for customers and society.

In addition, by discussing our purpose at meetings attended by top management figures from around the world, and through "Majikirakai" meetings, where serious discussions that go beyond divisions and positions on a global scale are held in a relaxed atmosphere, we aim to become a company second to none in terms of enthusiasm and unity, where our purpose permeates the furthest reaches of the world.

Dialogue with employees aimed at penetration of our purpose

Remote world tour with CEO Komiya (CEO Conference)

Smooth Succession and Training of Management Professionals Who Will Lead Us into the Future

Both a smooth succession and the training of the next generation of management professionals are essential to make our integrated group management sustainable.

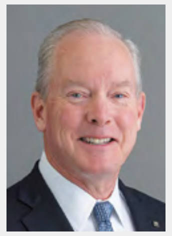
Smooth successions are progressing, as we replaced the CEO of TMHCC in September 2018 and the CEO of PHLY in January 2021. Each of these former CEOs continues to play an active role as Tokio Marine officers.

Even from the perspective of training the next generation of management professionals, we are working both in Japan and abroad to improve the pool of human resources who will be responsible for the future management of the Group by enhancing talent management at the next level of senior management and mid-level management.

Smooth Succession

Philadelphia Insurance Companies

Currently CEO of TMNA, Chairman of PHLY, and Executive Director of HD



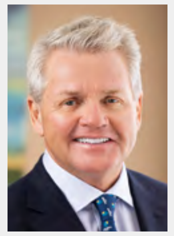
Robert O'Leary

2021.1

John Glomb

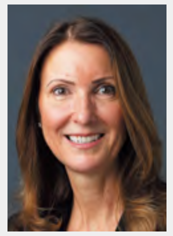
Tokio Marine HCC

Currently leads the entire Group as HD Vice President (also continues to direct overseas operations)



Christopher Williams

2018.9



Susan Rivera

Training of the Next Generation of Management Professionals

Talent management across the Group in Japan and abroad

- Talent management discussions across the Group by C-suite, etc. (from September 2019)
- Discussions on career development plans for about 60 people in Japan and abroad over 10 sessions so far

Training Programs to Cultivate a Management Mindset

Global Executive Program

- Training for senior executives in Japan and overseas
- By sharing meals and housing together in a demanding environment, participants build a strong bond of trust among themselves, and this leads to further synergies across the Group

Grueling offshore training off the coast of American Samoa

Beds on the ship

Middle Global Leadership Development Program

- Training mainly for middle-level employees overseas
- Visiting disaster-stricken areas in Tohoku to understand the significance of insurance and the meaning of being a "Good Company" through learning about the actions and thoughts of those who were affected by the disaster
- Making presentations to management on how to demonstrate Group synergies and link this to further synergies in practice

Visiting the areas affected by the Great East Japan Earthquake

Presentation to management

Management Forum

- Training for department managers in Japan
- Participants enhance their ability to build a management vision by discussing management strategy and making strategic proposals to the Board of Directors

Final presentation meeting

Management School

- Training for young leaders in Japan
- Comprehensive development of global leadership skills through programs held over nine months
- Through multiple hands-on programs, participants acquire a broad perspective and the ability to change, which are characteristics required of management personnel

Dialogue on leadership

Even amid today's uncertain environment, we will achieve sustainable growth by strengthening investments in "human capital" and "intellectual capital," and by linking these investments to "enhanced corporate value" as we take the necessary measures.

Strengthening Non-Financial Capital		
	Intellectual Capital Strategy	Facilitate innovation through digitalization Ability to execute M&As and PMI (see pages 24–27)
	Human Capital Strategy	Promote and instill diversity and inclusion maximize the potential of our people integrated group management (see pages 30–31)

The capabilities required of us will change as we expand our business domains. To support customers and society in times of need into the future and to maintain our position as a Good Company on which the world will rely for the next century, we will bolster forward-looking investments and continuously strive to enhance our strengths.

Intellectual Capital Strategy | Facilitate Innovation through Digitalization

Our digital technologies and data are the source of our competitive advantage. In addition to business investments, we will strategically invest in the human resources that will leverage these as a means of evolving into a company that always supports its customers.

Tokio Marine Group will go beyond the payment of claims in the event of an emergency and provide peace of mind before and after an accident, including preventing accidents, mitigating the customer's burden in the event of an accident, helping with early restoration, and preventing recurrences, in aims of evolving into a company that always supports its customers. To achieve this aim, we have positioned our digital technologies and data as important intellectual capital and intangible assets that will serve as the sources of competitive advantage. Along with thoroughly leveraging these assets, we will also execute the investments required to further strengthen them in a strategic, agile manner.

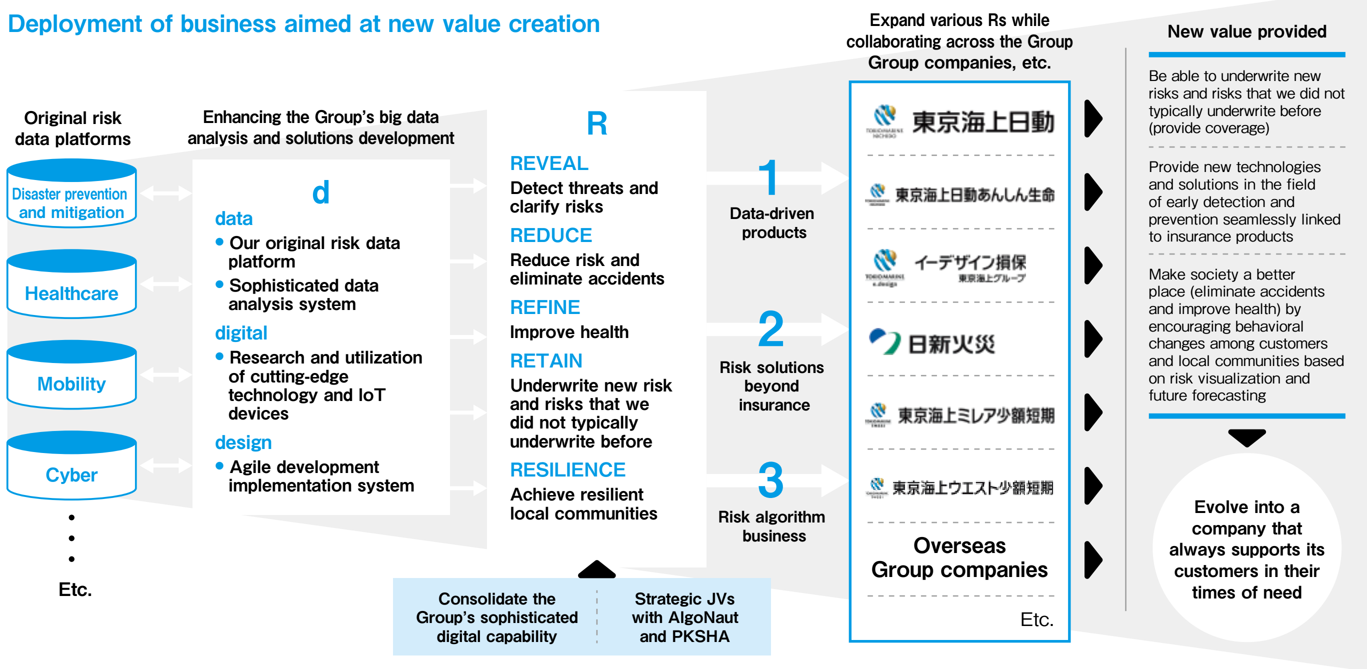
On one hand, although we possess an extensive amount of accident data and risk information acquired through our many years of insurance underwriting in a broad range of areas, we require the ability to combine these with a wide array of external data from areas beyond insurance underwriting, as well as the ability to apply sophisticated data analysis techniques to provide them with "meaning" and launch them directly into new products and services. Tokio Marine Group has already made investments totaling several tens of billions of yen in alliance with various partners, including PKSHA Technology and ALBERT, and has effectively reinforced and evolved the capabilities and data accumulated within the company. Moreover, by bringing together the know-how and data possessed by Tokio Marine Group within Tokio Marine dR Co., Ltd., which was launched in July 2021, we are powerfully driving the creation of new insurance products and paid services that will serve as a pillar of monetization in the future.

On the other hand, we will also focus our energies on developing and acquiring human resources to design and leverage these products and services. Along with hiring around 100 human resources specializing in the field of digital technology, we established an internal training program called the Data Science Hill Climb, which turns out several dozens of data scientists every year. We are currently investing more than 100 million yen annually in developing digital human resources, which includes training opportunities to enhance the digital skills of all employees.

By continuing to leverage digital technologies and data in a sophisticated manner under the assumption of aggressive business investments and investments in our people, we will expand our insurance underwriting domain and boldly execute business expansion into the domain of providing peace of mind before and after an accident. These efforts will thereby allow us to achieve sustainable growth into the future.

Overview of Group-Wide Initiatives through TdR

Deployment of business aimed at new value creation



Human Capital Strategy | Promote and Instill Diversity and Inclusion, Maximize the Potential of Our People

Creating an environment in which our more than 40,000 employees of diverse nationalities and backgrounds can improve their abilities while playing an active role, and create a "flexible and resilient company" that can maintain growth even in an uncertain environment and market.

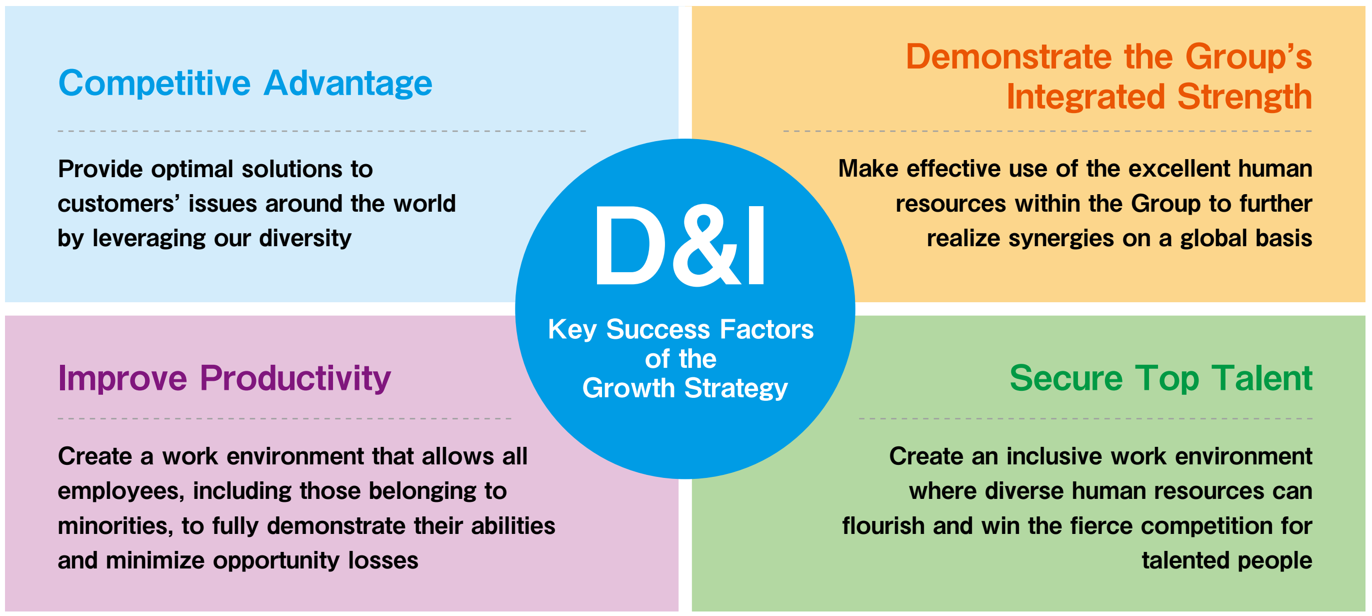
The source of our competitive strength as a company engaged in the insurance business is now, has always been, and will always be our people. Amid the changes in the environment encompassing Tokio Marine Group, it is becoming increasingly important for us to create an inclusive organization that gives birth to new value, and to make investments for this purpose, if we are to continue our growth. To do so, in addition to acquiring talented individuals and expertise, as well as matching our talent with the right assignments, we must continue to enhance the unique capabilities of each of our 40,000 highly individualistic employees throughout the world and to combine their capabilities.

On one hand, Tokio Marine Group has acquired a multitude of capable talent and expertise through M&As in the past and has optimally leveraged this know-how and expertise on a global basis. Our Group-wide talent management and training programs underpin the greater intensification of this approach and serve as mechanisms that stably turn out human resources with the ability to undertake group integrated management into the future.

On the other hand, amid today's dramatic changes, to sustainably achieve growth through the resolution of social issues as the vision of Tokio Marine Group, we must go beyond simply acquiring and developing specific types of talent and experts. Instead, we must tirelessly update the skills and know-how individually possessed by our diverse range of employees throughout the world, all while ensuring that each can succeed in their positions. From this perspective, in 2021, in addition to a human resource development cycle based on stretching role assignments and generous on-the-job training support, TMNF organized and introduced a new training framework called "Cafeteria for Learning," which aims to develop a wide range of capabilities based on the needs and will of individual employees. At the same time, it is accelerating other investments intended to develop employee capabilities, for example, by setting up a new allowance that encourages self-improvement among all employees in 2022.

In addition to leveraging the full capability of individuals in this way, we must strengthen and instill diversity and inclusion to generate intellectual combat as a team and to connect the results to new value creation. For this reason, we will focus our efforts on promoting diversity and inclusion as the cornerstone of our growth strategy.

Tokio Marine Group will achieve sustainable growth while leveraging the full potential of individuals and the organization through ongoing, aggressive investments in human capital.



Our Progress in Solving Social Problems and Achieving Sustainable Growth

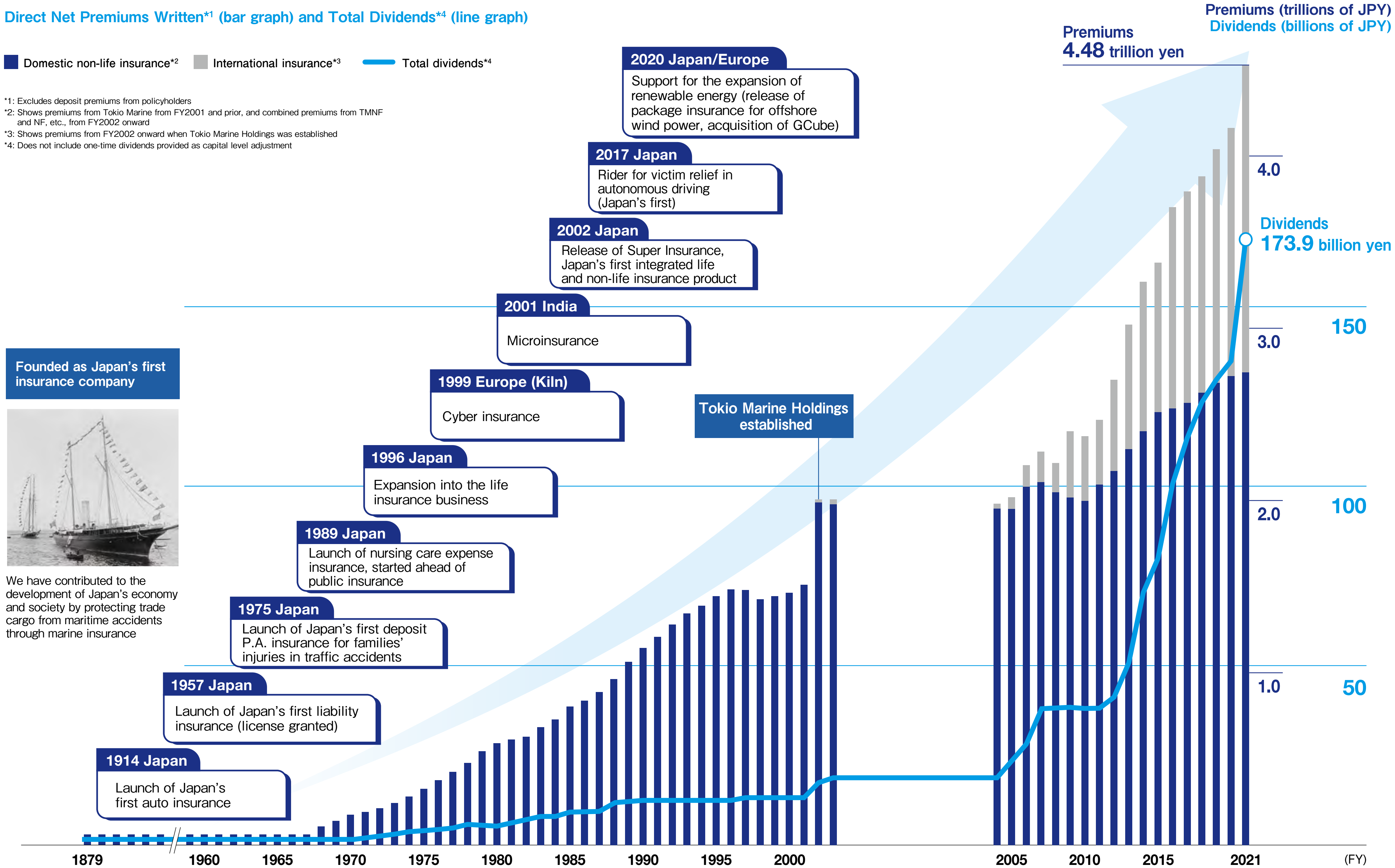
We want to protect our customers and society in times of need. Tokio Marine was founded on this purpose in 1879. Since then, we have helped people to overcome various social problems as they change with the times. We began as a company devoted fully to marine insurance, but this business now accounts for no more than 2% of our total sales. Our company has thus changed and expanded in response to changes in the world while gaining customer support, and this has led to an increase in profit growth and an expansion of shareholder dividends. By tirelessly continuing to sharpen our three strengths, we will help our customers and society in times of need and achieve further growth.

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



Founded as Japan's first insurance company

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

Examples of Recent Issue Resolution

Climate Change

2020 Acquired GCube to support the advancement of renewable energy using the power of insurance

Climate change is an issue faced by all humankind. In May 2020, to support the popularization of renewable energy, we acquired GCube, a leading player that underwrites insurance for renewable energy businesses all over the world. Through this acquisition, we have gained advanced underwriting capabilities, risk assessment capabilities, claims service capabilities, and other capabilities that constitute the foundation of our insurance business in the field of renewable energy; proactively supported the growth of the renewable energy industry through insurance; and consequently expanded our earnings as well.

Pandemic

2020 Developed cargo insurance for the transport of COVID-19 vaccines to contribute to ending the pandemic using the power of insurance

The COVID-19 pandemic significantly affected peoples' lives and economic activities. It is not easy to offset all the impact of the pandemic through the power of insurance, but for an early end to the pandemic, we developed cargo insurance for the transport of COVID-19 vaccines. It is typically difficult to underwrite insurance for vaccines because they can no longer be used if they are not kept at the right temperature. However, TMK, Tokio Marine's subsidiary in the United Kingdom, together with Lloyd's, developed cargo insurance that compensates the risk associated with temperature fluctuations during vaccine transport by installing IoT devices on vaccine transport vehicles. The insurance pays out claims in less than three days in case vaccines are not kept at the optimal temperature, which facilitates the transport of vaccines to developing countries.

Tailgating and Other Traffic Problems

2021 Developed the auto insurance product, Drive Agent Personal with dual-camera driving recorder, with the goal of enabling safe and secure driving using the power of insurance

Tailgating and some other traffic problems have become social issues in recent years. We were the first in Japan to introduce a dual-camera driving recorder with telecommunication function as a rider on auto insurance. Because this made it possible to capture video from the front and rear at the same time with one driving recorder, customers can now record tailgating and collisions. Furthermore, the system includes the industry's first SOS transmitting function to enable drivers to seek advice when suffering from tailgating or call for an ambulance when they suddenly feel ill in a car. In addition, it can be used as a measure to prevent car accidents by alerting drivers when they depart from lane markers, approach too close to the vehicle ahead, or drive inattentively. In these ways, we have contributed to the realization of safe and secure driving using the power of insurance.

The Current Tokio Marine Group, Which Has Constantly Solved Social Issues

Based on our purpose, which is our starting point, we have continued to resolve social issues, and have consequently grown into a leading global insurance company. We are now providing value to all stakeholders in a well-balanced manner.

Leading Global Insurance Company

Non-Life Insurance Profit Ranking (billions of JPY)

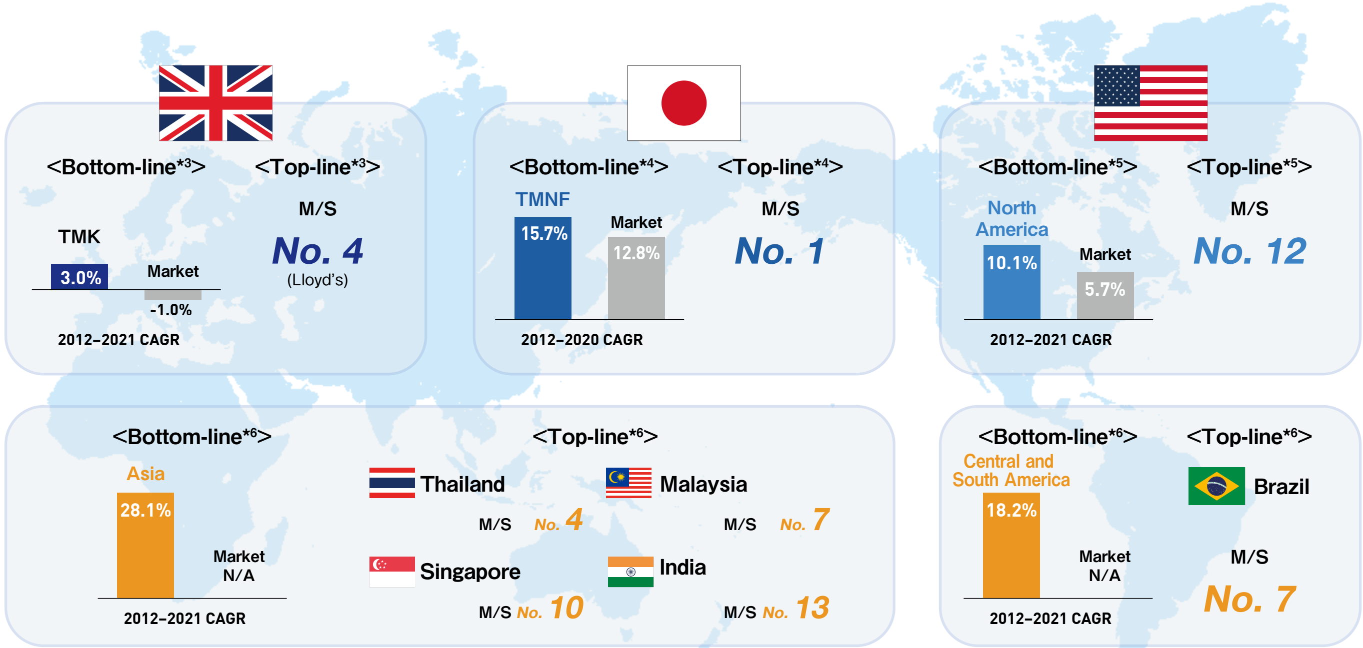
Ranking	Company name	Profit*1*2
1	Allianz	1,011.2
2	Chubb	661.6
3	AXA	643.8
4	Zurich	540.8
5	Progressive Corporation	468.0
6	Allstate	460.5
7	China Pacific Insurance	453.9
8	People's Insurance Company Group of China	417.3
9	Tokio Marine Holdings, Inc.	377.4
10	Travelers	367.5

Non-Life Insurance Market Capitalization Ranking (billions of JPY)

Ranking	Company name	Market capitalization*2
1	Chubb	11,300.4
2	Allianz	10,572.8
3	Progressive Corporation	9,226.4
4	Zurich	8,886.9
5	AXA	7,197.0
6	Travelers	5,506.1
7	AIG	5,495.3
8	Tokio Marine Holdings, Inc.	5,374.0
9	Allstate	4,727.9
10	People's Insurance Company Group of China	3,999.6

*1: Adjusted net income is shown for Tokio Marine Holdings, and average net income on a financial accounting basis (IFRS, USGAAP, etc.) from FY2017 to FY2021 is shown for others.
*2: As of June 30, 2022

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

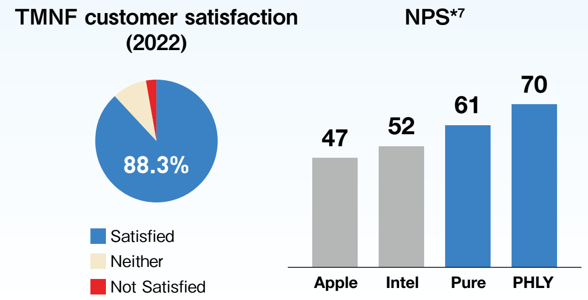


*3: Bottom line: Tokio Marine's local financial accounting profits and the market's net income on a financial accounting basis for all Lloyd's companies.
Source: Lloyd's Annual Report and S&P Capital IQ
Top line: FY2021 GWP base
Source: S&P Capital IQ
*4: Bottom line: Tokio Marine's business unit profits 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: FY2021 NWP base
Source: Public documents from various companies
*5: 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: FY2021 DWP base, North American damage insurance commercial event.
Source: S&P Capital IQ
*6: Bottom line: Tokio Marine's business unit profits. The market is not listed as there is no data.
Top line: FY2021 GWP base
Sources: AXCO, IRDAI, IPRB, SUSEP, Swiss Re, and FSCA (Financial Sector Conduct Authority)

A "Win-Win" Scenario with Stakeholders

Customers

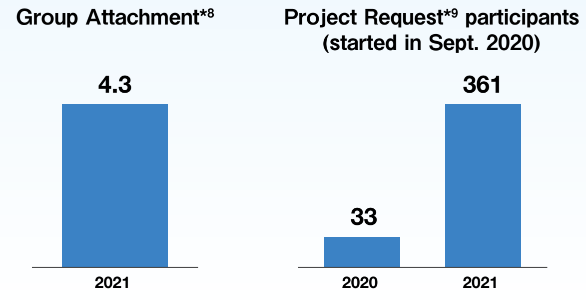
Assessment of the results of supporting those in times of need around the world



*7: Net Promoter Score (Indicator of customer loyalty and intent to continuously use the services); PHLY and Pure are based on 2021 data.
Source: Customer GURU, NICE Satmetrix 2022 Consumer Net Promoter Benchmark Study

Employees

Group of highly motivated employees

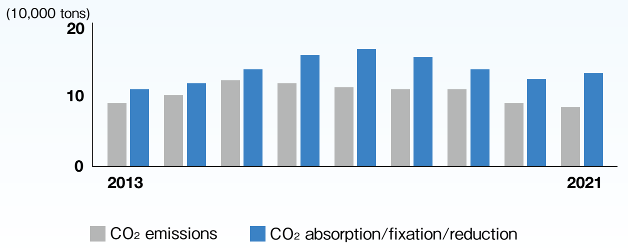


*8: Maximum 5 points (Totals for Tokio Marine Holdings and its Group companies worldwide)
*9: System to work on solving problems through volunteers, going beyond departmental boundaries

Society

Social contribution through sustainable business activities

Achievement of carbon neutrality*10 for nine consecutive years



*10: Emissions from in-house operations falling under Scope 1, 2, and 3 (Categories 1, 3, 5, and 6) emissions

Future Generations

Responsibility to help equip children with the skills they will need in life

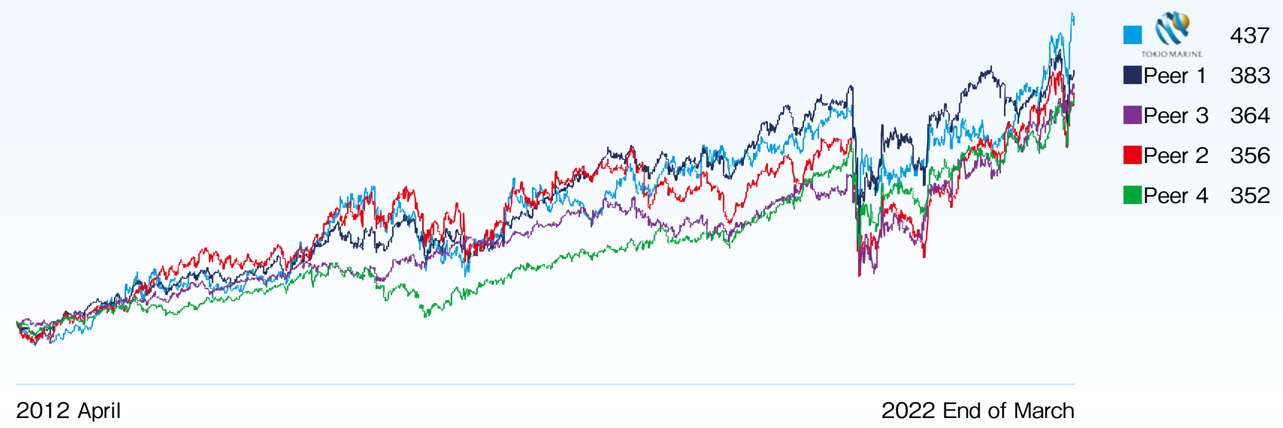
Green Lessons:
Approximately **58,000** children attended

Disaster Prevention Lessons:
Approximately **64,000** children attended

(as of March 31, 2022)

Shareholders

Top-class TSR*11 through growth in profits (last decade)



*11: Total Shareholder Return: Capital return after reinvesting dividends, an index setting the stock price on April 1, 2012, to 100.
Peers: Allianz, AXA, Chubb, Zurich
Source: Bloomberg

Tokio Marine Group's Sustainability Management Connecting the Story of Our Purpose to the Next 100 Years (Value Creation Approach)

We will continue to grow by solving the many expanding and diversifying social issues, starting with our purpose

The Group We Aim to Be

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

For Customers	For Society	For Future Generations	For Employees	For Shareholders/ Investors
Contributing to the realization of healthy and enriched lives of our customers by delivering safety and security and by supporting them in challenges that lead to the future	Contributing to creating a sustainable society where people can live in safety and security, and take on any challenges	Passing on a sustainable environment to future generations	Contributing to employees' high performance by providing opportunities to work brightly and vibrantly and through engagement	Sustainably growing shareholders' returns. Working to gain the trust of shareholders/investors and improving corporate value through appropriate disclosure and constructive dialogue

2023 KPIs

Adjusted net income: CAGR +3%–7% (2023 projection: substantially exceeding 500 billion yen)

Adjusted ROE: About 12%

Business Activities

Provide value through the resolution of social issues

—Realize our purpose unchanged from the time of our founding—

- Detect risk and contain damages ("Pre-incident" area)
- Eliminate uncertainty by underwriting risk (insurance business/ underwriting)
- Supporting customers in their times of need
- Cover damages and encourage efforts to tackle challenges (insurance business/payments)
- Quickly restore and prevent recurrence ("Post-incident" area)
- Always there for customers

Group Strengths	The ability to offer support, intimes of need, and always See pages 22–23	Portfolio Management Ability See pages 24–27	Integrated Group Management See pages 28–31
Strengthening Non-financial Capital	Intellectual Capital See pages 84–85	Human Capital See pages 86–87	

Purpose that supports the operating foundation

Upward value creation spiral

Resolving social issues through business activities

100 Years from Now

Create a cycle of business activities and solutions to social issues to further enhance problem-solving capabilities and refine strengths and strategies

Simultaneously increase social value and economic value

A Society That We Wish to Help Create

A Sustainable Society in Which Everyone Can Live in Safety and Security, and Boldly Take on Challenges

01	02	03	04
Resilient world at peace with natural disaster risks	World with extended healthy life expectancy and where everyone can live independently and affluently with peace of mind	World offering a sense of purpose and motivation to all	A safe, secure, and comfortable world based on urban strategies led by Tokio Marine Group

2050 KPIs

CO_2 emissions: Effectively zero (for Tokio Marine and invested companies)

2030 KPIs

CO_2 emissions: -60% (compared with 2015)*1

Rate of introduction of renewable energy: 100%*2

Major Social Issues

- Climate change countermeasures (7 Affordable and clean energy; 13 Climate action)
- D&I (5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities)
- Healthy and spiritually rich living (3 Good health and well-being)
- Disaster resilience (11 Sustainable cities and communities)

Changing Social Needs and Increasing Diversity and Complexity of Social Issues

Global warming | Demographic changes | COVID-19 pandemic | Rapid progress of DX | etc.

*1: Based on emissions from our business activities (Scope 1, 2, and 3 (Categories 1, 3, 5, and 6))
*2: Ratio of renewable energy in power consumption at main business locations

Past

Satoru Komiya
President and Group CEO

Through 143 years of deep-rooted sustainability management, we will continue to support our customers and society in times of need.

Management Discussion and Analysis of Our Business Environment and Our Group's Management Strategy

Focusing on "Global Risk Diversification" and "Integrated Group Management"

In these uncertain times, where conventional wisdom and past experiences no longer apply, we must confront complex issues directly. In Japan, we continue to feel the effects of typhoons, extreme snowstorms, earthquakes, and coronavirus (COVID-19). Meanwhile, overseas, geopolitical and geo-economic risks are ever-increasing, including the constant threat posed by North Korea, the growing antagonism between the United States and China, and Russia's invasion of Ukraine. These phenomena are all interlinked, bringing with them a cascade of global consequences and matters of national security, including an energy crisis, supply chain disruption, and cost-push inflation. In response, central banks, for instance, are hiking rates and overall market volatility is on the rise.

Tokio Marine Holdings is expanding its business globally, so no matter where in the world events happen, they are likely to impact us. The implication of this is that we must fundamentally base our strategy on global risk diversification and manage and operate our businesses on the assumption that such events will occur. Specifically, over the last 20 years, we have been reducing risk through the sale of business-related equities and using that capital to fund overseas M&As. We have thus increased overseas insurance risk, which has a low correlation with the domestic non-life business. We have also made efforts to reduce interest rate risk, for which we have no appetite, by terminating sales of savings-type products and by increasing the hedging ratio. The Group has built a diversified business portfolio that can stand strong in the face of global risk, and we have been working to curb volatility in profits and capital while increasing our corporate value. This success can be seen in our results: Despite the large-scale natural disasters that Japan suffered in both fiscal 2018 and fiscal 2019, and the emergence of COVID-19 and subsequent global pandemic in fiscal 2020, we have been able to limit the impact of these events on profits to only 20%–30%. Furthermore, although we cannot predict with complete certainty, we currently anticipate that the impact on business related to Russia and Ukraine will be limited. However, bottom line impact of 20%–30% is still significant, and we will further promote global risk diversification and risk reduction, which I believe there is still room for us to do that.

On the other hand, it is also true that conglomerate discount is applied when firms diversify into low correlated businesses for the sake of risk diversification. During our IR, some institutional investors have pointed out that institutional investors can effectively accomplish their own portfolio diversification through investing in a diversified set of insurance companies. Thus, investors prefer each company to concentrate its management resources and improve its operational efficiency. Our Group perspective on this is that, as each Group company, as a stand-alone entity, becomes the most favored and trusted company in the region, and as we exploit and expand synergies among our Group companies, we can achieve a conglomerate premium. We have been communicating our strategy to institutional investors through IR conferences and one-on-one dialogues, and I believe that this message is gaining acceptance. By also communicating this same message to each Group company, we are making efforts to both further increase the stand-alone value of each company and accelerate synergies.

In addition to global risk diversification, global integrated group management is one of the Group's unique management strengths. We have invested six years designing a management structure tailored to our organization. Specifically, as a global insurance company, we believe that executive decisions should not solely rest on the shoulders of Japanese management, but rather leverage aggregated global knowledge to enable better decision-making and execute upon those decisions.

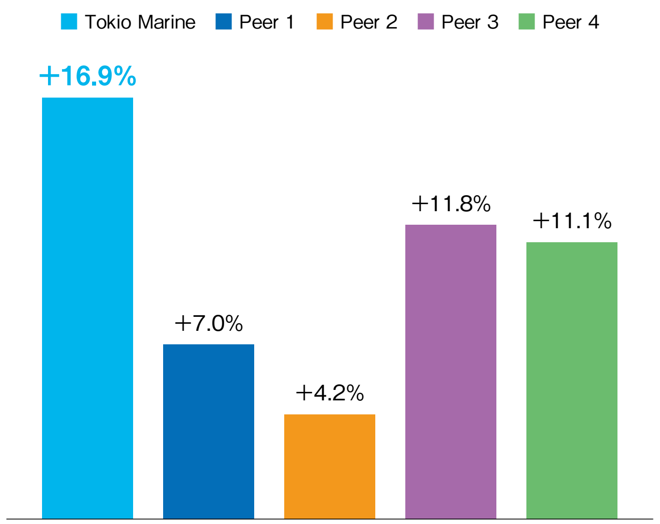
In fiscal 2022, the Co-CIO (Chief Investment Officer) and CEO of Delphi Financial Group, Inc. (DFG), Donald Sherman, and the Co-Head of International Business and Co-CRSO (Chief Retention Strategy Officer), Christopher Williams, were promoted to Vice President Executive Officers, for their various insights beyond overseas business, insurance underwriting, and asset management. They, along with the Japan C-suite and myself, meet twice a week to discuss key Group-wide issues. No longer is it just Japanese management members making key decisions. We continue to raise the bar on our management strategy and accelerate the speed of our decision-making. Refined middle point of Western and Japanese management philosophy that take the best approaches of both is what we aim as our integrated group management. With the current management team, I am confident in our ability as a world-class global insurance company to continue to grow and develop to our full potential.

Entering a New Stage by Executing Our Strategies

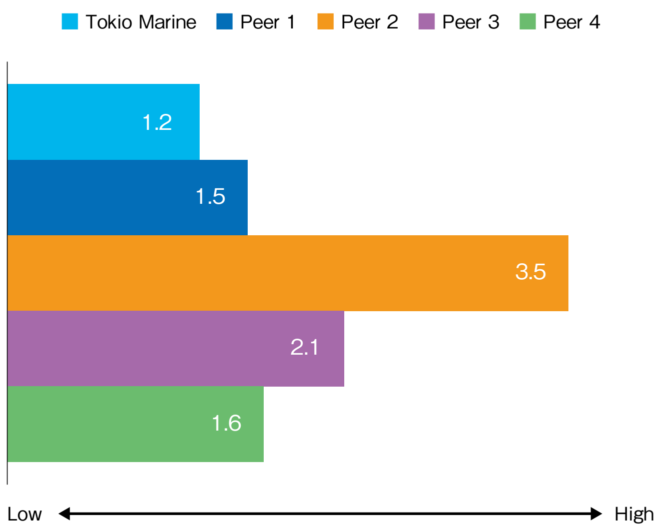
I believe we are seeing success of solid execution on the strategies outlined in our current Mid-Term Business Plan based on our global risk diversification, global integrated group management, and on the founding principle of achieving sustainability management that aims to solve social issues while ensuring profit growth. In fact, adjusted net income for the first year of the Mid-Term Business Plan, fiscal 2021, was a record 578.3 billion yen. This was driven by strong insurance underwriting profits in Japan and overseas, with a tailwind of fewer natural disasters than previous years. Even on a normalized basis, excluding nonrecurring items, profits were 505.4 billion yen, exceeding our milestone target set in 2017 of 500 billion yen. For fiscal 2022, our forecast is set to 550 billion yen. Our adjusted ROE for fiscal 2021 was 14.4% on an actual basis and 12.7% on a normalized basis. For fiscal 2022, we are aiming for 12.5%, which exceeds our medium- to long-term target of 12%. We are entering a new stage in which, for the first time, we can target our next level of growth. We recognize, however, that fiscal 2022 will be a critical year for us.

As to what lies ahead, we are currently taking a broad-minded approach in evaluating our new target. What I can say concretely is that as we anticipate that social issues will only continue to escalate, and that we must do our utmost to support our customers and society in their times of need. The fruits of these efforts will be reflected in our EPS growth. Our current EPS has achieved world-class growth while curbing volatility. Our Mid-Term Business Plan calls for organic growth at a world-class standard above 5%, and we would like to achieve a strong Delta. At the same time, we are aware that despite our improved ROE, it remains low compared to our peers. To improve ROE, we plan to prioritize profit growth while further reducing the business-related equity balance and rigorously controlling net assets.

EPS Growth (2017–2021 CAGR)



EPS Growth Volatility (2017–2021)



EPS: Profit in numerator is adjusted net income for Tokio Marine and KPI for peers; Volatility: Coefficient of variation; Peers: Allianz, AXA, Chubb, Zurich
Sources: Company data, Bloomberg

Supporting Both Existing and Future Needs

Responding to Change through Enhanced Risk Literacy

Looking ahead, we will focus on enhancing our risk literacy with the additional support of the world-class advisors we retain. As I mentioned above, we live in a time of rapid social change, and what individuals, businesses, and societies perceive as “risk” is transforming in tandem. With the need to address both new risks and growing existing risks, the Group must continue to rise to the expectations of our customers and society. Our Group-level Market Intelligence, and broader Intelligence Function, will be enhanced to support our ability to make agile and precise judgments. We will adapt to external changes as well as challenge ourselves to create the changes (imperative to supporting both existing and future needs).

Every company has its “moment of truth” that defines the value of its existence. In this age of volatility, uncertainty, complexity, and ambiguity (“VUCA”), we must again question our business purpose. That is, the Group’s “moment of truth” is that we must be there to protect our customers and society in their times of need. This has been our purpose since our company was founded in 1879. Even before “ESG” existed as a concept, our Group’s reason for existence has been to achieve sustainable growth through contributing to the resolution of social issues.

The origins of the word “risk” lie in the Latin word “risicare,” which meant “to attempt with bravery (with the preparedness and understanding that something might occur).” Throughout the history of mankind, the stories of individuals who have faced challenges with bravery are numerous—and continue to this day. As an insurance company, we want to exist to support individuals as they face their challenges, whenever those challenges might arise. Thus, by continuing to challenge ourselves to alleviate social issues, we contribute to the further development of humankind and the resilience of society. This is what I believe to be true of insurance companies.

Humanity’s Greatest Need Is to Urgently Address Climate Change

The greatest priority now for all of humankind’s future is to address climate change. In the last year alone, there were a series of tornadoes in Central and South America, flooding that caused damage in more than 12 European countries, a Category 5 typhoon that struck the Philippines, flash flooding in Nepal and several areas of India, flooding in South Africa, and numerous other large-scale natural disasters that can be attributed to the effects of climate change. These disasters have greatly impacted economic activity and the stability of people’s lives.

Large-scale disasters affect not only the Group’s P/L but also have the potential to impact the B/S as well. However, no matter what, we will fulfill our commitments to our stakeholders. We must strengthen our financial soundness, but more important, balance that with our capital efficiency. It is rather easy to improve financial soundness with capital accumulation. However, to be resilient in sustainably delivering values to our stakeholders, we must also improve the quality of our operations through global risk diversification, and raise our ROE to enhance capital recovery upon times of crisis.

Furthermore, it is critical that we take steps now to improve the profitability of fire insurance business in Japan which is invariably “in the red.” We are the stewards of the entrusted shareholder capital, and overall profitability does not justify individual business lines to make constant losses. There was a time when the Group struggled with the profitability of its auto book in Japan, but, today, the combined ratio is now in the low 90% range and maintaining a solid level of profitability. Auto insurance and fire insurance are different lines, to be sure, but we can apply lessons learned from one to the other. We are determined to make fire insurance—critical for Japan as a natural disaster-prone nation—a sustainable product.

As an insurance company, we also need to view climate change as an opportunity for growth. Take the example of renewable energy: Renewable energy is the best tool we have to achieve decarbonization, and we anticipate significant future developments in the field. Insurance will be indispensable to the energy’s widespread adoption, but the risks associated with the renewable energy business are substantially different from those of conventional power plant and energy businesses. The accident and loss trends differ for each type of renewable energy: wind, hydro, biomass, geothermal, and wave. Thus, to handle renewable energy-related insurance, we must develop a sophisticated level of underwriting and claims service capabilities. In May 2020, we acquired GCube, a global leader in renewable energy insurance underwriting. Through this acquisition, we now possess an extensive set of loss data that enables us to conduct definitive insurance premium calculations and risk selections. We are pleased to now have industry-leading underwriting capabilities. We have also welcomed claims adjusters specializing in renewable energy to our Group and are now able to provide clients with expert advice regarding risk reduction. We will further optimize our rating models and expand synergies between GCube and other Group companies while contributing to global decarbonization efforts through a specialized renewable energies business, and in doing so, sustainably grow the Company.

In addition, there is a “protection gap” when it comes to what climate change risks are covered—and the proportion of the risk covered by insurance is still relatively small. In the face of growing climate change risks, the need for natural disaster protection and mitigation is also increasing. We focus on this as an opportunity for growth.

The Group, whose origins lie in natural disaster–prone Japan, is proud to have world-leading insurance underwriting expertise in this area. Climate change is a global issue, and we have a role to play in building resilience in the face of the increasing risk of natural disasters. As an industry leader, the Group will put its full effort into alleviating the effects of natural disasters and implementing climate change countermeasures.

Yet, climate change is not an issue that can be solved by any one person or company alone. The Group will continue its steady effort to combat climate change and will coordinate with industries and the world to align our efforts to jointly ensure a bright future for generations to come. The Group has joined the Net-Zero Insurance Alliance (NZIA), a global initiative, as the first Japanese member, to initiate industry-based discussions on climate actions. As a representative of resource-scarce Japan, it is clear to me that I must advocate not only for divestment in fossil fuels but also engage others in setting goals to achieve a decarbonized society.

Aiming to Be a Good Company and Investing in Intellectual and Human Capital

To become a "Good Company" that will still be trusted 100 years from now and considered essential for society, we must continue to improve the quality of our management and refine our three strengths: our ability to provide support in times of need and to be always there, our portfolio management capabilities, and our global integrated group management. To achieve this, we must leverage and invest in both our intellectual and human capital. These are going to be our key success factors for future growth during these complex and rapidly changing times. These are the foundations of an agile and robust company, which I've often said since stepping into this role.

Leveraging Digital Technology, Proprietary Data, and an Ability to Execute M&A and PMI, Expand Our Business Domains

The Group's intellectual capital is our digital technology and proprietary data assembled for our insurance business, and our ability to execute on M&A and PMI (Post-Merger Integration). By leveraging and investing in these strengths, we will increase our capabilities in conventional insurance businesses while simultaneously expanding to new business domains. Collaboration with a range of partners will be essential to further accelerate progress on these fronts.

To achieve this, in July 2021 we established Tokio Marine dR with the goal of marshaling all our Group's digital capabilities in one location. The Group is promoting R&D and innovation through the aggregation and analysis of our proprietary accident and risk data. In 2020, we established AlgoNaut in collaboration with PKSHA Technology, which has expertise in natural language processing and deep machine learning. The company name was coined as a portmanteau of the words "Algorithm" and "Argonaut,"—the latter from the heroes of Greek mythology who boarded the ship Argo in search of the Golden Fleece. AlgoNaut was established to provide digital risk solutions, based on algorithms, to address pressing social issues. In addition, the Group is engaging with external partners, including start-ups, to expand into domains, including disaster prevention and disaster mitigation, healthcare, cyber, and mobility, whereby we believe we can provide unique added value. In the area of disaster prevention and disaster mitigation, the Group launched a cross-disciplinary and multi-industry disaster prevention consortium called CORE. Utilizing natural catastrophe risk data and research results, we will unite private-sector and public-sector efforts to build a resilient society while also generating new business opportunities. In the cyber field, we are contributing to raising our customers' cyber defenses by conducting quantitative evaluations of cyber risks in coordination with Guidewire Software Inc. in the United States. In healthcare, we are making efforts to promote the early detection of cancer and the management of diabetes. Meanwhile, in mobility, we are involved in accident prediction services. Over the next 10 years, I would like to grow these businesses to be strong pillars of earnings with the ability to generate tens of billions of yen in profit, alongside our existing business lines.

Alongside the development of humankind, social issues are also likely to increase. The Group will invest robustly in intellectual capital aimed at solving these issues. To date, we have invested tens of billions of yen, including the Corporate Venture Capital Fund launched in the United States in April 2022, and we have invested more than 100 million yen in the past year alone to nurture our digital-talent bench.

Strengthening Human Capital by Instilling a Sense of Purpose and Promoting D&I

Due to the nature of insurance itself, human capital development is a key success factor for us. Insurance has no tangible form, thus the individuals who handle the business play a vital role. This is why the insurance industry is sometimes called a "people business." The Group is implementing wide-ranging measures aimed at strengthening this important human capital factor. As CEO, I would like to emphasize our efforts to instill a sense of purpose and highlight our Diversity & Inclusion (D&I) program.

D&I is the foundation of innovative thinking, and it leads to the generation of new value through ideas, hypotheses, and theories. It enables our global integrated group management—one of our key strengths—to maximize its capabilities and is the engine that drives the Group's purpose and commitment to our stakeholders. I came to appreciate the value and strength of diversity anew during the year I spent as a visiting researcher at Columbia University in the United States. While studying abroad and interacting with a diverse set of students and faculty, I had the opportunity to revise some of my cognitive biases from my career track in Japan. It turned out to be a valuable experience when I later came to lead the diverse group of individuals that comprise Tokio Marine Group. D&I is not simply some minimum requirement or rule that we must meet as a company. Rather, it is the "heart of management," the wellspring of growth and the bedrock of our business. Knowing that the very places where social issues exist are the domains where we can contribute, the Group's growth strategy must be founded on the mindset to leverage diverse cultures, experiences, and backgrounds to develop ideas and devise innovative solutions to problems. At this stage, we recognize that the Group's D&I program is still a work in progress. Thus, in 2021, we established a Diversity Council comprising diverse individuals from top management to individual contributors, and created CDIO (Chief Diversity & Inclusion Officer) as a new C-suite role. We will accelerate our efforts around diversity with an eye toward global standards.

Ultimately, the most important element is always to instill a sense of purpose. We have all suffered to a greater or lesser extent from the effects of COVID-19 and restrictions on personal and business lives. But regardless of the situation, all our Group companies are connected by a sense of purpose, and we do not waver in our goal to generate new value in each region. As the head of this organization, and as CCO (Chief Culture Officer), I am fully committed to empowering our more than 40,000 employees worldwide to live up to their full potential and to instilling a sense of purpose which unites Tokio Marine in "One Team." During the pandemic, I have continued 1on1 in-person or online dialogues with the top management team who lead the Group. We discuss our sense of purpose and the work to align our efforts behind that purpose at our worldwide CEO meetings. Among employees, we conduct an annual culture and value survey and endeavor to understand the engagement levels of our diverse workforce. Management team members—myself included—aim to instill a sense of purpose through events such as "Maji kira kai (where employees can talk about serious matters in a casual setting)." It was encouraging to see our employee engagement score increase this year, despite the ongoing pandemic. On the other hand, time spent together in-person and direct communications are imperative to foster new ways of thinking and generate new value. Being mindful of this ongoing pandemic and with appropriate infection prevention measures, I am returning to a pre-COVID travel schedule to visit management and employees instead of remote meetings. Leveraging all modes of communication, we will build a group that is actively united under the sense of purpose that is infused into everyone's daily work and management decision-making.

Conclusion

When the Great East Japan Earthquake struck, CEO at that time said, "In the time of this unprecedented event, we will dispense with the normal processes for the sake of our customers in need and aim to complete disaster response in approximately two months." It was a decision that might have appeared rash at the time. More than 10,000 employees assembled in the disaster-affected area from across Japan, and the employees who remained in the office played their respective roles. Together, we set out to settle more than 180,000 payments in two months. Under normal circumstances, that would have taken about a year to complete. We proved to ourselves that if each employee believes in our purpose and acts accordingly, together we can achieve unimaginable results.

The harder Tokio Marine Group works, the greater the positive effects for society. The more society develops, the more we will grow. This sustainability management ethos is deeply rooted in our company, and I would like to ensure that remains so in the future.

We must constantly seek out emerging social issues, provide tailored solutions for our customers and society, and generate value for all our stakeholders, including future generations. If we do so, we can and will achieve the growth necessary to be a leading global insurance company. This is Tokio Marine Group's "Endless Journey." A century from now, we will still be essential to our stakeholders.

Aiming to improve ROE through profitable growth and disciplined capital policy implementation.

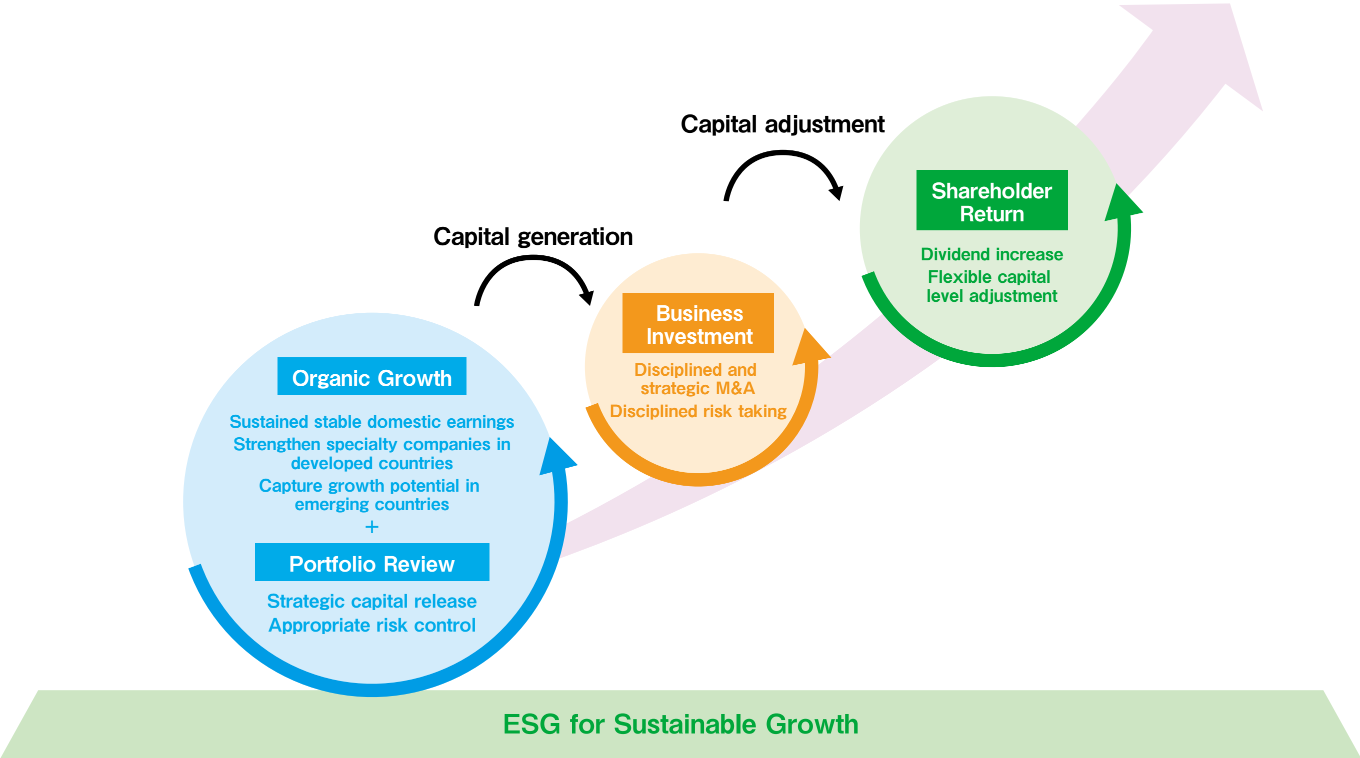
Kenji Okada
Senior Managing Director
Chief Financial Officer (CFO)

Having achieved the medium- to long-term targets of "adjusted net income above 500 billion yen and adjusted ROE of around 12%" set forth in November 2017 and having grown into one of the leading global insurance companies, we are now looking to further improve our corporate value. Although our next target is still under consideration, we are aiming at the very least to continue to achieve world-class EPS growth through organic growth, while improving ROE and increasing the equity spread. As CFO of the Group, I will be supporting these efforts, mainly from the perspective of capital policy.

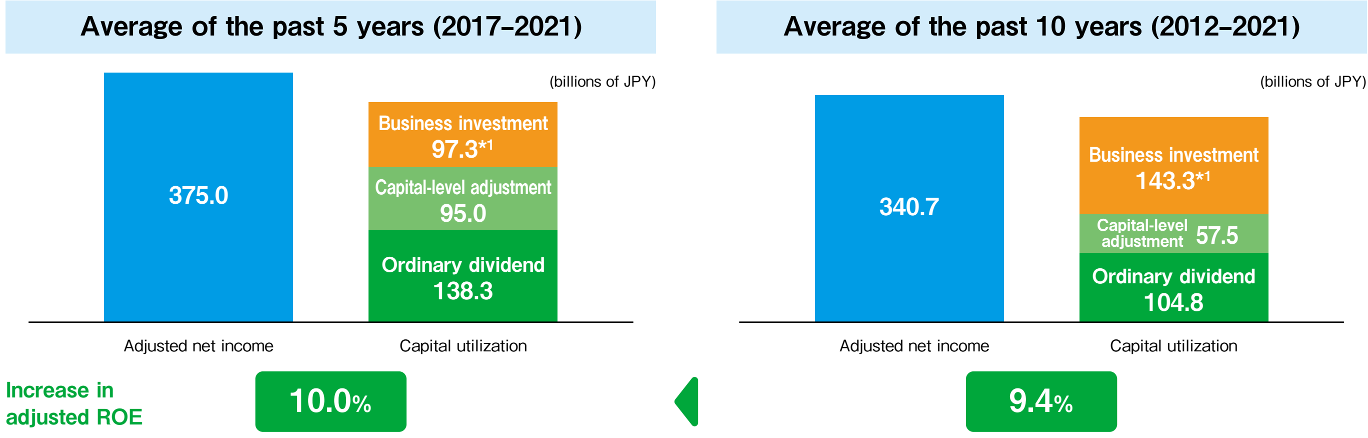
To briefly outline our capital strategy, we will 1) generate capital by strategically reviewing our portfolio based on internal growth, 2) allocate capital to strong business prospects, and 3) if there are no good prospects, return capital to shareholders to raise ROE.

Looking at our average capital policy track record over the past 5–10 years, we have clearly used the capital generated for business investments and shareholder returns in a disciplined manner. We have increased shareholder returns during periods when there have been no good opportunities for business investments. I will explain this in more detail below.

Capital Management Cycle



Track Record of Disciplined Capital Management



*1: Combined only with the amounts disclosed (acquired from Refinitiv Eikon)

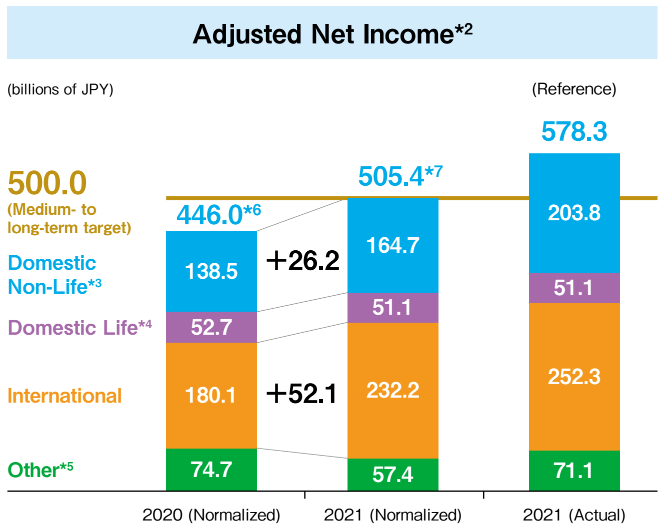
Organic Growth

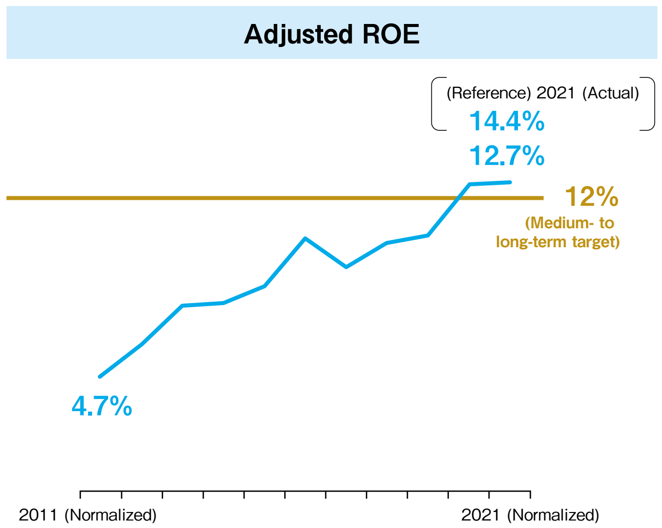
Organic growth is the basis for the Group's overall growth.

The characteristics of our portfolio are 1) a domestic market base that can generate stable and sustainable profits, 2) growth of overseas specialties in developed countries that have a competitive advantage and are less susceptible to market fluctuations, and 3) high growth in emerging economies such as Brazil and Asia. Each Group company, by demonstrating expertise and diversity in tackling social issues, has earned overwhelming support from customers and local communities, bringing about high growth at home and overseas.

As Group CFO, I support the growth of each business through close involvement in the Mid-Term Business Plans formulated by each business through capital allocation and other measures. For example, I discuss with the top management of each business how to react to changes in the business environment, strategic progress, and whether course corrections are necessary. Through this, I am continuing a dialogue, from a Group CFO perspective, regarding major issues for each business and the KPIs for the Mid-Term Business Plans.

Adjusted net income and adjusted ROE for fiscal 2021 were 578.3 billion yen and 14.4%, respectively, exceeding the medium- to long-term targets of adjusted net income of above 500 billion yen and adjusted ROE of around 12%. Although there were some one-off factors in fiscal 2021—such as fewer natural disasters than average and the impact of foreign exchange rates, which are not considered to be a strength of the company itself—on a normalized basis, with these factors removed from the equation, the improved profitability of fire insurance in Japan and the expansion of profits through disciplined underwriting mainly in developed countries in overseas markets contributed to the increase in both adjusted net income and adjusted ROE, allowing us to meet our medium-term targets of 505.4 billion yen and 12.7%, respectively. We will continue to aim for a world-class level of growth.





*2: The breakdown of adjusted net income is the profit of each business unit.
*3: Domestic non-life insurance = TMNF
*4: Domestic life insurance = TMNL
*5: Other domestic non-life insurance, financial and other businesses, and gains relating to sales of business-related equities, etc., that are not included in business unit profits
*6: One-off factors, etc.: -46.4 billion yen excluded from the fiscal 2020 actual results of 399.6 billion yen (natural disasters: -11.0 billion yen, COVID-19: -30.0 billion yen, foreign exchange: -6.0 billion yen)
*7: The following one-time effects totaling 72.9 billion yen were excluded from the fiscal 2021 actual results of 578.3 billion yen: 1) Natural disasters: Approximately 17.0 billion yen, 2) North American capital gains, etc.: Approximately 24.0 billion yen, 3) COVID-19: Approximately 23.0 billion yen, and 4) Gains relating to sales of business-related equities: Approximately 9.0 billion yen (on the portion of sales exceeding 100.0 billion yen)

Portfolio Review/Business Investment

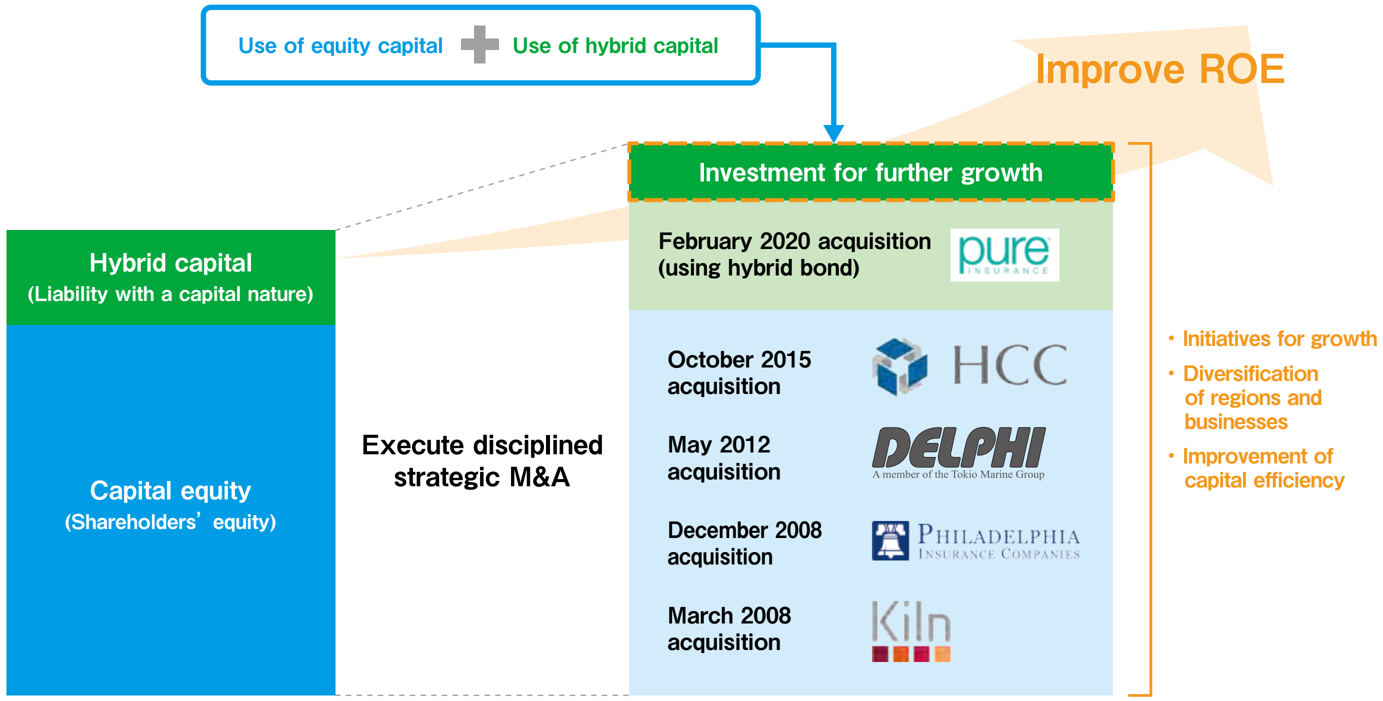
As an insurance company, we increase returns by taking risks in insurance underwriting and asset management. We have made Enterprise Risk Management (ERM) the cornerstone of Group management. ERM takes into consideration our risk appetite, to what extent we undertake risks, whether return on risk is sufficient, and whether risks are appropriately diversified. We have also established the ERM Committee to discuss ERM strategy. As the Committee's chair, I assess the growth potential and profitability of all businesses and the risks associated with each strategy in a forward-looking manner and formulate a capital allocation plan to optimize the business portfolio from a Group-wide perspective.

For example, over the past four years, in addition to the acquisition of Pure, the acquisition of Safety and its integration with an existing local subsidiary in Thailand, and the establishment of a joint venture in Brazil, we have made investments such as the bolt-on M&A of SSL by DFG. On the other hand, we sold a reinsurance subsidiary (TMR), as well as decided to sell a subsidiary under TMK (Highland). Moreover, we have been strategically engaged in entry/exit deals, considering risk diversification, appropriate capital allocation, and future growth potential.

While we only ever embark on large-scale M&A deals that meet strict criteria, we do perceive current valuations to be generally overvalued and the cultural fit hard to determine amid the ongoing COVID-19 pandemic. We therefore believe patience is a key to identifying high-quality, large-scale M&A opportunities. On the other hand, bolt-on M&As have a high success rate because they involve companies with which we have longstanding business relationships. We intend to steadily carry out such activities by leveraging the experience and expertise of the overseas Group companies.

Following a review of our capital structure, we issued hybrid bonds for the first time when we acquired Pure, considering capital cost. If a large investment opportunity presents itself in the future, or if multiple smaller investment opportunities arise around the same time, we will consider utilizing hybrid bonds as one of the options for achieving the optimal capital structure and increasing ROE over the long term.

Achieving Growth through a Flexible Capital Strategy

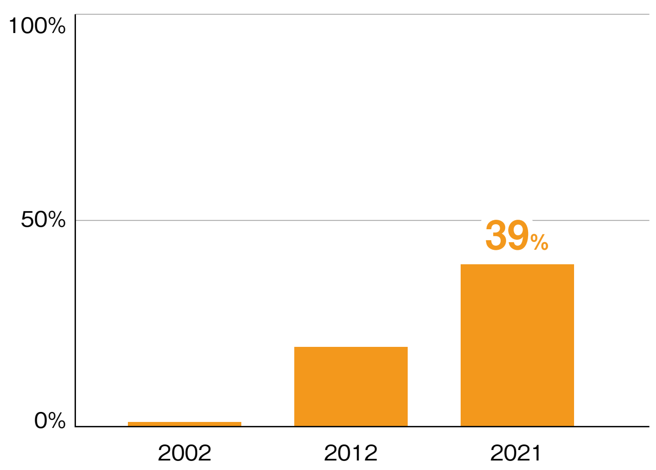


We have been selling more than 100 billion yen of business-related equities every year and have sold a cumulative total of more than 2.4 trillion yen of such stock since 2002. By replacing and reducing our risk portfolio, we have been able to improve corporate value while reducing volatility in profits and capital.

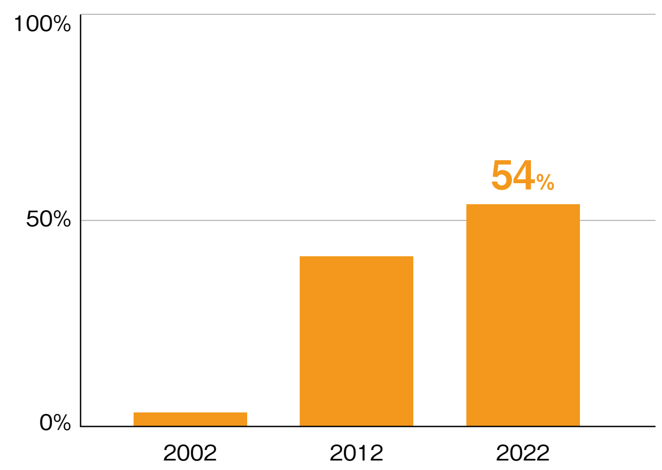
We will continue to accelerate our growth through global risk diversification and risk control. For details of our ERM management, please refer to pages 52–55.

Risk diversification through the expansion of our international business

Trends in the international business premiums ratio*1

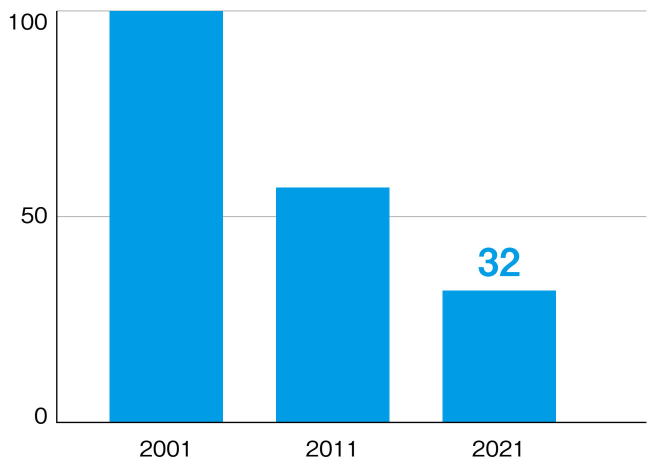


Trends in the international business profit ratio*2

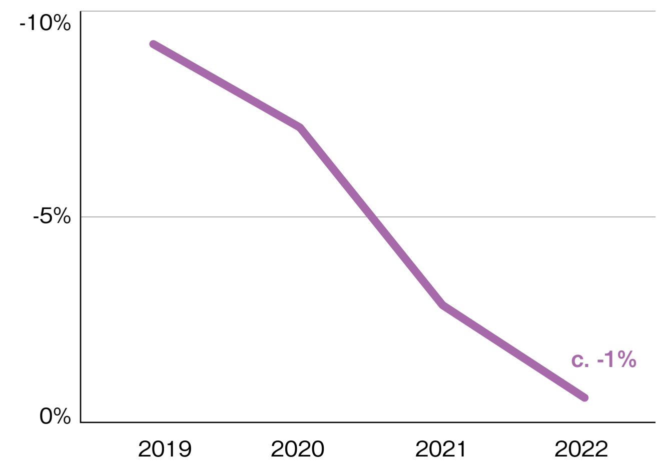


Reduction and control of risk

Trends in the book value of business-related equities (TMNF)*3



Trends in interest rate impact*4



*1: Direct net premiums written
*2: Business unit profits (forecast at the beginning of the year)
*3: 2001 = 100
*4: Percentage decrease in ESR (before excluding moving capital) if interest rates were -50 basis points

3 Strategy & Business Platform Supporting Our Purpose Story

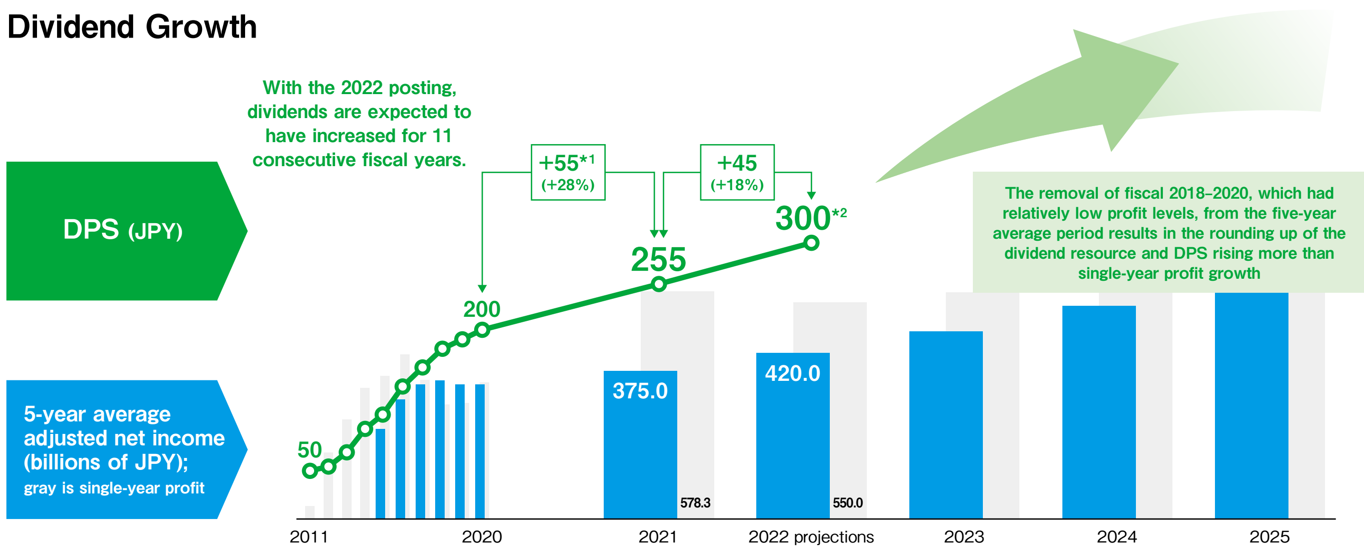
Shareholder Return

Our fundamental policy on shareholder return is to sustainably increase the ordinary dividend in line with profit growth. As we have stated that the payout ratio will be raised to the global peer level (around 50%) when we achieve stable adjusted net income of above 500 billion yen and adjusted ROE of around 12%, based on our confidence in profit growth, we have decided to move forward the timing of raising the payout ratio to 50% to fiscal 2023 and raised the payout ratio to 48.5% for fiscal 2022 in line with this decision. Fiscal 2022 is expected to be another year with a dividend increase, making it the 11th consecutive fiscal year of increase. Ordinary dividends are based on our five-year average adjusted net income, but as fiscal 2018–2020, when our profit level was relatively low, will fall out of the five-year average window, the dividend will be higher than the single-year profit growth in the future. Thus, we believe that the dividend will grow rapidly against the backdrop of a moving average expansion of our dividend resources due to solid profit growth, combined with an increase in the payout ratio.

We use share buybacks as a means of adjusting capital levels, and decisions will be made based on comprehensive consideration of ESR, market conditions, and opportunities for M&A and additional risk-taking. Our ESR as of March 31, 2022, was 128%, roughly the same level as last year and well within the target range (100%–140%), and our profit level has risen compared with fiscal 2021. However, due to current global affairs, the financial markets, and the business environment, we decided to flexibly implement a share buyback of 100 billion yen throughout the year.

If there is a good investment opportunity to increase our corporate value, we will act on that, but if not, we will return profits to shareholders in the recognition that our capital level is sufficient.

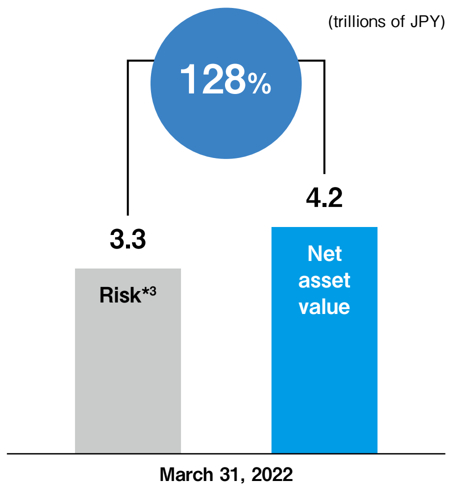
Dividend Growth

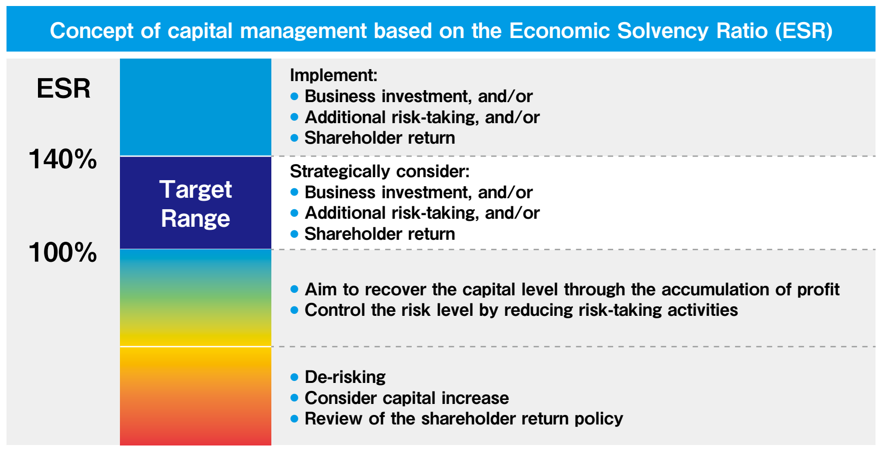


*1: May 2021 announcement: 215 yen (15 yen increase over the previous year); November 2021 announcement: 245 yen (45 yen increase over the previous year); May 2022 announcement: 255 yen (55 yen increase over the previous year)

*2: Sum of the interim dividend (150 yen) and the year-end dividend (150 yen). In addition, the year-end dividend of 150 yen per share is the expected dividend per share based on the number of shares prior to the stock split, which would be 50 yen per stock post-split.

Status of the Economic Solvency Ratio (ESR)





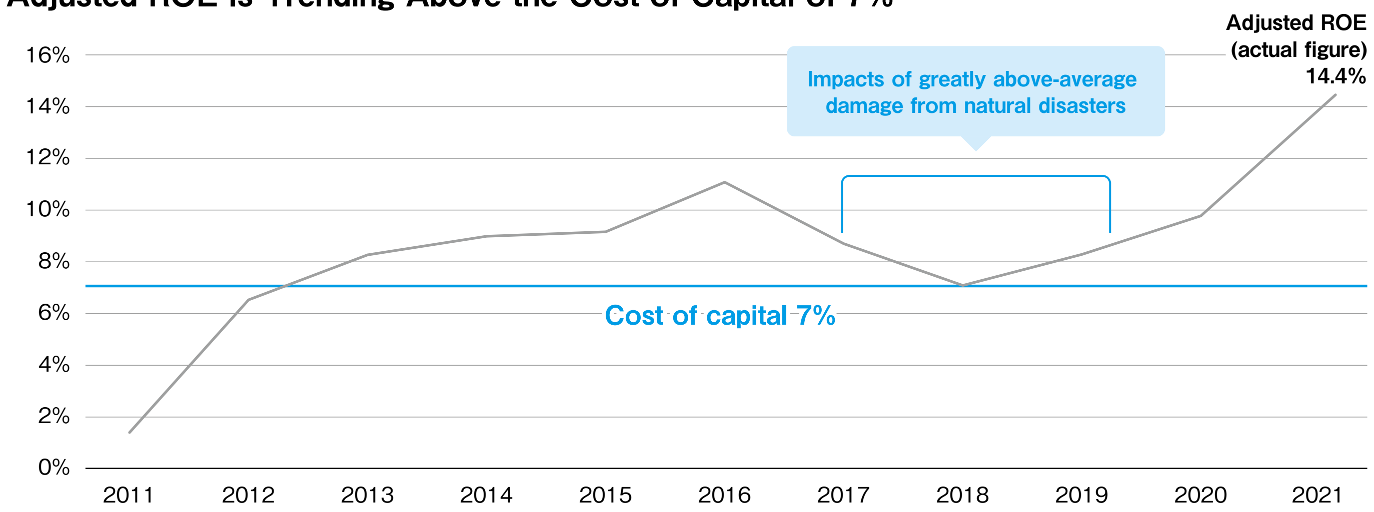
*3: Amount of risk calculated by a model using 99.95% VaR (AA-rated basis)

Trends in ROE

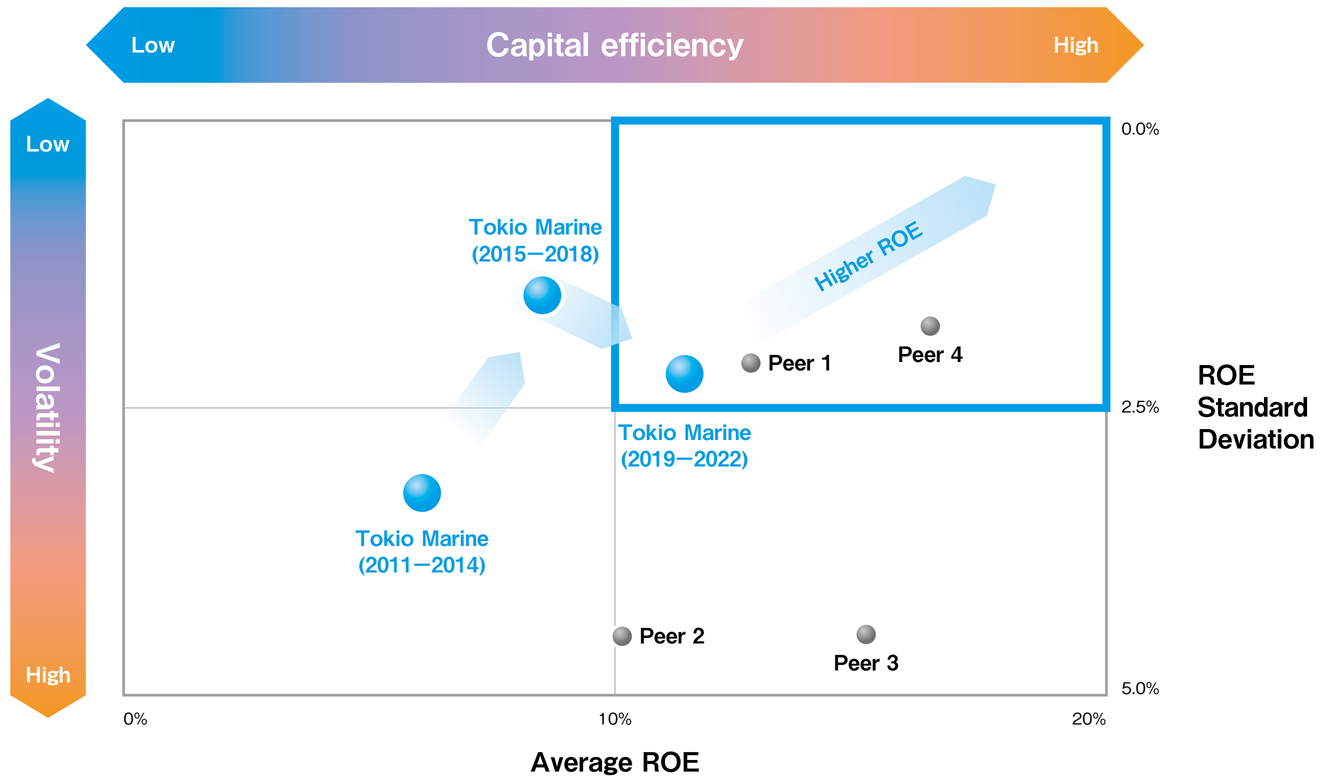
As a result of these measures, our adjusted ROE has been above the 7% cost of capital calculated by CAPM*4 since 2013. The associated volatility has also been kept low, and both the level of ROE and its stability are approaching those of global peers. Through a disciplined capital policy, we will continue to maintain capital soundness and improve capital efficiency in a stable manner.

*4: Method to calculate the return expected by investors based on the risk-free rate + β (sensitivity of individual assets to the overall market) × market risk premium

Adjusted ROE Is Trending Above the Cost of Capital of 7%



Steady Improvement in ROE



ROTE: Adjusted ROE for TMHD; Peers: average of 2018–2021 on a financial accounting basis.
Peers: Allianz, AXA, Chubb, Zurich
Source: Bloomberg

Enterprise Risk Management (ERM)

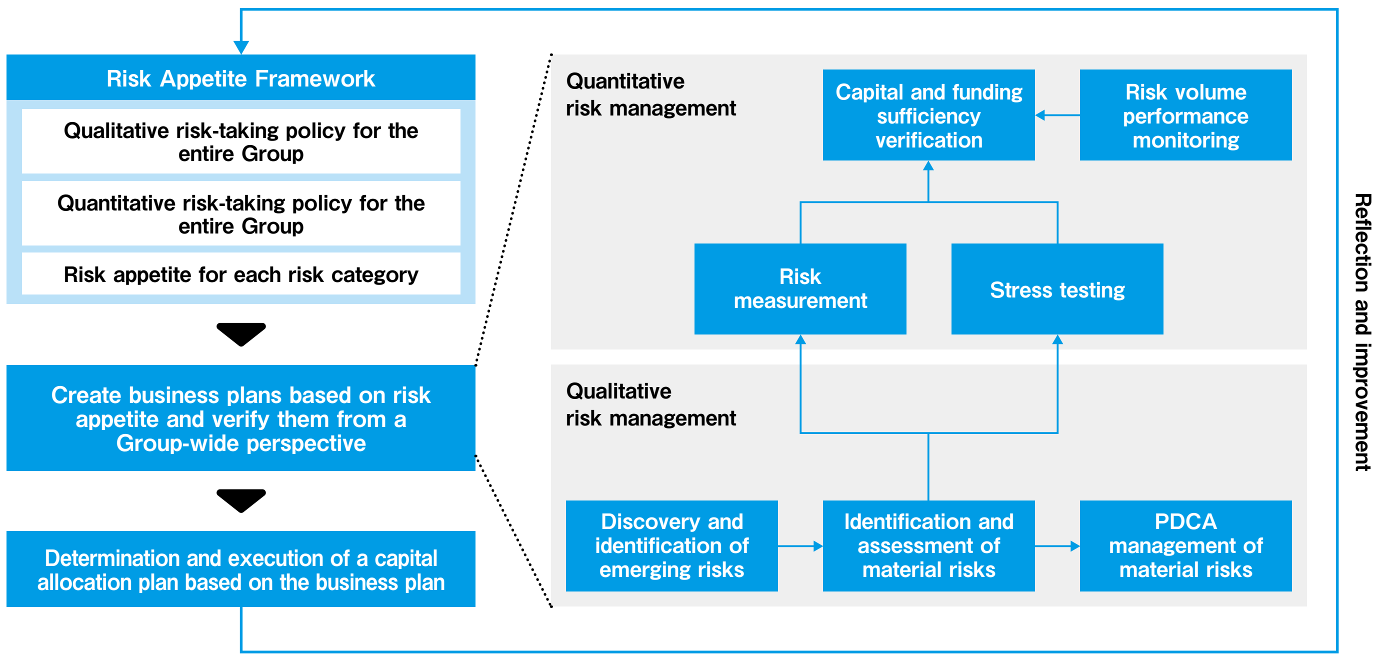
ERM Framework

The Group is committed to Enterprise Risk Management (ERM) as a pillar of management to promote the Mid-Term Business Plan. Specifically, we are constantly aware of the relationship between "risk," "capital," and "profit," and by achieving "sufficient capital" and "high profitability" in relation to risk, we will strive for the sustainable expansion of corporate value.

Tokio Marine Group's ERM Structure

The risks surrounding Tokio Marine Group are becoming more diversified and complex due to global business development and changes in the business environment. In addition, in today's uncertain and rapidly changing political, economic, and social climate, we must constantly watch for the emergence of new risks 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.

ERM Cycle



Qualitative Risk Management

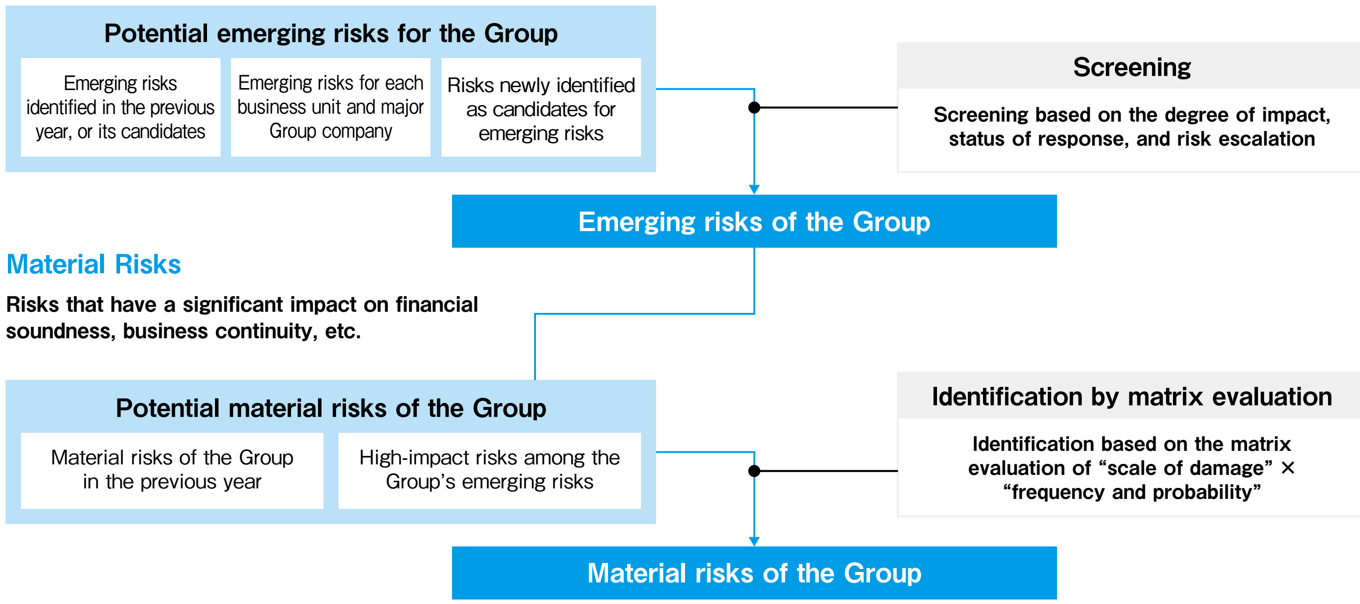
In qualitative risk management, all risks, including risks that emerge due to changes in the environment, are identified and reported to management, while risks to the Group are discussed at the management level as needed. Risks identified in this manner are evaluated not only in terms of the economic 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 below, draw up control measures before the risks emerge and countermeasures* to be taken if the risks do emerge, and conduct PDCA management.

* 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



Examples of Emerging Risks

Emerging risks	Main anticipated scenarios
Intensifying competition for human resources	Risk of intensifying competition for human resources with the latest IT and AI skills and talented new graduates; risk of losing talented human resources and difficulty in replacing them due to the diversification of work patterns or other factors caused by the COVID-19 pandemic
Risk of uncontrollability of innovative new technologies	Risk of damage or accidents involving third parties occurring or increasing at contracted companies due to inadequate controls over innovative new technologies
Innovations in medicine and biotechnology	Risk that medical costs will increase due to innovations in cancer diagnosis and genetic diagnosis technologies
Risks related to the global protection of human rights	Risk of unintentional violations of stakeholders' human rights due to increased global awareness of human rights and economic security measures, resulting in social judgment and restrictions on business development in some countries and regions

Material Risks for Fiscal 2022 and Main Anticipated Scenarios

Material risks (FY2022)	Main anticipated scenarios
Domestic or overseas economic crisis, chaos in financial and capital markets	• A global economic crisis on the magnitude of the 2008 global financial crisis occurs, and the value of the Group's assets falls substantially. • The value of the Group's assets declines significantly due to turmoil in financial and capital markets caused by a further deterioration or prolongation of the situation in Ukraine or the emergence of other geopolitical risks, etc.
Loss of confidence in JGBs	• Japanese government bonds plummet in value due to a decline in the government's creditworthiness, and the value of the Group's assets falls substantially.
Major earthquakes	• An inland earthquake occurs below Tokyo, resulting in large insurance payouts. This also results in a significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets. • A mega earthquake in an ocean trough, such as the Nankai Trough, occurs, resulting in large insurance payouts. This also results in a significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets.
Major wind and flooding disasters (see note)	• Major wind and flooding disasters caused by huge typhoons and torrential rains occur in Japan, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity. • Multiple major hurricanes hit the American East Coast in the same year, resulting in large insurance payouts.
Volcanic eruptions	• Massive volcanic ash fallout is caused by a major eruption of Mt. Fuji, causing issues such as widespread transportation network disruptions, power outages, and communication interference, paralyzing Tokyo's capital city functions. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets.
Pandemics	• The spread of a new infectious disease leads to many deaths, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets. • The current situation for COVID-19 infections continues for several years, and the world economy stagnates. The value of the Group's assets falls substantially.
Innovative new technologies Transformation of the industrial structure	• Earnings decline, especially in automobile insurance, due to the spread of connected cars, autonomous driving, car sharing, and electric vehicles. • Earnings decline as companies from other industries enter the insurance industry and erode the Group's business foundation, particularly in the individual insurance market. • The Group loses its competitive advantage due to delays in addressing changes in the business environment from digital transformation and in the post-COVID-19 era, resulting in declined earnings.
Cyber risk	• A cyberattack causes a failure in the Group's systems or those in its distribution channels, causing serious impact on the Group's business continuity. In addition, the emergence of reputational risk harms the corporate value. • Japanese government bonds plummet in value due to a decline in the government's creditworthiness, and the value of the Group's assets falls substantially.
Terrorism and riots	• Major acts of terrorism and/or riots occur near main Group company locations, resulting in a serious impact on the Group's business continuity.
Conduct risk	• The practices of the Group and the insurance industry deviate from societal norms and are regarded as inappropriate corporate behavior, and the corporate value is damaged by the emergence of reputational risk.
Violation of laws and regulations	• The Group's transactions violate domestic or overseas laws or regulations, forcing payment of significant fines or settlement fees to regulatory authorities. In addition, the emergence of reputational risk harms the corporate value.

Note: The effects of climate change could become more frequent and severe.

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.

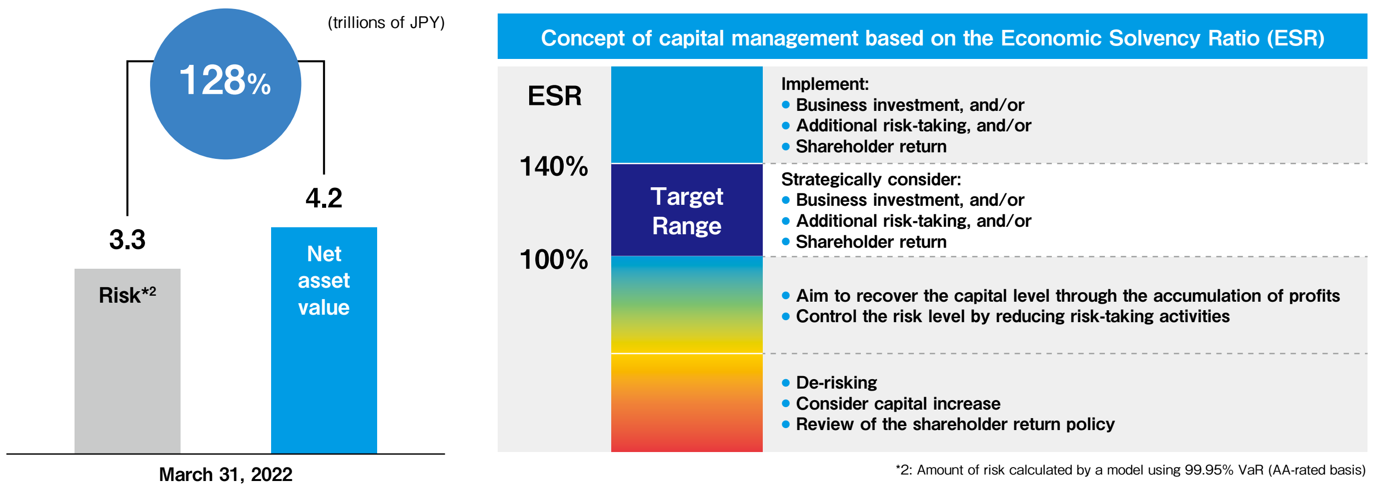
A 99.95% VaR is equivalent to the damage caused by an occurrence of a risk that happens once in 2,000 years. Although many insurance companies around the world use 99.5% VaR (once in 200 years), Tokio Marine Group uses a much more stringent standard to evaluate risk capital.

The target range of the Group's ESR is 100%–140%, and as of March 31, 2022, the Group's ESR was 128%, confirming that the Group is adequately capitalized.

Furthermore, among the "material risks" identified in the qualitative risk management, stress scenarios are assumed for scenarios where economic losses are expected to be extremely large, specifically, "economic events" and "insurance losses from natural disasters or other causes." Stress tests are also conducted for spillover losses when these risks occur, and for combined risks where multiple material risks occur simultaneously. Stress tests are also used to verify business continuity and to confirm that there are no issues regarding capital adequacy and liquidity of funds. We are also advancing scenario testing to confirm capital adequacy under the combined scenario of a pandemic and associated economic crisis from fiscal 2020, and under the combined scenario of a pandemic and a large-scale natural disaster from fiscal 2021. In addition, we conduct reverse stress tests, which are scenarios that could have a significant impact on the soundness of the Group, to verify capital adequacy from multiple perspectives.

*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.

Status of the Economic Solvency Ratio (ESR)



*2: Amount of risk calculated by a model using 99.95% VaR (AA-rated basis)

Initiatives to Strengthen the ERM Framework

Improvement of the Business Portfolio and the Sophistication of Risk Assessment

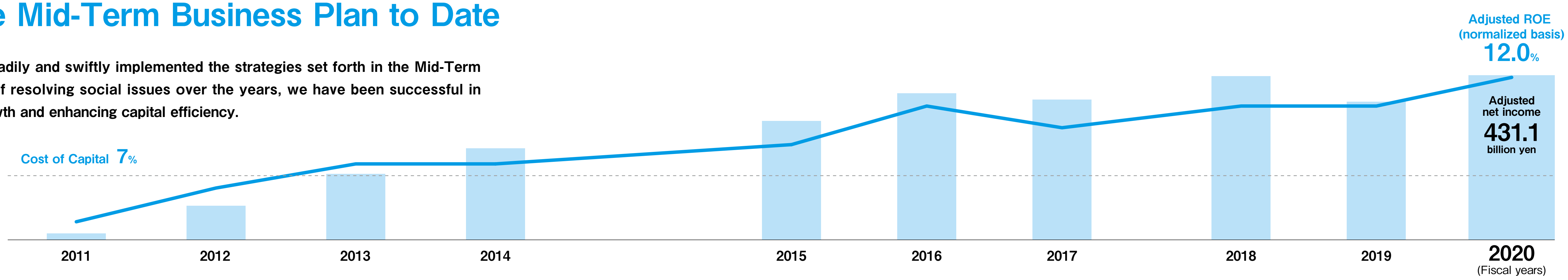
To respond promptly and appropriately to changes in the operating environment and to increasingly diverse and complex risks, such as those presented by more severe natural disasters and adverse geopolitical events, we believe it is necessary to further strengthen our ERM framework.

Specifically, we are working to establish methods and processes to evaluate the capital efficiency of Group companies and optimize the business portfolio based on these methods and processes. We are also working to further advance risk assessment of risks that are difficult to quantify like cyber risk, and reflect changes in U.S. accounting standards (changes in asset-impairment accounting methods) in our risk measurement models, and to improve EaR*3 measurement.

*3: Earnings at Risk: indicator of earning fluctuations over a return period with a probability of a risk occurring once every several years to several decades

Review of the Mid-Term Business Plan to Date

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



[Issues remaining from the 2009–2011 Mid-Term Business Plan]
ROE exceeding the cost of capital
(A critical challenge is to realize profitability in the domestic non-life insurance business.)

Innovation and Execution 2014

Mid-Term Business Plan

Vision
A "global insurance group" that realizes sustainable growth by offering quality that wins over customers

Priority Strategies
- Structural reform to businesses that generate profit
- Transformation into a well-balanced business portfolio

Main KPIs
- Adjusted ROE of 7% or higher
- Improve the combined ratio (C/R) of the domestic non-life insurance business to 95%
- Increase the embedded value (EV) in the domestic life insurance business by 180 billion yen (three-year total)
- Adjusted earnings of 100 billion yen in the international insurance business

Review of the Mid-Term Business Plan

Review of the Priority Strategies
Realized ROE exceeding the cost of capital (7%) through the following measures
- Significantly increased profitability in the domestic non-life insurance business, which was a major issue, led by auto insurance
- Realized stable profit growth in the domestic life insurance business by focusing on the highly profitable living protection field
- Realized strong profit growth and contributed to Group business and geographic diversification through the organic growth of the international insurance business and the acquisition of the Delphi Financial Group
- Continually reduced risk, for example, by selling business-related equities in the amount of 336 billion yen over three years

Achievement of Main KPIs

	2014 results	Mid-Term Business Plan (2014)	Achieved
Adjusted ROE	9.3%	7% or higher	✓
C/R (TMNF)	90.6%	Approximately 95.0%	✓
EV increase (three-year total, TMNL)	357.5 billion yen	180 billion yen	✓
Adjusted earnings (international insurance business)	145.5 billion yen	100 billion yen	✓

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

To Be a Good Company 2017

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
- Pursue growth opportunities
- Capitalize on changes
- Advance our business platform

Main KPIs
- Adjusted ROE of approximately 9%
- Adjusted net income of 350—400 billion yen
- Steady growth of dividends in line with profit growth

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

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)	✓

[Remaining issue]
Profit growth by establishing an earnings base

To Be a Good Company 2020

Priority Strategies
- Further diversification of the portfolio
- Enhancement of the business structure
- Strengthening of integrated group management

Main KPIs
- Adjusted ROE of 10% or more
- Adjusted net income of 400—450 billion yen
- Payout ratio of 35% or higher

Review of the Priority Strategies
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

Achievement of Main KPIs

	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	✓

[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

*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 natural disasters normalized to an average annual level.
*2: Figures based on the market environment as of March 31, 2018, after adjusting for normal years of natural disasters and excluding the impact of the COVID-19 pandemic.
*3: Figures based on the market environment as of March 31, 2018, after adjusting for normal years of natural disasters.
*4: The payout ratio is based on five-year average adjusted net income. Based on original projections.

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

Tokio Marine aims for a win-win situation with stakeholders, Glocal × Synergy, and growth and stable high profit (adjusted net income above 500 billion yen, adjusted ROE of around 12%) as medium- to long-term targets through our current 2+1 Growth Strategy that began in 2021.

As steps to achieve these medium- to long-term targets in our current business plan, we aimed for adjusted net income with a CAGR of +3%–7% (about 480–540 billion yen) and an adjusted ROE of 12%, but we achieved both these targets in our fiscal 2021 results (actual and normalized) and in the fiscal 2022 projections, with improvements in the balance of earnings for domestic fire insurance, the expansion of insurance underwriting profits in developed countries, and the expansion of investment income as key drivers (see page 59).

We are currently reviewing the future beyond these medium- to long-term targets but have already chosen to aim to continue to achieve world-class EPS growth organically, enhance subordinated ROE compared to our European and American peers, and improve the equity spread.

Long-term vision

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

The Condition Realized in the Long-Term Vision

Win-Win situation with stakeholders

Glocal × Synergy

Growth and stable high profit
(Medium- to long-term targets of more than 500 billion yen in adjusted net income and around 12% in adjusted ROE)

2+1 Growth Strategy

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

Enhance the profitability of the insurance business
- Optimize premium rates and increase rates based on market hardening
- Streamline operations while thoroughly utilizing digitalization

+

Business investment for the next growth stage

Business Platform

Technology —Mission Driven—

ERM —Risk Culture—

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

Group Integrated Management
- Sharing of best practices
- Synergy-inducing system
- Global management framework

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

Progress of Current MTP

Fiscal 2021 adjusted net income was 578.3 billion yen and the adjusted ROE was 14.4%. Even on a normalized basis excluding temporary factors, adjusted net income was 505.4 billion yen and the adjusted ROE was 12.7%.

For the fiscal 2022 projections, we are progressing toward surpassing our MTP with adjusted net income of 550 billion yen and an adjusted ROE of 12.5%.

	FY2023 Plan (announced in May 2021)	FY2022 Projections	FY2021 Results (normalized, with actual in parenthesis)	FY2020 Results (normalized, with actual in parenthesis)
Adjusted net income	CAGR+3–7%*1 (circa 480–540 billion yen)	550 billion yen	505.4 billion yen (578.3 billion yen)	446.0 billion yen*2 (399.6 billion yen)
Adjusted ROE	Around 12%	12.5%	12.7% (14.4%)	11.5%*2 (11.3%)
Shareholder return				
Payout ratio*3	40% or higher ▼ 50% (Revised in Nov. 2021)	48.5%	43%	40%
Capital level adjustment	Flexible execution	100 billion yen	100 billion yen	50 billion yen

Current MTP by Business Unit

Business unit profits for the fiscal 2021 results and the fiscal 2022 projections have both been progressing well, centered on domestic non-life insurance and our overseas businesses.

For domestic non-life insurance, profits improved through disciplined underwriting, including increasing fire insurance rates. For international insurance, profits increased with growth from the M&A of Pure, etc., as a key driver, as well as internal growth through disciplined underwriting and the expansion of investment income utilizing the hard market environment. (For details, see pages 116–128.)

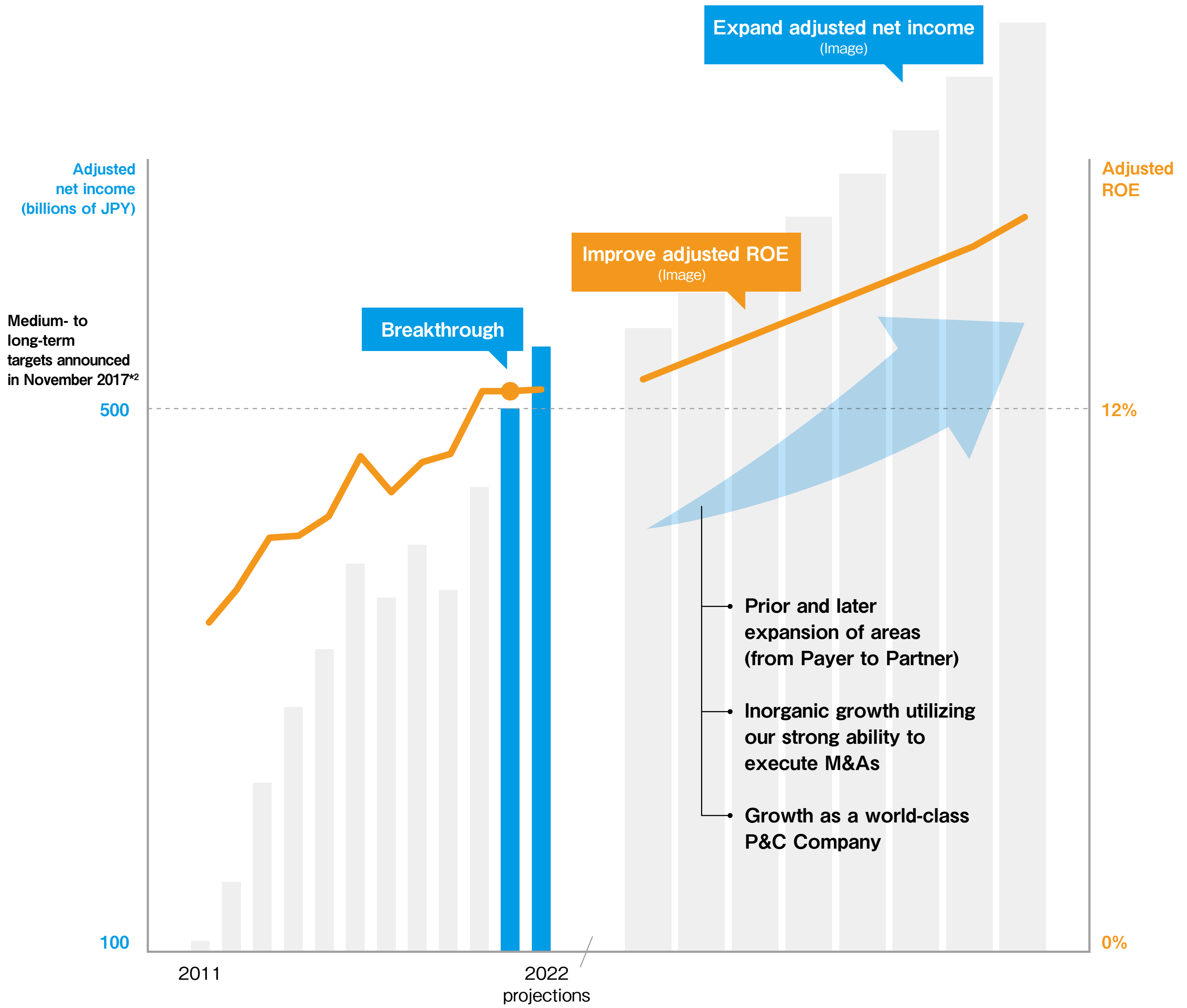
		FY2023 Plan (announced in May 2021)	FY2022 Projections	FY2021 Results (normalized, with actual in parenthesis)	FY2020 Results (normalized*2, with actual in parenthesis)
Adjusted net income		CAGR+3–7%*1 (circa 480–540 billion yen)	550 billion yen	505.4 billion yen (578.3 billion yen)	446 billion yen (399.6 billion yen)
Business Unit Profits, etc.	Domestic Non-Life Insurance*4	CAGR +6% or higher (circa 160 billion yen or more)	173 billion yen	164.7 billion yen (203.8 billion yen)	138.5 billion yen (175.3 billion yen)
	Domestic Life Insurance*5	Stably secure 50 billion yen level	42 billion yen	51.1 billion yen (51.1 billion yen)	52.7 billion yen (52.7 billion yen)
	International Insurance	CAGR around +9% (circa 230 billion yen)	263 billion yen	232.2 billion yen (252.3 billion yen)	180.1 billion yen (91.6 billion yen)
	Other Businesses*6	About 70 billion yen	72 billion yen	57.4 billion yen (71.1 billion yen)	74.7 billion yen (80 billion yen)

*1: It was explained that OG was more than 5% at the IR briefing in May 2021
*2: Launch figures to serve as starting points for the current MTP (setting impacts from natural catastrophes as the level for a normal year and excluding the impact of COVID-19 and exchange fluctuations)
*3: The payout ratio is on five-year average adjusted net income. Based on projections at the beginning of the year. The payout ratio will be boosted to 50% in fiscal 2023. DPS will be boosted with growth in profits as a key driver (dividends will not be cut, in principle)
*4: Domestic non-life insurance = TMNF
*5: Domestic life insurance = TMNL
*6: Other domestic non-life insurance, financial and other businesses, and gains relating to sales of business related equities, etc., that are not included in business unit profits

Beyond the Mid-Term Business Plan

We announced a mid-term target of adjusted net income above 500 billion yen and an adjusted ROE of around 12% in November 2017, and these targets were exceeded in 2021 and in the projections for 2022. We are further evolving our global integrated group management by looking beyond these mid-term targets.

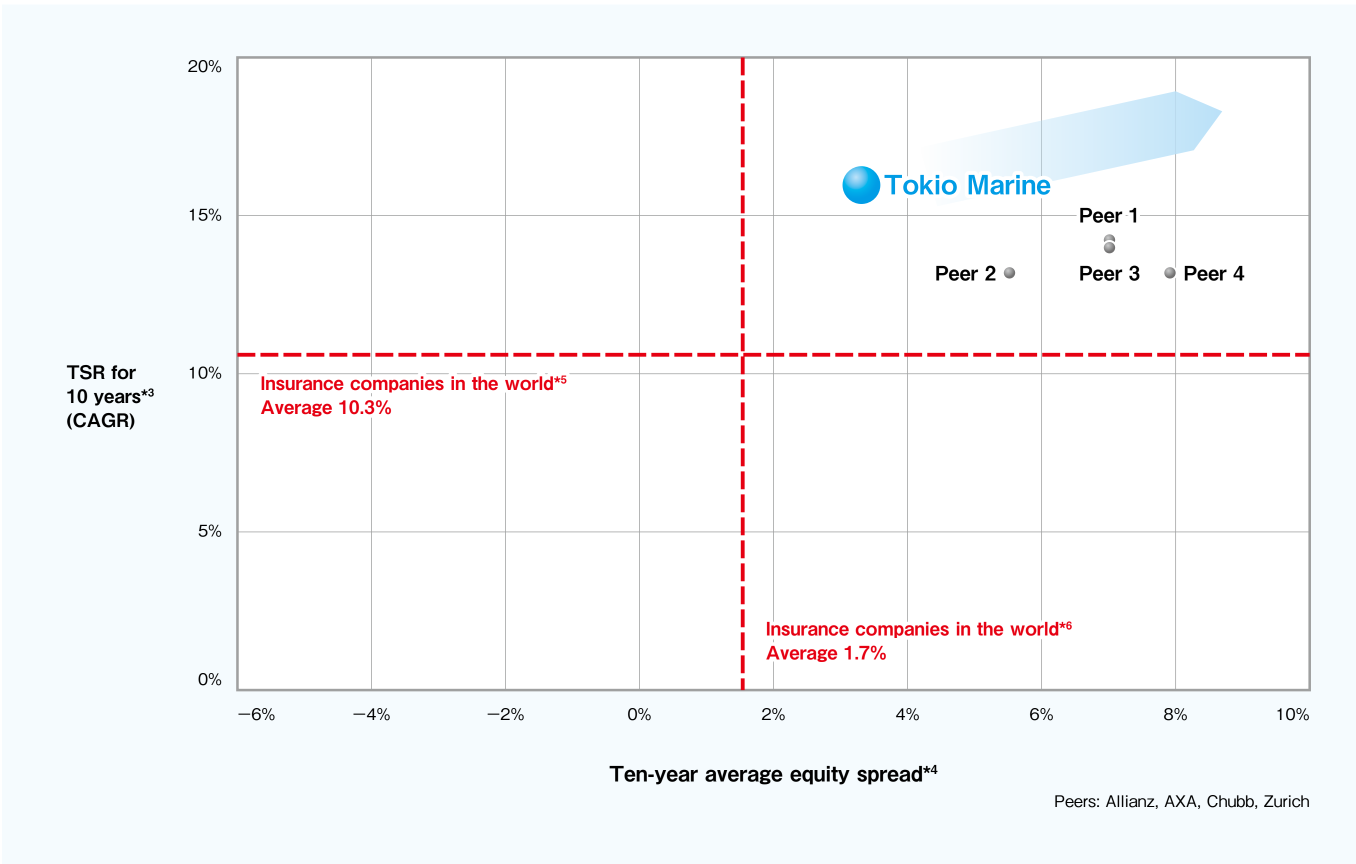
Adjusted Net Income/Adjusted ROE*1



*1: Adjusted for natural disasters in normal years; excludes the impact of COVID-19 and exchange rate fluctuations in 2020; COVID-19, North American capital gains, and gains on sales (the exceeds 100 billion yen) of business-related equities are excluded in 2021 (new definition basis)
*2: Adjusted ROE of 12%, adjusted net income of 500 billion yen

We are currently considering our next targets, and we have already chosen to aim to continue to achieve world-class EPS growth organically, while controlling volatility, and to improve ROE and equity spread through a disciplined capital policy and stepped-up efforts to reduce business-related equities.

Improvement of the Equity Spread



*3: CAGR between April 1, 2012, and March 31, 2022. Source: Bloomberg
*4: ROTE is calculated with capital costs. We use adjusted ROE for our ROTE. The capital costs of the five listed companies are calculated with CAPM (= risk free rate + β × market risk premium), with 6% for the market risk premium. Source: Bloomberg
*5: MSCI World Insurance Index. TSR Source: Bloomberg
*6: Average of 172 listed global insurance companies

By contributing to building a better society through constantly seeking and offering solutions to ever-changing global issues as only Tokio Marine can, we will accelerate the upward spiral of resolving social issues while growing our business.

Kiyoshi Wada

Managing Director
Group Chief Sustainability Office (CSUO)

Since its founding in 1879, our business has operated with the purpose of "protecting our customers and regional communities in times of need." Throughout each era, we have grown sustainably by quickly grasping social issues and providing solutions to them. This includes marine insurance, which supported the modernization of Japan as a trading nation; automobile insurance in support of Japan's motorization after the Second World War; and now our exclusive package insurance that is promoting the spread of renewable energy. Our Company's products and business activities solve social issues, and since our founding we have embraced a spirit of sustainability to "create an even more livable society" through our business. This spirit is prevalent in our DNA, which has been passed down among our employees throughout the generations.

Our company was founded in Japan, a nation prone to natural disasters. For this reason, "mitigating climate change" and "enhancing resilience to natural disasters" are pressing domains where we are compelled to play an important role. Our Group is facing these challenges head-on and pouring every effort into the resolution of these issues. We are doing our best "to build a resilient society where we can coexist with the risk of natural disasters."

Against this background, as Group CSUO my mission is to make sure we continue to embody this long-established DNA of solving social problems and directly connect that to growth for society and our company. That is, "to contribute to the creation of a sustainable society by setting our corporate activities and the resolution of social issues in a positive feedback loop" while ensuring that our deeply rooted "sustainability strategy" permeates the mindset and activities of our more than 40,000 employees worldwide. As a company that is necessary for our customers and society, this is the way to achieve sustainable growth.

In this age of volatility, uncertainty, complexity, and ambiguity (VUCA), the social issues that our Company faces are increasingly complex and diverse. We must continue to step up our efforts and capacity to solve them. To this end, we must employ our expertise globally and mobilize as "one team" to face these issues. In other words, I believe it is imperative that every Group company unite individual contributions to carry out our collective activities with a greater sense of urgency.

To accomplish this, in fiscal 2021 we enacted the Group Sustainability Policy applicable to all Group companies. We also gathered our Sustainability Committee, which includes overseas members of the executive teams of our Group companies, five times in the past year to actively engage in discussion regarding our global strategy. We have further strengthened our Group structure to coordinate and promote these efforts. We have also revised our organizational framework to explicitly include "future generations" as a new stakeholder worthy of consideration.

In addition to accelerating our efforts, it is important to set key performance indicators (KPIs) that cycle through our plan-do-check-act (PDCA) milestones. As a clear external and internal commitment, we announced in December 2021 our pledge to "aim to achieve net-zero greenhouse gas emissions, including at our investment and lending partners, by fiscal 2050." Through engagement with both internal and external stakeholders through dialogue and coordination, we are proactively promoting the establishment and disclosure of various goals.

For fiscal 2022, we are fully leveraging established frameworks, further accelerating our business activities to address social issues in each region and country. It will be a year in which we test the effectiveness of our strategy. This commitment is also reflected by our integration of "Sustainability Strategy–Related Indicators" into our executive performance–based compensation structure. In this way, we will enable the PDCA cycle under the strong leadership of each business head. We aim to be a company where sustainability strategies and business activities are developed together as an indivisible unit. Furthermore, we aspire to spontaneously develop ideas globally in response to social issues, bouncing them between groups of employees with diverse experiences, testing them through hypothesis and experimentation, and then implementing viable ideas into our Company's businesses and services.

To achieve this reality, we strive to ensure that our sustainability strategies and policies are ingrained in our more than 40,000 employees worldwide and thoroughly incorporated into their daily activities. We will also further promote "Diversity & Inclusion" as an organization to ensure that the individual strengths of every employee are transformed into added value. We will continue to devote our time and attention to these efforts.

We will always carry with us confidence in being a front-runner in addressing social issues. By setting our corporate activities against the resolution of social issues in a positive feedback loop, we will simultaneously increase both social value and economic value (profit growth).

We would like to graciously ask all our stakeholders for their continued understanding and support.

FY2021 Major Initiative Categories (Results)

Establishment of a promotion structure	• Established Sustainability Committee • Reflected ESG performance in executive compensation • Revised sustainability award system
Establishment of sustainability-related policies	• Organized basic policy structure for ESG • Established basic policies for the Group (on environment, human rights, environmental and social)
Strengthening of the connection between sustainability strategies and business operations	• Developed sustainability strategies • Used the sustainability report as one of the starting points for establishing PDCA cycle
Improvement of disclosures, strengthening of commitments	• Revised the sustainability report • Disclosed metrics (KPIs), expanded TCFD disclosures (physical risks) • Revised our "Basic Approach to Climate Change" (stricter insurance underwriting and investment policies)

FY2022 Major Initiative Categories (Plans)

Establishment of fully integrated management of sustainability strategies and business operations	• Further penetration of ESG basic policies on a Group and global basis • Advance business initiatives by using the PDCA cycle framework
Continued implementation of issues remaining from FY2021	• Create new pillars allowing us to contribute to future generations
Response to current issues in light of changes in the external environment	• Develop a decarbonization strategy for our insurance underwriting and investment portfolio • Further implement due diligence measures with respect to human rights and D&I

Working to further instill sustainability strategies on a global basis, we are endeavoring to create a sustainable society and achieve sustainable growth for Tokio Marine Group while leveraging an effective promotion structure and systems.

Spreading Sustainability Strategies to All Employees

To further embed "Integrated Management of Sustainability Strategies and Business Activities" as the vision of Tokio Marine Group, every employee must both understand and empathize with related policies and strategies, while at the same time taking concrete action on their own initiative. In addition to executing various measures intended to realize this on a global basis, several of which are described below, the Group utilizes the Culture and Values Survey, which is conducted regularly throughout the Group, as part of its approach to verify the progress of these efforts.

Specific Measures to Spread Sustainability Strategies and Their Progress

Sustainability Awards

As part of the award system administered globally throughout the Group since 2015, the Sustainability Awards are given to embed sustainability strategies as part of the Group's business activities and corporate culture. In fiscal 2021, awards were presented to 18 initiatives from among approximately 100 submitted proposals.

Sustainability Training, etc.

TMNF conducts sustainability training for all employees once a year in an e-learning format to promote an understanding of and embed sustainability strategies. TMNF also promotes other initiatives, including the distribution of pamphlets discussing the Fundamental Sustainability Policy and conducting "Majikirakai" around the country under the theme of sustainability.

<Culture and Values Survey (2021)>
Empathy with and spread of the purpose that serves as the basis of sustainability strategies

4.2 points on a 5-point scale

Accelerating PDCA Cycles through an Effective Organizational Structure for Promoting Sustainability

In a dramatically evolving era of VUCA and in an unprecedented world where it is no longer possible to predict what will occur in two or three years, companies must set their own goals and standards while pioneering new paths. Because this era is so challenging, the Group must bring together the knowledge it possesses on a global basis and construct an agile organizational structure for promoting sustainability that can fully leverage this knowledge as a means of implementing effective PDCA cycles in a fast-paced manner. Under the Sustainability Committee established in April 2021, Tokio Marine Group has organized a structure that promotes initiatives on a Group-wide basis while ensuring that the "Working Groups" and "Task Force" that serve as the lower branches of this structure coordinate with each other in accordance with the nature of social issues. In fiscal 2021, the Group reached the milestone of this Committee meeting five times, and set issues, executed measures, and steadily reviewed its efforts. For example, the Sustainability Committee formulated the Basic Policy on Human Rights and the Basic Policy on Environment released in December 2021 based on their own discussions. Similarly, the Committee gave form to this policy in a timely manner by distributing leaflets and videos to instill the policy among all employees. Moreover, the Board of Directors leverages the expertise of those Outside Directors and Auditor & Supervisory Board Members who are well-versed in the field of sustainability while evaluating the effectiveness of and deciding upon sustainability strategies.

Under this organizational structure for promoting sustainability, Tokio Marine Group will continue its efforts to further instill sustainability strategies on a global basis while strengthening initiatives to solve issues with the intention of realizing a sustainable planet and society.

(1) Role of the Sustainability Committee

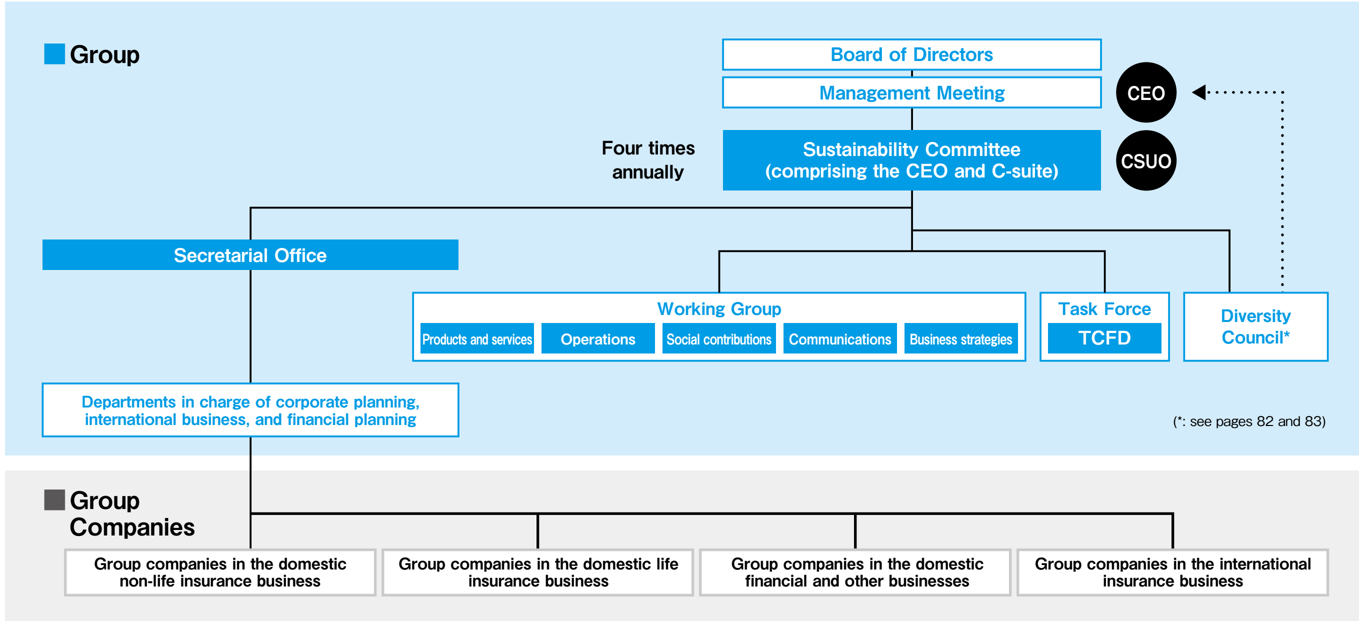
- **Deliberates on Tokio Marine Group's sustainability strategies**
- **Oversees the overall management and execution of sustainability strategies**
- **Reports to and submits matters for discussions to the Board of Directors and in relevant management meetings**

Matters discussed by the Sustainability Committee in fiscal 2021	
May 2021	Formulation of sustainability strategies, systems for executing the strategies, and key issues in important areas
July 2021	Implications of external trends for the Group, and annual plans for organizations that will carry out initiatives and top priority policies
August 2021	Positioning of the sustainability report, initiatives for climate change and TCFD disclosures, etc.
December 2021	Reconfiguration of the sustainability report, formulating plans for the next fiscal year
March 2022	Review of the annual plans, formulating the next fiscal year's plans, etc.

(2) Roles of Other Organizations

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

Organizational Structure for Promoting Sustainability



COLUMN Positive Cycle of Business Activities and Solutions for Social Issues (fiscal 2021 initiatives from a business department)

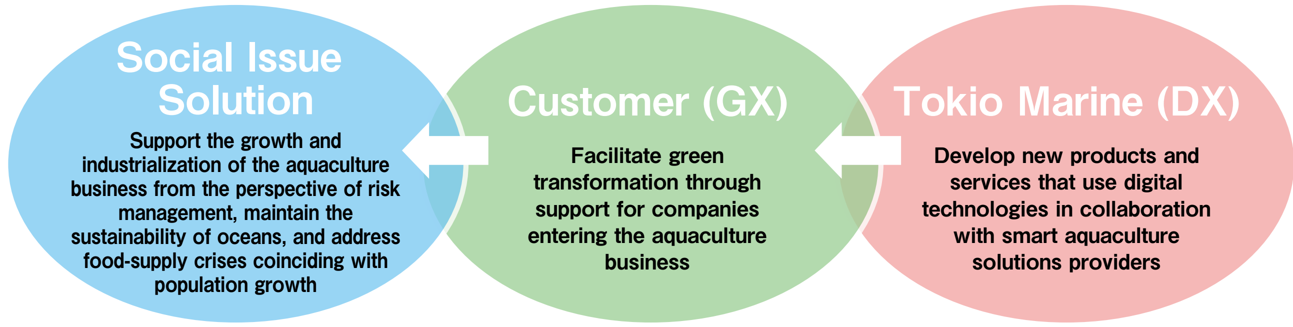
【Development of Insurance Options and Solutions to Establish a Sustainable Aquaculture Society】

Tokio Marine Group is promoting initiatives to develop and underwrite advanced insurance options, as well as to provide various solutions, that leverage digital technologies and data for the "Aquaculture Business" as an industry that is expected to help provide solutions for food-supply crises and other social issues coinciding with global population growth.

Specifically, the Group has entered a business alliance with UMITRON K.K., which utilizes IoT devices and satellite sensing to deliver services including feeding optimization, fish school behavioral analysis, and oceanic data provision. Through this alliance, the Group is advancing the development of new insurance underwriting methods related to "marine aquaculture" risks and is developing risk solutions using satellite data, for example. Although there has been an increasing number of private enterprises newly entering the marine aquaculture business, the Group has also developed the first insurance option specifically for the risks involved in land-based aquaculture in Japan through negotiations with related parties, both inside and outside the Group. In this case, closed-cycle land-based aquaculture systems have heretofore fallen outside the coverage of existing mutual aid systems.

This is just one example where TMNF has taken the lead as a Group company in collaborating with Tokio Marine dR Co., Ltd., the Group's core data company, and external partners to drive innovation. Along with contributing to solutions for managing food-supply crises, maintaining marine sustainability, and handling other social issues, this example creates new insurance markets in a way that connects to sustainable growth for Tokio Marine Group. In this way, this initiative serves as a good example of putting the sustainability strategies in which the Group is engaged into concrete form and was therefore selected for the fiscal 2021 "Sustainability Award Grand Prize."

Initiative Concept (Solve social issues through support for the aquaculture business)



Eight Material Issues (Materiality) and Four Priority Issues Specified

Based on discussions of the Sustainability Committee and advice from external experts, Tokio Marine Group has specified eight material issues and four priority issues that the Group should address as its purpose. (We specified the aforementioned issues in line with the following approach according to our medium- to long-term sustainability strategy). A variety of measures have been specified based on the potential impact of risks and opportunities on the Group's businesses. Besides mitigating risks and capitalizing on opportunities, the Group will strive to turn risks into opportunities and provide solutions to social issues as a means to bring value to society as well as economic value in the form of profit growth.

Approach

Why	What	How
Environmental changes	Important business matters	Risks and opportunities
Purpose	Materiality	Value creation

Identification Process of Materiality and Priority Issues (Why, What)

Why

STEP 1 Defining Value to Provide to Our Stakeholders

In light of recent changes in the environment, we identified the value that we provide on an individual stakeholder basis. Providing these values is indeed our raison d'etre and the ideal we hope to realize.

Stakeholders	Value provided
For customers	• Contribute to making customers' lives healthy and enriching through products that provide security and assistance with future-oriented challenges
For society	• Contribute to building a sustainable society that can overcome any challenge and ensure the safety and security of all its members
For employees	• Help employees reach their highest potential through engagement and opportunities for them to thrive
For shareholders and investors	• Continually increase shareholder returns • Enhance the Group's value and earn the trust of shareholders and investors through timely and proper disclosure along with constructive dialogue
For future generations	• Hand down a sustainable environment and society to future generations by engaging in climate change countermeasures and the preservation of biodiversity • Support the challenges of future generations by providing education and enlightenment to children

What

STEP 2 Identifying Eight Material Issues (Materiality)

Tokio Marine Group has identified eight material issues on which the Group should focus as it works to provide value to each of the aforementioned stakeholders while referencing the scope of principal frameworks on social issues in and outside Japan, including the Sustainable Development Goals (SDGs), ISO 26000, and new industry visions.

STEP 3 Selecting Four Priority Issues

Based on an assessment along the lines of the following two axes, we selected four priority issues on which to focus from among the eight material issues.

(1) Expectations and the interest of stakeholders
Assessment based on the content of a stakeholder survey while also taking into consideration such factors as social perceptions toward each issue and status of incorporation into various ratings.

(2) Importance for Tokio Marine Group
Assessment based on the relationships with the degree of contribution to the Group's purpose, business strategy, sustainability strategy, and other factors.

What

Materiality (Four designated as priority issues)	Reasons for selection
(1) Combat climate change (priority) (2) Improve disaster resilience (priority)	The adverse effects of climate change, including increasingly serious natural disasters, threaten people's safety and security, and interfere with the sustainable development of society. 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 (priority)	In an age in which many people live past 100, everyone hopes to lead a long and healthy life. With the aging of the population and widespread advancements in medicine, however, the financial burden on individuals, families, and society is growing each year. Tokio Marine Group intends to address this issue by fully utilizing its extensive expertise to offer high-value-added products and services while covering disease and illness through its many life and non-life insurance products.
(4) Promote and support diversity and inclusion (priority)	Amid major changes in the economic environment, social issues are becoming increasingly complex and diverse. For Tokio Marine Group to grow sustainably by offering solutions to such issues, it will be important for its more than 40,000 employees to maximize their potential and combine their individual skills into collective capabilities. Accordingly, promoting and supporting diversity and inclusion is an important management strategy for the Group, and it intends to step up the initiatives it has been carrying out for this purpose.
(5) Facilitate and foster innovation through digitalization	Rapid progress in technological innovations is driving major societal and economic changes. To realize sustainable economic growth under those circumstances, all corporations will need to create a basis for technological innovation. Tokio Marine Group is already providing insurance coverage for new types of risks that have arisen from these changes, including cyber risk. Furthermore, in addition to insurance payouts, the Group will apply digital technologies and data to provide security to clients before and after any events that might require insurance claims. In these ways, the Group will work to support corporate growth and economic development.
(6) Protect the natural environment	Tokio Marine Group understands that a sustainable society, in which everyone can live safely and securely and pursue any aspiration, depends on the natural environment, the basis for all life and people's livelihoods. Moreover, the Group recognizes its obligation to help ensure that future generations inherit a sustainable natural environment, as it is irreplaceable. Based on these principles, the Group intends to bolster the initiatives it has taken to combat climate change and protect biodiversity and wetlands through environmental conservation activities, including its Green Gift project and mangrove planting activities.
(7) Provide education to children	Education can create a foundation for the future, as each generation faces the changing challenges of the times. Having specified future generations of people as stakeholders, Tokio Marine Group has a duty to help equip children with the skills they will need in life. Therefore, the Group plans to strengthen its educational programs, including its Disaster Risk Prevention Lessons for children, which were initiated following the Great East Japan Earthquake in 2011.
(8) Disclose highly transparent and timely information	As an original participant in the Task Force on Climate-Related Financial Disclosures (TCFD), Tokio Marine Group is working to properly disclose information and facilitate widespread climate-related disclosure. As part of these efforts, the Group will continue placing importance on disclosing highly transparent and timely information to earn even more trust from shareholders and investors going forward.

How

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*4
1 Combat climate change (priority)	Reduce CO_2 emissions from the Group's operations and meet the RE100 criteria	Targets for fiscal 2030 1) Reduce the Group's greenhouse gas emissions by 60%*1 compared with fiscal 2015 2) Have renewable energy account for 100% of electricity consumption at main workplaces 3) Switch all company-owned (Tokio Marine & Nichido Fire, Tokio Marine & Nichido Life) vehicles to electric vehicles*2	1) Fiscal 2021 results: 32% reduction (compared with fiscal 2015) 2) Adopt renewable energy at workplaces in Japan, the United States, and the United Kingdom (Tokio Marine & Nichido Fire, Tokio Marine & Nichido Life, PHLY, TMK, etc.), and create and publish a road map for the Group by the end of fiscal 2022 3) Tokio Marine & Nichido Fire and Tokio Marine & Nichido Life are gradually switching to renewable energy	○
	Realize carbon neutrality through engagement with investors and insurance underwriters	Target for fiscal 2050: Virtually zero greenhouse gas emissions (including at recipients of investments and loans)	Promote engagement on climate change and the environment (Tokio Marine & Nichido Fire, fiscal 2021 results: dialogue with approximately 150 companies)	○
			Create decarbonization plans for underwriting and investment portfolios (fiscal 2022 initiative)	Major initiatives for fiscal 2022
	Develop and offer products and services that contribute to renewable energy development	Increase revenue*3 from Tokio Marine & Nichido Fire's insurance for offshore wind power plants by 5 billion yen by fiscal 2023	Offered Japan's first insurance packages for offshore wind power plants Acquired GCube, a leading player in insurance for the renewable energy business sector	○
		Continue to facilitate green investing	Strengthened commitment to and involvement in renewable energy funds (62 billion yen committed and 45 development projects as of the end of fiscal 2021)	○
	Combat global warming and mitigate damage from environmental disasters through mangrove plantations (CO_2 fixation)	Continue to maintain carbon neutrality Surpass 300 billion yen in cumulative economic value from mangrove plantations by fiscal 2038	Achieved carbon neutrality in fiscal 2021 (ninth consecutive year since fiscal 2013)	○
2 Improve disaster resilience (priority)	Establish sustainable fire insurance systems	Increase fire insurance revenue by more than 45 billion yen in fiscal 2023 (Tokio Marine & Nichido Fire)	Improvement in fire insurance earnings in fiscal 2021 (up 18.0 billion yen compared with fiscal 2020); cumulative total of 54.0 billion yen expected in fiscal 2022	○
		Develop and provide products and services useful for disaster prevention/mitigation, early recovery, etc.	Launch of index insurance against earthquakes (first of its kind in Japan) Launch of index insurance against hurricanes (first of its kind in the United States) Implementation of measures to prevent the spread of fire in the event of wildfires in the western United States (Pure) July 2021: Provision of "Fire Insurance × Red Feather (Akai Hane) Disaster Prevention and Mitigation Program"	○
	Assist with business continuity planning (BCP) in partnership with government bodies and businesses	Continue providing support to BCP	Cumulative number of agreements with governments (as of the end of February 2022) ・38 prefectures ・10 major cities ・70 municipalities	○
3 Support people's healthy and enriching lives (priority)	Respond to asset building and savings needs in response to longevity risks (Develop and provide new healthcare services)	Increase revenue by 20–30 billion yen*3 in the healthcare area in fiscal 2023 (Tokio Marine & Nichido Fire) Increase the CAGR of new policy premiums by about 5% in fiscal 2023 (Tokio Marine & Nichido Life)	Establishment of the Healthcare Business Development Department (April 2022) Expansion of ancillary insurance services (e.g., services for early detection of cancer, direct payment of benefits to affiliated hospitals from February 2022) Development and provision of new solutions using predictive disease detection (e.g., PoC of early detection using an Apple Watch from October 2021)	○
	Widely promote services for facilitating Health and Productivity Management	Continued selection in the Health & Productivity Stock Selection Continue health management support (Tokio Marine & Nichido Fire)	Included in the Health & Productivity Stock Selection 2022 (for the seventh consecutive year) Provided health management support to approximately 2,300 companies (in fiscal 2021)	○

*1: Based on our business activities (Scope 1, 2, and 3 (Categories 1, 3, 5, and 6))
*2: EVs, PHVs, HVs, etc.
*3: Net premiums written
*4: Generally progressing well

How

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
4 Promoting and supporting diversity and inclusion (priority)	Promote diversity and foster an inclusive corporate culture	Promote and support diversity and inclusion through the Diversity Council, etc. Continue to conduct culture and value surveys Targets for fiscal 2030 1) Percentage of female directors and corporate auditors: Realization of the philosophy held up by the 30% Club 2) Percentage of women in managerial or higher positions at Tokio Marine & Nichido Fire: 30% 3) Percentage of women in associate leader or higher positions at Tokio Marine & Nichido Fire: 50% or more	Created the Diversity Council and the Group Diversity and Inclusion Officer (CDIO) position Formulated the diversity and inclusion vision and distributed a relevant booklet to all Group companies Scored 4.3 out of 5 in a culture and values survey*1 (83% response rate) Recent Progress 1) Ratio of female directors and corporate auditors: 15.8% (Tokio Marine HD) 2) Percentage of women in managerial or higher positions at Tokio Marine & Nichido Fire: 10.4% (32.3% achieved globally) 3) Percentage of women in associate leader or higher positions at Tokio Marine & Nichido Fire: 57.0% or more Ratio of overseas employees: 41.7%	○
	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	Create and publish a human rights due diligence and improvement policy in line with the UN Guiding Principles on Business and Human Rights, etc. (December 2021) Further promote human rights due diligence among employees, our businesses (insurance underwriting, investment, and loans), and the value chain	Major initiatives for fiscal 2022
5 Supporting and driving innovation using digital technology	Apply advancements in digitalization and data to increase security for customers in ways besides insurance payments	Accelerate data strategies through initiatives started by core data company Tokio Marine dR Co., Ltd., in July 2021 (expand provision of pre- and post-incident assurance)	Build a comprehensive solution business for disaster prevention and mitigation, using "CORE," a disaster prevention consortium that was fully launched in April 2022 under the leadership of Tokio Marine, as the driving force	○
	Address increasing cyber risks amid digital advancements	Increase revenue by around 5 billion yen through cyber risk insurance by fiscal 2023 (Tokio Marine & Nichido Fire)*3	Achieve double-digit growth in cyber-risk insurance each fiscal year (Tokio Marine & Nichido Fire) Started offering incident response services (from April 2022, the first in the industry)	○
	Use digitalization to support small and medium-sized enterprises (SMEs)	Increase revenue by 15–25 billion yen through insurance for small and medium-sized enterprises by fiscal 2023 (Tokio Marine & Nichido Fire)*3	Establishment of BUDDY+, a dedicated solution site for SMEs (from November 2021)	○
	Improve business efficiency with digital technology	Enhance the efficiency of operations with a one-percentage-point improvement in the combined ratio by fiscal 2023 (Tokio Marine & Nichido Fire)	Combined ratio of 90.6% (Tokio Marine & Nichido Fire, a 1.9-percentage-point improvement from fiscal 2020)	○
6 Protecting the natural environment	Conserve biodiversity and wetlands through mangrove planting	Maintain carbon neutrality Surpass 300 billion yen in cumulative economic value from mangrove plantations by fiscal 2038	Achieved carbon neutrality in fiscal 2021 (ninth consecutive year since fiscal 2013)	○
	Promote social programs such as the Green Gift Global Vitality Program	Have 100% of employees participate in social contribution activities	100% of employees participated in social contribution activities (fiscal 2021)	○
7 Providing education to children	Provide various educational programs	Continue providing green classes	Green classes were held approximately 890 times and attended by 58,000 people (cumulative total as of March 31, 2022)	○
		Continue providing classes on disaster prevention	Disaster prevention classes were held approximately 980 times and attended by approximately 64,000 people (same as above) Chinese version of disaster prevention classes held 22 times and attended by approximately 1,700 people (same as above)	○
		Continue providing classes on risk and the future	Risk and the future classes held 64 times and attended by approximately 1,700 people (same as above)	○
		Continue implementing StreetWise Finance, a financial insurance education program	Approximately 76,000 people participated in the StreetWise Finance financial insurance education program in South Africa (cumulative total as of June 30, 2022)	○
		Create pillars other than those above	Creation of new pillars to contribute to future generations	Major initiatives for fiscal 2022
8 Disclose highly transparent and timely information	Properly disclose information by strengthening compliance with the TCFD and other guidelines	Disclose information based on the TCFD recommendations through comprehensive reports, sustainability reports, etc.	Themed Presentation: "Tokio Marine Group's Contribution and Growth Strategy in the Renewable Energy Market (June 2021)" "Our Climate Strategy & the TCFD (January 2021)" held September 28, 2020: "Tokio Marine: Our Climate Strategy" published (available on the Company's website) Enhance information disclosure based on the TCFD recommendations through comprehensive reports, sustainability reports, and other means	○

*1: Totals for Tokio Marine Holdings and its Group companies worldwide
*2: ○: Generally progressing well
*3: Direct net premiums written

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

Masaaki Nagamura

Fellow (International Initiatives), Tokio Marine Holdings
TCFD Membership

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

*: A magazine based in the 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 section will convey the Group's initiatives using the categories of governance, strategy, risk management, and metrics and targets based on the TCFD recommendations.

Climate-Related Financial Disclosures Based on the TCFD Recommendations

Governance

Division Dedicated to Promoting Sustainability

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

Sustainability Committee

We established the Sustainability Committee, chaired by the CSUO and comprising members including the CEO and others in the C-suite, in April 2021 to accelerate our sustainability strategy across the entire Group including climate change countermeasures. The Sustainability Committee establishes the sustainability strategy and targets for the entire Group and deliberates on the coordination and promotion of glocal sustainability initiatives (see page 64 for the promotion system centered on the Sustainability Committee). The committee met five times in fiscal 2021 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.

Group Chief Sustainability Officer (CSUO)

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

Board of Directors

The Board of Directors discusses the Group's sustainability policies including climate change countermeasures, as well as evaluates and determines mid-term plans and single-year plans. In addition, the Board of Directors holds "discussions on corporate strategy" on the themes of the management environment and management issues, including climate change countermeasures, to fully utilize the knowledge of outside directors and outside Audit & Supervisory Board members (see page 100 for details about strategy discussions).

Strategies

Recognition of Risks and Opportunities

Tokio Marine Group specifies climate change risk events by reflecting changes in the external and business environment caused by the emergence of climate change, and identifies and assesses the impact on the Group. 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). Below are examples of physical and transition risks for each risk category in the TCFD recommendations, as well as examples of risks from 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	・Impact on the calculation of premium rates and claim payments
	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	・Decrease in the corporate value of portfolio companies and the value of Company assets due to higher carbon prices ・Increase in liability insurance payments
	Technology	Technological innovation toward the transition to a decarbonized society	・Decreases in the corporate value of portfolio 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	・Reputational damage due to the Company's efforts being deemed inappropriate

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.

Initiatives to mitigate and adapt to climate change also present business opportunities for the Group. The Group has comprehensively considered the five categories of opportunities identified by the TCFD recommendations (resource efficiency, energy sources, products and services, markets, and resilience) and has identified the following as business opportunities.

- A dramatic increase in insurance needs related to the renewable energy business (see pages 14 and 15 for details)
- A growing public awareness of natural disaster risk and improved profitability of fire insurance (see pages 10 and 11 for details)
- Growing disaster prevention and mitigation needs to increase resilience in the face of disasters (see pages 12 and 13 for details)

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.

①Physical Risks

Physical risks are those related to physical impacts of climate change. Climate change increases the frequency and intensity of natural disaster, which could impact insurance premium rate calculations and claims payments.

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 claim payments under the IPCC’s RCP8.5 scenario forecast as of 2050.

【Changes in Insurance Payments in 2050】

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

Note: The figures above reflect economic losses, assuming the same impact on claims payment.

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 (+2°C, +4°C, etc.) are subject to uncertainties, as described below (see Figure 4 on page 76). 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, and 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) (see page 77). Below are our thoughts regarding the basis for these projections and assessments.

a. Change of 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. As seen in the figure, the confidence of impact projections for extreme rainfall (heavy rains) is higher than that for tropical cyclones, such as typhoons and hurricanes, but the impact of extreme rainfall (heavy rains) involves greater uncertainty compared to such temperature variations as extreme heat (heat wave) or extreme cold (cold wave).

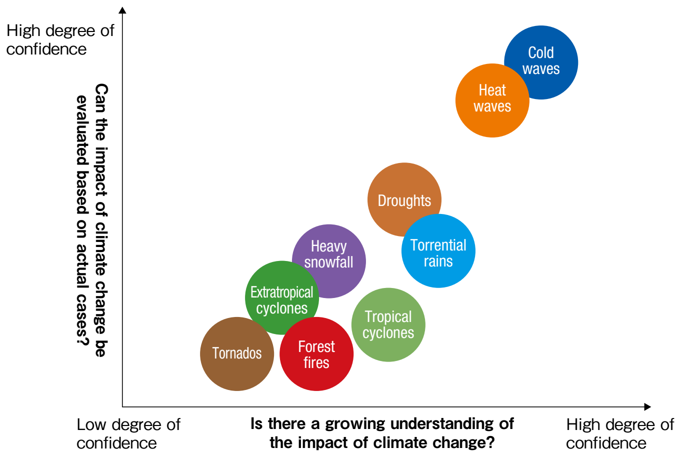


Figure 1: Confidence of impact forecasts of climate change
Source: Created by Tokio Marine Holdings based on material prepared by the U.S. National Oceanic and Atmospheric Administration*1

*1: Website of the U.S. National Oceanic and Atmospheric Administration

For heavy rains and tropical cyclones, which are two of the weather events that considerably affect Tokio Marine Group, we consider the impact of climate change as follows.

■ Impact of Climate Change on Heavy Rains

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%.

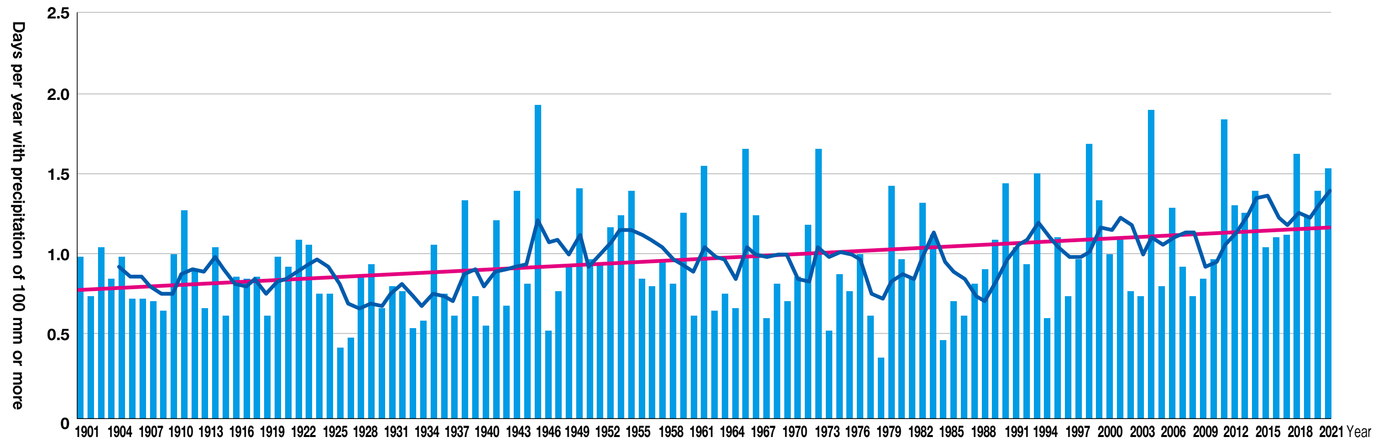


Figure 2: Days per year with precipitation of 100 mm or more
Source: Tokio Marine, based on materials from the Japan Meteorological Agency*2
*2: Japan Meteorological Agency website

■ 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.

First, 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).

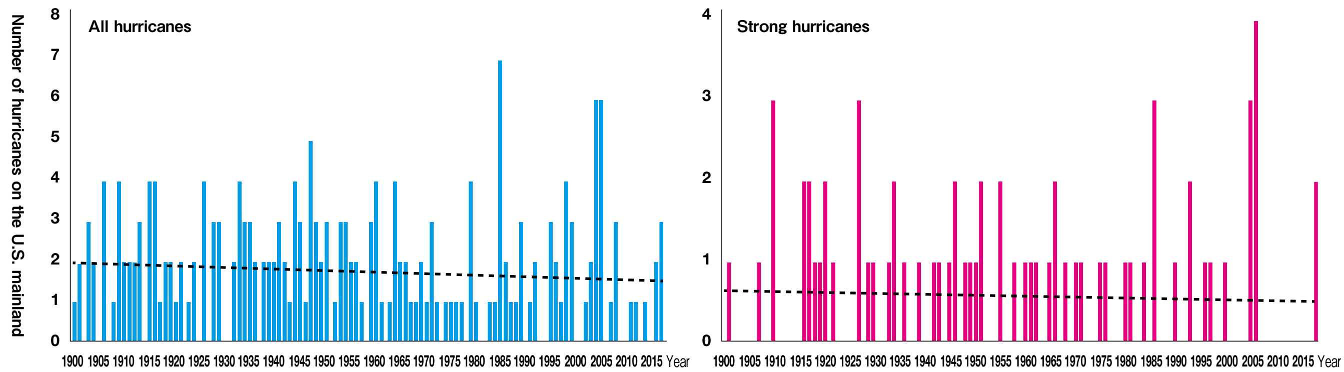


Figure 3: Number of hurricanes in the United States
Source: Created by Tokio Marine based on Klotzbach et al. 2018*3

*3: 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.

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).

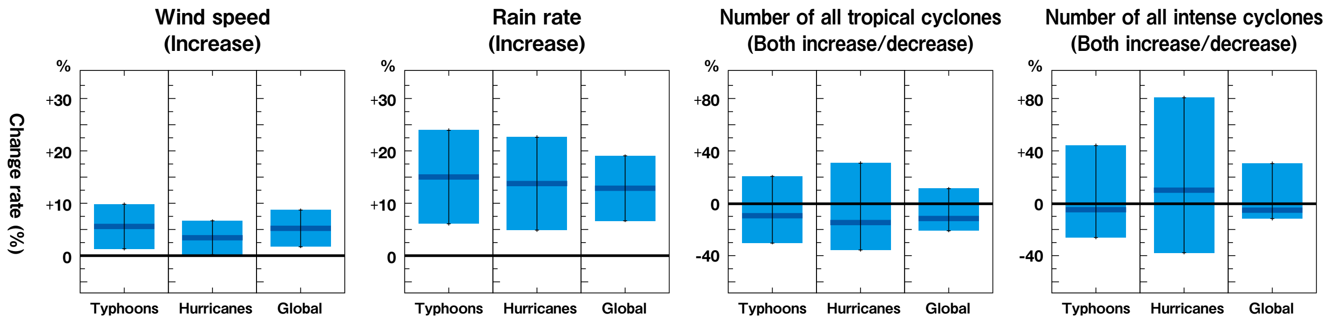


Figure 4: Changes in tropical cyclones due to a temperature change of +2°C Source: Created by Tokio Marine Holdings based on Knutson et al. 2020*4

*4: 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. Change of Other Than Weather Events

As shown in Figure 2 on page 75, 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.

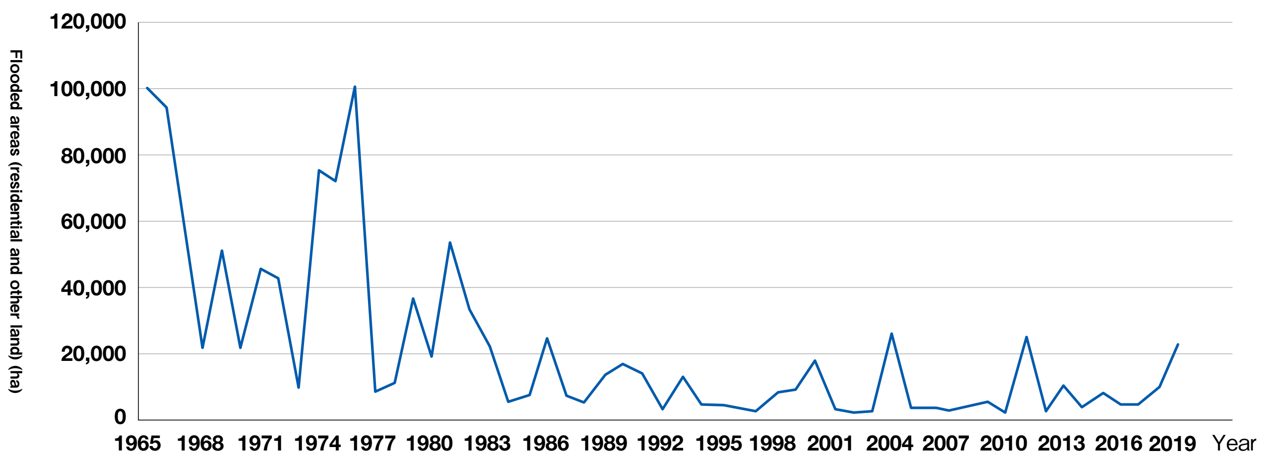


Figure 5: Areas inundated by floods (ha)
Source: Tokio Marine, based on materials from the Ministry of Land, Infrastructure, Transport and Tourism*5

*5: 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 already 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 Hurricanes Katrina in 2005, Sandy in 2012, and Irma in 2017.

In keeping with the move toward strengthening resilience in and outside Japan, 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.

Changes in Asset Exposure

In Japan, an influx of people into urban areas is expected to continue in the future. Over the period from 2015 to 2040, even though the number of households in the country is projected to decline 4.8% on a national average, an increase is expected in some prefectures, including Tokyo. As such, the trend of changes in asset exposure varies from region to region.

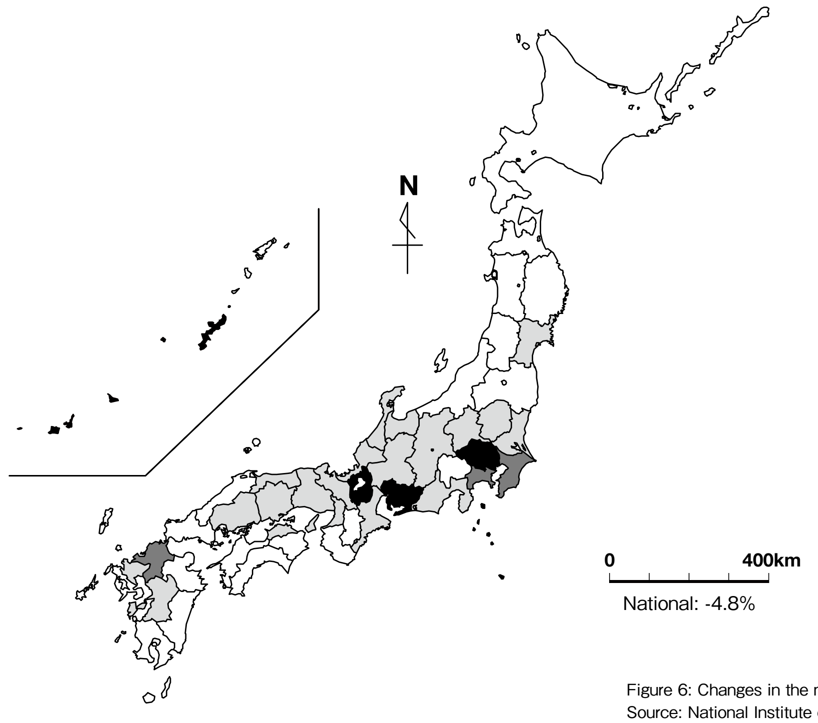


Figure 6: Changes in the number of households from 2015 to 2040
Source: National Institute of Population and Social Security Research*6

*6: National Institute of Population and Social Security Research, "Number of Household Projections for Japan (2017 Estimates)"

From the viewpoint of damage due to natural disasters, an important factor is the exact location of assets (whether within a hazardous area). In response to the frequent occurrence of natural disasters in recent years, Japan's Ministry of Land, Infrastructure, Transport and Tourism has stated that it is important to consider flood risk reduction when determining the locations of housing districts and city functions. Accordingly, Tokio Marine Group is monitoring the policy trends of the national and local governments.

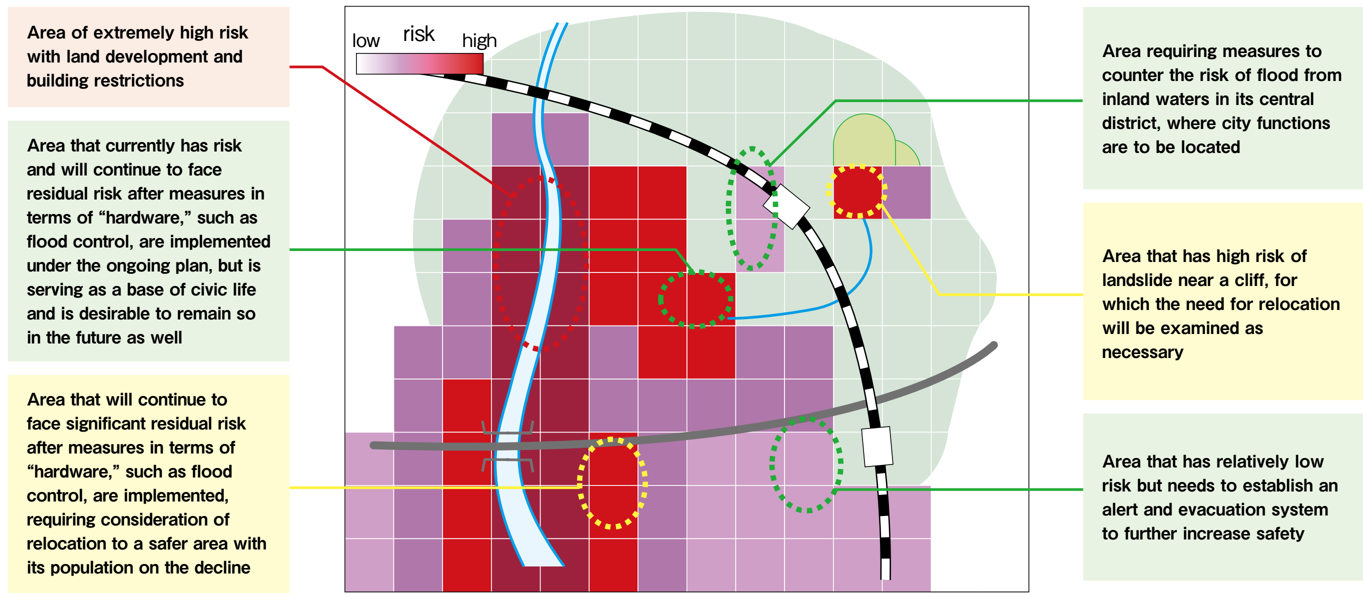


Figure 7: Directions in urban development based on the risk of water-related disasters
Source: Tokio Marine, based on materials from the Ministry of Land, Infrastructure, Transport and Tourism*7

*7: Ministry of Land, Infrastructure, Transport and Tourism website

Changes in the exposure geographic distribution are important in considering natural disaster damage both in Japan and overseas. In the United States, economic loss caused by hurricanes is known to be on an upward trend, but when the impact of a change in inflation, wealth properties, and population are normalized, there is no longer a significant trend. Thus, a rise in economic loss is mostly a result of these factors.

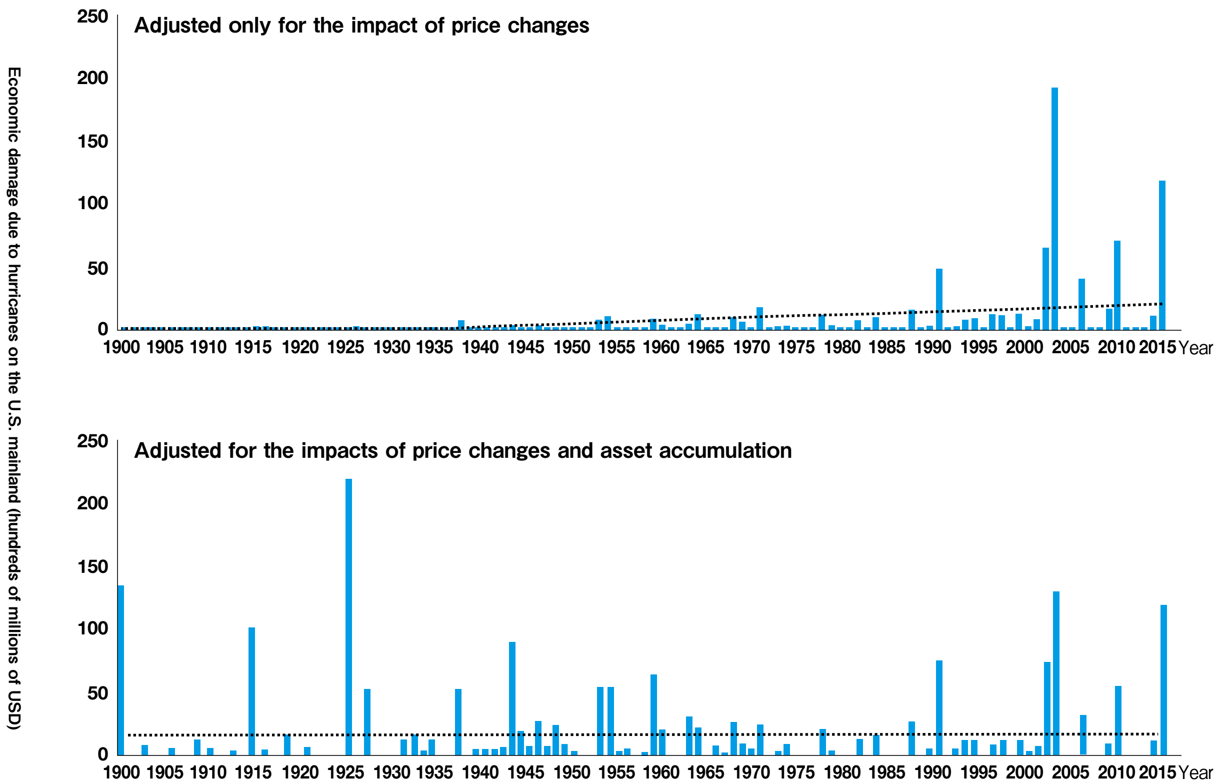


Figure 8: Economic Damage due to Hurricanes on the U.S. Mainland
Source: Created by Tokio Marine based on Klotzbach et al. 2018*8

*8: 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.

②Transition 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 the impact on the corporate value of portfolio companies and the value of assets held by the Company due to increased costs associated with greenhouse gas emissions resulting from climate change. To reduce the impact of these factors, we are decreasing total holdings of business-related equities and taking part in engagement initiatives. (See "Investment and Financing (Initiatives as an Institutional Investor)" on page 79.) In addition, to quantitatively understand the transition risks associated with assets under management, we are working to estimate the amount of impact for each scenario by referring to information disclosed by regulatory authorities in each country. Although standard assessment methods have not yet been established, to assess these risks properly we are conducting research and surveys on quantification models by multiple data providers. While we recognize that the impact on the value of our company's assets will not be significant at this point, we are working to gain a deeper understanding of the model and, if necessary, we will hold discussions with the data provider to verify the validity of the results.

Implementation of Climate Change Strategy

①The Company's Basic Approach to Climate Change

At the end of September 2020, we published our thoughts on climate change in "Tokio Marine: Our Climate Strategy," which we revised at the end of September 2021. In this statement, we commit ourselves to supporting our clients and investees in the transition to a decarbonized society. We will not underwrite new insurance policies for coal-fired thermal power plants and coal mine development projects for fuel coal, regardless of whether they are new or already existing. In our financing and investment operations, we will not extend new financing to coal-fired thermal power plants and coal mine development projects for fuel coal, regardless of whether they are new or already existing, in order to contribute to the transition to a decarbonized society. However, toward achieving the Paris Agreement targets, we might carefully consider and handle projects that incorporate innovative technologies and techniques, such as carbon dioxide capture and storage (CCS); carbon dioxide capture, utilization, and storage (CCUS); and mixed combustion technologies. As of July 31, 2022, we had not underwritten any new insurance policies or provided financing since announcing "Tokio Marine: Our Climate Strategy" at the end of September 2020.

In addition, we are supporting initiatives to lower CO_2 emissions by engaging with power plants for which we have already underwritten insurance to consider the environment through adoption of innovative high-efficiency power generation technologies and CCUS (carbon recycling) technologies that reduce or stop GHG emissions. Indeed, we are engaging with customers involved in the corresponding power plants to support their transition through product provision and/or consulting. Furthermore, after announcing "Tokio Marine: Our Climate Strategy," we have created and begun using an engagement sheet to confirm and record plans aimed at realization of a decarbonized society. If it is determined that a customer is not considering its response to decarbonization, we can decline the renewal of the customer's insurance policy.

Furthermore, in December 2021, we identified environmental and social risks in our insurance underwriting and investment activities and identified sectors where such risks are likely to occur. Specifically, the Company will prohibit transactions involving inhumane weapons and will exercise caution when dealing with oil sands and Arctic oil and gas exploration.

②Investment and Financing (Initiatives as an Institutional Investor)

As a signatory to the United Nations Principles for Responsible Investment (PRI) through Group companies TMNF and Tokio Marine Asset Management, we have established a policy concerning ESG investment and financing, considering not only financial information but also ESG elements. By incorporating climate-related elements into the investment decision-making process, we are supporting the transition to a decarbonized society. Specifically, we are undertaking ESG engagement to support increased corporate value and the sustainable growth of investee companies through constructive and purposeful dialogue that considers non-financial factors including ESG elements in addition to their financial data as well as ESG integration where both financial data and non-financial data are used in the investment decision-making process. Through these efforts, we are promoting investments in ESG-themed green bonds and sustainability bonds. The total balance of such themed investments totaled about 65.0 billion yen as of March 31, 2022, for TMNF, TMNL, and Nisshin Fire. We have also begun using data providers to conduct quantitative analyses of the greenhouse gas emissions of our portfolio companies.

③Fund Formation (Initiatives as an Asset Manager)

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

Performance of renewable energy funds*9 (Total as of March 31, 2022)

Amount committed	Approximately 62 billion yen
Units installed	45

*9: TM Nippon Solar Energy Fund 2012, 2013, and 2014
TM Nippon Renewable Energy Fund 2017 and 2021
TM Nippon Long-Term Natural Energy Fund 2020

④Leading Discussions at International Climate Change Conferences (Initiatives as a Global Company)

As climate change is an important social issue that needs to be addressed by the entire world, Tokio Marine Group actively engages in dialogue with international organizations, governments, industries, academic communities, NPOs, and NGOs.

We have also led discussions at international conferences, which includes co-chairing a climate change–related working group for the Geneva Association since 2008. 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.

We are the only Asian company to be a member of the Sustainable Markets Initiative, an insurance industry task force envisioned by Prince Charles of England established in June 2021.

In January 2022, we became the first Japanese insurance company to join the Net-Zero Insurance Alliance (NZIA), which promotes the social transition of insurance underwriting portfolios toward net zero greenhouse gas emissions by 2050. The NZIA measures the greenhouse gas emissions of underwriting portfolios, is developing a target-setting methodology consistent with the Paris Agreement, and is examining methods to support corporate decarbonization. We are actively participating in these discussions and contributing to international rulemaking.

Risk Management

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

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.

①Qualitative Risk Management

We identify all forms of risk exhaustively, including natural disasters such as major storms and newly emerging risks due to environmental changes. We define risks that will have an extremely large impact on our financial soundness and business continuity as “material risks.” We include the risk of major windstorms and floods in the “material risks” category, which we believe could become more frequent and severe due to the effects of climate change. We also formulate control measures prior to risk emergence and response measures for after risks occur.

②Quantitative Risk Management

For material risks, through measuring risk amounts and implementing stress tests as part of our quantitative risk management, we are able to perform a multifaceted review of the adequacy of capital relative to the risks held for the purpose of maintaining ratings and preventing 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 also an effective way to protect our capital and stabilize profits. The Group utilizes reinsurance to prepare for natural disasters (capital events) that occur once every few centuries, and we determine earnings coverage from the standpoint of economic rationality and take necessary measures.

Acquisition of Knowledge (e.g., Industry-Academia Collaboration)

Tokio Marine Group is deepening collaboration with both inside and outside experts to acquire knowledge about risks. 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 for 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.

Indicators and Targets

Indicators

■ Achieve Carbon Neutrality in Business Activities (Fiscal 2021)

- **Emissions from our own business activities*1: 83,483 tons (down 32% from fiscal 2015 levels) (Scope 1: 13,022 tons, Scope 2: 47,435 tons, Scope 3*2: 23,026 tons)**
- **Greenhouse gas (CO_2) absorption/fixation/reduction: 130,003 tons**
  Tokio Marine Group is working to reduce the environmental impact of the overall Group (domestic and overseas) and become carbon neutral by 1) conserving energy and using energy more efficiently, 2) planting mangroves to absorb and fix CO_2, 3) use natural energy (such as by procuring green electricity), and 4) amortizing carbon credits. As a result of these efforts, in fiscal 2021 we achieved carbon neutrality for the ninth consecutive year (since fiscal 2013) by offsetting the CO_2 emissions generated by the Group's overall business activities through CO_2 fixation and reduction effects of mangrove planting and the use of carbon credits. The value of ecosystem-related services generated through the mangrove planting project over the past 20 years (from April 1999 to the end of March 2019) has reached approximately 118.5 billion yen. We expect the value to climb to 391.2 billion yen by the end of fiscal 2038.*3

■ GHG Emissions from the Asset Management Portfolio

To assess the climate change–related risks and opportunities at candidate companies for investment and lending, TMNF performed total GHG emission and weighted average carbon intensity (WACI) analysis of our domestic listed equity and bond portfolios, the disclosure of which is recommended by the TCFD.

The emissions and weighted average carbon intensity of our domestic listed equity and bond portfolios as of the end of March 2020 are listed on page 59 of the 2021 Sustainability Report. We plan to present the data for the end of March 2021 in the 2022 Sustainability Report, to be published by the end of September 2022.

We will continue to urge companies in which we invest to fully disclose climate change–related information and work toward a carbon-neutral society through engagement, while also making use of these analyses.

Targets

■ Targets for Fiscal 2050

- **Reduction targets for greenhouse gas emissions**
  We aim to reduce greenhouse gas (CO_2) emissions from Tokio Marine Group to effectively net zero (including investee companies*4)*5.

■ Targets*6 for Fiscal 2030

- **Reduction target for greenhouse gas emissions from our business activities**
  Reducing the GHG emissions (CO_2) of Tokio Marine Group by 60% compared with FY2015 *1,5
- **Target for renewable energy usage rate in power consumption**
  Making the power used by Tokio Marine Group's principal locations 100% renewable energy
- **Electrification of company-owned vehicles (TMNF, TMNL)**
  Making all vehicles owned by TMNF and TMNL electric vehicles (EV, PHV, HV, etc.)

■ Targets for Fiscal 2023 (Fiscal 2021–2023 Medium-Term Plan)

- **Increase net premiums written for the insurance of offshore wind power generation projects by around 5 billion yen (TMNF)**
- **Improve fire insurance earnings by more than 45.0 billion yen*7 (TMNF business unit profit)**

*1: Associated with our own business activities (Scope 1 [direct emissions] + Scope 2 [indirect emissions] + Scope 3 [other indirect emissions; Categories 1, 3, 5, and 6] based on the GHG Protocol standards)
*2: Amount of paper used, etc. (Categories 1, 3, 5, and 6)
*3: Survey contracted out to Mitsubishi Research Institute, Inc., and evaluated following internationally recognized methodologies
*4: Scope 3, Category 15, based on the GHG Protocol standards
*5: Scope 3 includes categories of importance to the Group for which numerical values can be obtained.
*6: Medium-term targets in the investment and loan portfolio (Scope 3, Category 15) are under consideration.
*7: Natural catastrophe claims in an average year

We will promote Diversity & Inclusion on a global basis to enable our approximately 40,000 employees working around the world to maximize their potential, which will lead to Tokio Marine Group's sustainable growth.

Mika Nabeshima

Executive Officer
Group Chief Diversity & Inclusion Officer (CDIO)

Positioning the Promotion of D&I as a Key Success Factor and Driver of Growth

For more than 20 years, the Company has been hiring diverse human resources while actively promoting global expansion. Currently, more than 40,000 people are leveraging their strengths as they play active roles in 46 countries and regions around the world.

While incorporating the ideas and perspectives brought to the table by our diverse workforce having promoted the creation of inclusive work environments in which people respect each other, I personally feel that we have grown significantly as a company. It is no exaggeration to say that the acquisition of highly motivated and diverse human resources with superior expertise is the greatest achievement of our M&A activities.

Amid increasingly complex social issues and constantly changing risks, we must improve the quality of the products and services we provide to our customers around the world in the years to come. To do this, it is essential that the Company maximizes the abilities of its motivated, talented employees who possess diverse values, regardless of their gender, age, nationality, or disability. Having positioned the promotion of D&I as a key success factor for further growth in an uncertain environment and market, we established the Diversity Council in April 2021 and created the post of Chief Diversity & Inclusion Officer (CDIO), and I was appointed the Group's first CDIO. In October 2021, Tokio Marine Group D&I Vision was formulated based on four important perspectives: Attract, Empower, Develop/Promote, and Retain. By announcing this vision as our Group's commitment to D&I, we are accelerating our efforts for diversity with the goal of becoming a truly inclusive global insurance group.

We are working on many issues toward the realization of our D&I Vision but for the time being have taken up two points as priority issues: "fostering an inclusive culture" and "closing the gender gap." Regarding the first point, "fostering an inclusive culture," as I mentioned before, the Company is endeavoring to create a work environment where the more than 40,000 employees of the Group in Japan and abroad respect each other. I think enabling the Company's purpose to take root connects the diverse human resources as one team and functions as the foundation for the Group's growth. Since the Company's founding in 1879, our purpose has been to protect customers and local communities in times of need. To further enable our purpose to become entrenched, efforts are taking place around the world, such as the "Majikirakai," casual assemblies headed by President and Group CEO Komiya that are designed to facilitate earnest discussion between employees, regardless of the division they belong to. I am also holding "Majikirakai" with employees at all levels. Regarding the second point, "closing the gender gap," women are already playing an active role in various aspects of our company. Despite the ratio of female managers in domestic and overseas companies already exceeding 30%, we believe that it is necessary to further increase the ratio. In Japan, with the goal of enabling employees to voluntarily develop their career and play an even more active role, Tokio Marine Group Women's Career College, a career college for female employees within Tokio Marine Group, opened in April 2019. In addition to these kinds of programs, there is active discussion about assigning appropriate roles, support for training female managers, and engagement in their everyday work. By further strengthening our efforts to close the gender gap, we will further demonstrate the Group's wide capabilities.

The Group considers not only gender but also other factors in the improvement of the work environments where the Group's diverse human resources can fully demonstrate their capabilities. In terms of nationality, as I mentioned before, to date we have taken it for granted that the human resources acquired through overseas M&A activities are performing splendidly in the right place in the world for them. Moreover, in terms of promoting the employment of people with disabilities, our special-purpose subsidiary established pursuant to the Act on Employment Promotion, etc., of Persons with Disabilities, Tokio Marine Business Support, has facilitated the development of the Group by supporting businesses in the aspects of printing, distribution, and the like.

In March 2022, an IR briefing* on the theme of D&I was held as part of our dialogue with the capital markets. I talked about our D&I strategies, as mentioned above, and my daily collaboration with Caryn Angelson, who was appointed Deputy CDIO to further strengthen these strategies.

The examples I have showcased here represent just a small part of our engagement, but by strengthening our efforts centered on priority issues, we will create a robust and agile company that can continue to grow in an uncertain environment and market.

*For details, please refer to "Tokio Marine Group D&I" in the March 17, 2022, issue of *Tokio Marine Insights* at:
https://www.tokiomarinehd.com/en/ir/event/presentation/2021/

Tokio Marine Group D&I Vision

To Be a Truly Inclusive Global Insurance Group

Attract
We will attract diverse talent, irrespective of personal characteristics, by being an employer of choice for all, where individuals are enabled to perform to the best of their abilities.

Empower
We will provide a truly inclusive working environment, both physical and cultural, in which all employees can contribute fully. They will be given the tools and authority to do what is best for our customers and society.

Develop/Promote
We will provide opportunities to enhance skill sets and experiences, both through formal and informal learning. We will be purposeful in our efforts to ensure equal opportunity for progression and growth for all.

Retain
We will have relationships with our people based on trust and transparency. Contributions to our Group, its mission, and its goals will be the foundation of any rewards and/or assessments for our people.

Diversity Council

Established a global committee headed by the CEO
Promote Group-wide initiatives with the participation of diverse employees, regardless of gender, nationality, generation, or career.

From the council in August 2022

Major Initiatives for FY2021

PDCA	• Interview about the action plans of each company of the Group
Sharing messages	• Sharing CDIO Nabeshima's video messages • Distribution of the D&I booklet • Delivery of the e-learning program
Reforming the corporate culture	• Holding executive sessions with outside lecturers

We aim to leverage digital technology and the Group's data as sources of competitive advantage and to evolve into a company that always supports its customers.

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

In an age of dramatic transformation and growing uncertainty around the world, we are expanding the range of domains in which we provide added value and support our customers and society. We believe that going beyond the payment of claims in the event of an accident or disaster; providing peace of mind before and after an accident, including the prevention of accidents; mitigating damage incurred by a customer and burdens borne when an accident occurs, helping to quickly restore normality; and preventing the recurrence of accidents and disasters will transform Tokio Marine Group into a company that always supports its customers. And our digital strategy is to support the realization of this vision by fully leveraging the power of the Group's human resources and technologies. This is also my mission as CDO.

Along with the ability to execute M&A activities and post-merger integrations, we have positioned the data we accumulate daily and our digital technologies as important intellectual property and intangible assets that will be the source of our future competitive advantage. It is only natural that we thoroughly utilize these assets toward the expansion of our business in such ways as providing peace of mind before and after an accident, as I previously mentioned. With this in mind, we agilely and strategically invest on a scale of several tens of billions of yen in start-up companies in Japan and overseas to obtain more advanced technologies and capabilities. In addition, in July 2021, we launched Tokio Marine dR Co., Ltd., which is responsible for the Group's core data functions, and have been steadfastly promoting the consolidation and analysis of the data possessed by Tokio Marine Group.

Looking at our data first, we possess a massive amount of accident data and risk information acquired through our wide range of insurance underwriting services. In terms of auto insurance, for example, we possess data from handling as many as 2.5 million accidents per year and have collected more than five billion kilometers worth of travel data from drive recorder devices equipped with communications units on nearly 800,000 vehicles. To analyze and utilize these data in the launch of new products and services, we must combine these data with various types of external data, as well as the highly advanced analytical skills we possess using AI and our technological capabilities.

From this perspective of linkage with external data, for example, we merged the autonomous driving related data possessed by May Mobility, Inc., with which we entered a capital and business alliance in January 2022, with our auto insurance accident data operations to enable the development of risk consulting and damage services for autonomous driving. Similarly, we also combined the wide range of natural catastrophe related data held by the National Research Institute for Earth Science and Disaster Resilience, with which we established a joint venture (I-Resilience Corporation) in November 2021, with our fire insurance related data to enable the creation of new solutions that contribute to the prevention of damage from a range of catastrophes. In addition, the consortium for disaster prevention, CORE (see page 13), has engaged in the creation of solutions directly linked to disaster prevention and disaster mitigation centered on four aspects (understanding the current situation, development and execution of measures, evacuation, and reconstructing livelihoods) by combining our risk data with the technologies and data possessed by participating companies representing a wide variety of industries. To enhance the latent value in the data possessed by Tokio Marine Group, we organized the massive amount of data held within and outside the Company, including by our partners, as our Risk Information Platform, which we will work to further expand and leverage.

[Business Related Investments]

- Execute investments on the scale of several tens of billions of yen during both the previous and current mid-term management plans
- Continue to actively make growth-supporting investments

[Human Resources Related Investments]

- Hire around 100 human resources specialized in digital technologies
- Turn out several dozens of data scientists each year (internal development)
- Continue to hire and develop human resources with an eye to business domain expansion

DX銘柄2022
Digital Transformation

Selected as a Digital Transformation Stock (DX Stock) 2022 in recognition of our initiatives in the disaster prevention and mitigation domain and of our efforts to develop DX human resources

A lecture during the Data Science Hill Climb

Moving on to digital technology, including big data analysis, we will work to enhance our technological capabilities, for example, by establishing AlgoNaut, a joint venture with PKSHA Technology Inc., which has strengths in natural language processing and deep learning technologies. In addition, we will continuously expand our range of new products and services by leveraging the sophisticated digital capabilities held collectively within the Group, including by Tokyo Marine dR (TdR), to develop data-driven products creating new insurance markets that do not depend on traditional statistical data and to develop various risk solutions that enable risk visualization and accident prevention, for example.

In addition, for example, among the digital technologies that Tokio Marine Group has implemented, an accident reenactment system developed with ALBERT and AI using artificial satellite imagery to understand flood damage developed with ICEYE were the outcomes of the Group's collaborations with its capital and business alliance partners. These are cases where we were able to rapidly digitize our insurance functions by leveraging cutting-edge technologies from outside the Group.

Leveraging investments in early-stage insurtech companies through Corporate Venture Capital (CVC), which began full commercial operations in the United States in April 2022, we will further enhance and leverage digital technologies in a steady, fast-paced manner.

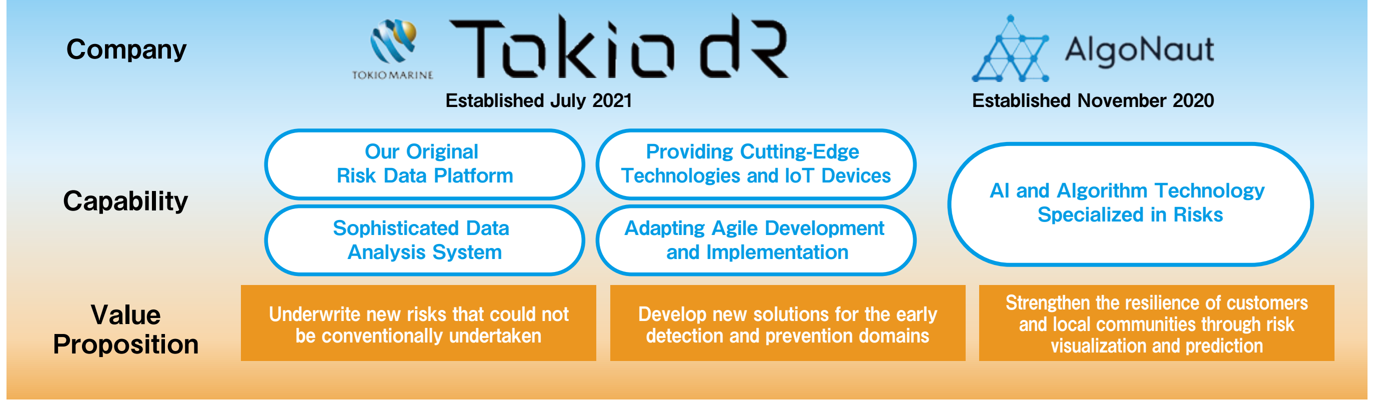
On the other hand, we will also focus on the development and acquisition of human resources to utilize these data and technologies. Along with hiring around 100 specialized engineers, designers, and other human resources in the field of digital technology, our internal training program, the Data Science Hill Climb, turns out several dozens of data scientists every year. It is already approaching its fourth year of operation. We have also prepared training programs that strengthen the digital skills of many employees based on their rank and are engaging Company-wide in the development of digital human resources by, for example, establishing a democratized development framework that allows all employees to develop applications without using code. We will also expand the scale of our investment in these efforts to more than 100 million yen per year.

In addition, we have focused on enhancing collaborations with organizations in Japan and overseas in the digital sphere to accelerate the creation of value by leveraging digital technologies globally. We have begun to see that the Group insurance companies in the United States and Europe have successfully developed innovative digital customer contact points and significantly improved management efficiency with BPR (Business Process Re-engineering). By globally sharing these initiatives so that they become ubiquitous, we will achieve stronger business results.

Recently, we were selected to be a part of DX Stock 2022 by the Ministry of Economy, Trade, and Industry, the Tokyo Stock Exchange, and the Information-Technology Promotion Agency, Japan. I believe this honor is proof that our ongoing initiatives in the digital technology field have been recognized, and there are expectations that we will continue to progress. We will continue to accelerate our digital strategy into the future to respond to these expectations. We will continue to aggressively promote investments in business and human resources and will leverage our data and digital technologies in a sophisticated manner. At the same time, we will boldly extend the insurance underwriting domain, expand our business into the domain of providing peace of mind before and after an accident, and generate results globally to enable sustainable growth for the future.

Data and AI Use

To leverage data and AI, Tokio Marine Group established Tokio Marine dR as the core of data management within the Group and AlgoNaut as a strategic joint venture together with PKSHA Technology Inc., which has strengths in AI analysis and machine learning.



To protect our customers in their times of need as a "Good Company" for the next century, we will develop the management talent necessary to lead the next generation and realize sustainable integrated group management by actively and widely investing in employees.

Kenichi Kitazawa

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

Now Is the Time to Aggressively Accelerate Investment in "People" as We Approach a Major Turning Point in the Business Environment

As a company that deals in insurance, a product that has no shape or form, vibrant and talented "personnel" are an important resource and driving force behind sustainable growth. As the CHRO, I have been working on the recruitment and systematic development of diverse human resources, both in Japan and overseas, and the establishment of a support system to ensure that the more than 40,000 Group employees worldwide can maximize and continuously improve their individual capabilities. Recognizing the critical need to invest in "people" at a time when the business environment is undergoing dramatic change, we are aggressively accelerating implementation.

To stably develop the global management talent who will lead the next generation of integrated group management, we are first promoting talent management across the Group while utilizing the HR system introduced at Tokio Marine Holdings in 2019 and continuing to conduct a variety of cross-border training programs. For example, the Global Executive Program is an initiative where senior leaders from around the world eat and house together under extreme conditions. This helps build strong relationships of trust among the participants, which in turn leads to further synergies across the Group.

Consistent with efforts to strengthen expertise throughout the Group, which we recognize is the wellspring of new added value, we take particular care in ensuring that the right human resources brought into the Group through various means including M&As are assigned to the right place on a global basis. Complementing this endeavor, we are working closely with each Chief Officer to hire highly specialized personnel in the field of corporate functions and to develop data scientists to enhance the Group's in-house capabilities.

Meanwhile, to realize our goal of "growth through the resolution of social issues" in a sustainable manner, maximizing the "individual capabilities" and "job satisfaction" of all employees, cultivating not only specialists in specific fields but also generalists is of the utmost importance. From this perspective, TMNF established the Engagement Design Team in 2022 to quickly promote new initiatives for enhancement of employees' actual feeling of growth. Also, by simultaneously promoting the four freedoms of gender, age, border, and work style, we focus on improving the individual capabilities and job satisfaction of all employees.

As far as the freedom pertaining to "age" is concerned, TMNF is not only expanding efforts to provide motivated and capable middle-aged and older employees with opportunities to excel but also ramping up support for the development of young employees who will lead the next generation. In addition to assigning more challenging roles and expanding on-the-job training support, the Company offers an online overseas training program over a period of roughly one week to all Global Course third-year employees to experience the realities of business overseas even amid the COVID-19 pandemic.

Moreover, TMNF introduced the "Cafeteria for Learning," a new training system that will enable employees to develop a wide range of skills based on their individual needs, as another initiative aimed at helping employees gain the necessary skills to meet the changing times, in 2021. The Company is also accelerating its investment in its employees through new allowances in 2022 to encourage independent learning and allow its human resources to refine their skills.

At Tokio Marine, our purpose to protect customers and society in their times of need as well as our core identity—To Be a Good Company—unites the individual capabilities of its diverse people. We continuously hold remote "Majikirakai" meetings and related training sessions covering various locations both in Japan and overseas, so that our employees around the world can deepen their empathy for our purpose while carrying out their daily duties.

The underlying premise for all these business activities is the physical and mental health of our employees. To maintain and promote sound health, I serve as the Chief Wellness Officer and am working on "health and productivity management" for the entire Group.

Irrespective of how much global conditions and the business environment change, the fact remains that "people" are the wellspring and foundation of our competitiveness.

The initiatives introduced as follows are but a fraction of our people-related endeavors. Recognizing that now is the time to aggressively invest in our employees, we will continue to strengthen our foundation to ensure that we remain in a position to protect customers in their time of need for the next century.

TMNF's Declaration of Commitment to the Promotion of Diversity & Inclusion

To realize its purpose, Tokio Marine is simultaneously promoting each of the "four freedoms" to eliminate the various barriers that hinder the creation of an environment where diverse values and experiences are respected and ensure that all employees can maximize their potential.

Four Freedoms

- Gender Freedom (Breaking down gender barriers, LGBTQ+ initiatives)
- Age Freedom (Breaking down barriers relating to years of service and age)
- Border Freedom (Breaking down such barriers as employee course classification, nationality, disability, career recruitment, etc.)
- Work-Style Freedom (Breaking down barriers relating to work styles)

"Four freedoms" identified by TMNF

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

Pursuing the Optimal Human Resources Portfolio

New HR System at Tokio Marine Holdings

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

Talent Development and Skills Building

Training Programs for Developing Global Management Talent

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

Data Science Hill Climb

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

TM2100

This is a leadership development program that deepens mutual understanding and a sense of unity by connecting approximately 100 junior-level employees from Group companies around the world online to engage in such activities as group work on common issues, including the Group's business strategy and culture.
Received the U.S. 2020 Pillar® Award for Talent Management Solutions in New Products, Services, or Innovation

TMNF's Employee Training (fiscal 2021)

Total training time: Around 314,000 hours
Total cost of training: Around 900 million yen

Increasing Employment Engagement

Instilling Our Core Identity

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

Culture and Values Survey

Despite the COVID-19 pandemic, scores on the Culture and Values Survey conducted at Group companies inside and outside of Japan for fiscal 2021 reveal positive strides and improvements are being made. We are now working on further improvements at the Group level with the involvement of Tokio Marine Holdings.

4.3 out of 5 (Group Attachment)

Promoting Highly Productive and Diverse Work Styles

"Super My Select" System

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

Project Request System

This system allows employees of TMNF throughout Japan the option of participating in projects with the headquarters corporate departments in parallel with their main assignments. (Fiscal 2021: 361 participants nationwide)

Promoting Diversity & Inclusion See pages 82–83

Promoting Health and Productivity Management See page 121

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 Executive Vice President
Akira Harashima

04 Representative Director and Senior Managing Director
Kenji Okada

05 Senior Managing Director
Yoichi Moriwaki

06 Managing Director
Yoshinori Ishii

07 Managing Director
Kiyoshi Wada

08 Director
Shinichi Hirose

09 Outside Director
Akio Mimura

10 Outside Director
Masako Egawa

11 Outside Director
Takashi Mitachi

12 Outside Director
Nobuhiro Endo

13 Outside Director
Shinya Katanozaka

14 Outside Director
Emi Osono

Audit & Supervisory Board Members

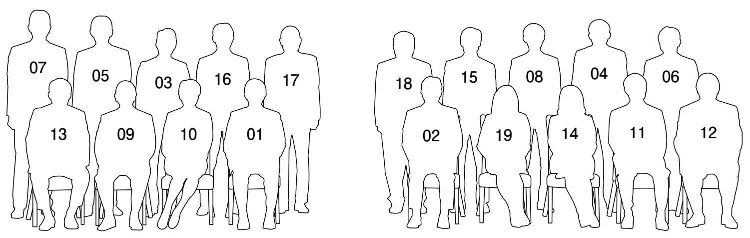
15 Audit & Supervisory Board Member (Full-Time)
Hirokazu Fujita

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

17 Outside Audit & Supervisory Board Member
Akinari Horii

18 Outside Audit & Supervisory Board Member
Akihiro Wani

19 Outside Audit & Supervisory Board Member
Nana Otsuki



Board of Directors' Contributions to Issues Related to Climate Change

To realize sound and highly transparent corporate governance, and to form a Board of Directors geared toward the sustainable enhancement of corporate value, we have appointed independent directors with a wealth of knowledge and experience to supervise the execution of company operations and make decisions. We asked two of our independent directors (Shinya Katanozaka and Emi Osono) for their opinions on the "contributions of the Board of Directors and its effectiveness" and their "expectations of the Company" regarding relevant issues surrounding climate change.

Contributions of the Board of Directors on Issues Relating to Climate Change and Its Effectiveness

Engaging in effective discussions with independent directors who have diverse experience and skills to tackle the important social issue of climate change head on

—— We have identified climate change as an issue of paramount importance. What discussions have there been on this issue at Board of Directors meetings?

Katanozaka: In fiscal 2021, four intensive discussions were held on the topic of sustainability with a focus on climate change. They included dialogue on the formulation of a medium- to long-range sustainability strategy for the Group, annual and medium- to long-term business plans based on this strategy, and revisions to insurance underwriting, alongside investment and lending policies for coal-fired power generation projects and other similar projects. The opinions of the independent directors were generally supportive of the Company's policy, but discussion ensued on points that warrant further consideration and attention.

Osono: For example, in December last year, Tokio Marine Holdings announced its 2050 Net Zero GHG Emissions Target, and one independent director who has experience as a senior executive commented on the importance of using such targets effectively while also finding ways to make progress on the actual situation. As one of the world's leading global insurance companies, I believe this opinion reflects the shared desire of independent directors for the Company to set its sights on achieving numerical targets, while also confronting the issue of climate change head-on and implementing substantive solutions. This requires addressing the reality facing Japan as a small, resource-limited country when engaging on the larger goal of achieving net zero emissions worldwide.

Katanozaka: I fully agree. As a global insurance company and an institutional investor, it would be simplistic to assume that, in making a divestment, corporate responsibilities have been fulfilled. Instead, we must think about how to genuinely contribute to the realization of a net-zero society. In my opinion, the Board of Directors must continue to have proper discussions on what is and isn't feasible for the Company to achieve in this area.

Osono: Sometimes divestment is necessary, but it is important to bring it to an expanded equilibrium by encouraging transitions through innovation. We must say with confidence that we will stand firm with our customers in their transitions and keep our feet on the ground regardless of trends in society. Moreover, in saying this, it is essential that the Company takes responsibility and accumulates results, and I hope that every effort will be taken to support our customers' transitions.

Katanozaka: Speaking of keeping our feet on the ground, during discussions on the Group's medium- to long-term sustainability strategy at a Board meeting, one of the independent directors pointed out that "the emphasis on climate change as a medium- to long-term issue in the Company's sustainability strategy, which cites the years 2030 and 2050, feels somewhat overstated. To begin with, responding to climate change represents a business opportunity for our Company, and it might be better to place more emphasis on the fact that we will rise to this opportunity immediately." Providing more explicit statements on plans and strategies regarding the Company's commitment to tackling climate change through our core business will heighten the "sense of ownership" among employees, who are the main actors in these efforts. This is another reason we must keep our feet firmly grounded.

Osono: That's right. This was actually incorporated into the Company's Annual Sustainability Plan in the form of a section on the "development and provision of products and services that contribute to a sustainable society" and led to quicker consideration of disaster resilience-related products and services.
I have a sense that the comments being made by independent directors at Board meetings are steadily assuming concrete form. For example, we were the first Japanese insurance company to join the Net-Zero Insurance Alliance (NZIA). Afterward, the Company issued a statement saying that we would contribute to the realization of a net-zero society even through insurance underwriting, a move that was made based on the opinion of one of our independent directors that "insurance underwriting should be included in the 2050 net-zero target." While this has yet to take shape, responding to the opinion of an independent director that the Company "should set milestones (interim targets) toward the 2050 net-zero target so as to make it more effective," discussions are under way regarding setting these targets once the estimated GHG emissions from the Group's insurance underwriting activities and asset management portfolios have been calculated.

—— What is your opinion on the effectiveness of the Board of Directors?

Katanozaka: As Ms. Osono says, the Company listens carefully to the opinions of its independent directors and makes every effort to bring them out. I like how the Chairman makes doubly sure at the end of each Board meeting to ask, "No more opinions?" It conveys a sense of Tokio Marine's appetite to improve its corporate value.
Not all the opinions of independent directors are adopted unconditionally. Take, for example, the Task Force on Climate-related Financial Disclosures (TFCD) relative to physical risk. One of the

independent directors argued that we should disclose our expected loss figures, but the Company decided not to do so because "disclosing expected loss data as is would be akin to a manufacturer disclosing a blueprint and would not lead to an increase in corporate value." Accordingly, the Company decided to disclose "the range of fluctuation in claims paid" as a physical risk, based on the scenario analysis tool of the United Nations Environment Finance Initiative (UNEP FI), for which we are a participant and a discussion leader.
At any rate, I think it is extremely healthy that the opinions of independent directors are taken seriously, and after discussion, conclusions are reached that are acceptable to all members of the Board.
As you can see, the broad cross-section of independent directors means that our Board of Directors' meetings are often animated, with a high volume of opinions exchanged. I know this comment is made frequently, but I genuinely feel that our meetings are lively and that the Board engages in deep, meaningful discussions.

Osono: I agree. I think all members contribute to important discussions, having already shared Company policy background. The different backgrounds and skills of the independent directors are highly beneficial to discussions on climate change, an issue that demands consideration from many perspectives. We all take the pursuit of fundamental solutions to issues confronting us extremely seriously. I became an external auditor at TMNF in 2017, and my first comment at my first Board meeting was, "Isn't there anything we can do about transfers?" I asked whether labor practices established when full-time housewives were the norm should still apply today, arguing that the burden imposed on families is too strong, and I called for a fundamental review of these practices and values.

Shinya Katanozaka

After joining All Nippon Airways, Shinya Katanozaka served as General Manager of the Human Resources Department, President and Representative Director of ANA Holdings, Inc., and currently serves as Chairman and Representative Director of ANA. He has held his position as a director at Tokio Marine Holdings since June 2020.

Katanozaka: And that's been accomplished, hasn't it?

Osono: It's taken some time, but with the boost offered by new work styles such as remote work taking root during the coronavirus pandemic, we are reviewing our transfer policy with the aim of eliminating transfers to other locations without employee consent. Any change to the operation of a system tends to generate friction, and I believe the structuring process is being undertaken with great caution, alongside careful monitoring of work sites. One of the strengths of this Company is our ability to think carefully about the fundamental measures needed to tackle the issue at hand and then execute them in a way that exceeds expectations. Accordingly, I'm confident that we will be able to find the optimal solution to climate change, an issue that will require the coordination of many different interests.

Katanozaka: In addition, the Company will introduce non-financial indicators in its performance-based compensation for executives from fiscal 2022 onward. This is something that has been under consideration by the Compensation Committee for two and a half years. I have shared with the execution side an example of its implementation in ANA's executive compensation packages. In our case, we decided to introduce an "employment engagement indicator" and a "sustainability strategy indicator" of 5% each in the KPI that determines company performance. These percentages might be small, but the move is commendable in that the indicators demonstrate preparedness both internally and externally, and that is a good place to start. As the promotion of sustainability strategies, including climate change countermeasures, is largely beyond the power of individuals alone, I would like to see the Company ensure that its employees understand the importance of these efforts and encourage their promotion.

Your Expectations of the Company

To further enhance corporate value, while respecting the culture, demonstrating leadership and increasing the speed of navigation

—— You mentioned that this initiative took a tremendous amount of time to accomplish. What are your expectations for Tokio Marine to further increase its corporate value?

Osono: I appreciate how the Company consistently maintains the idea that it is important to solve the root causes of issues such as climate change and diversity, rather than just setting numerical targets. The company culture is excellent. However, these issues take time to resolve. In Europe, companies start by trying out new measures. They then make improvements while monitoring the results. It's the role of independent directors—here at Tokio Marine, too—to keep asking if there are ways to expedite this process.

Katanozaka: As I see it, given that we are working to solve the social issue of climate change while pursuing growth as a company, unless we change the way we do business, we will not be able to keep pace with the drastic changes in the environment. With regard to transforming the way we work, to take a proximate example, I think it would be good to report to the Board of Directors at a much earlier, rawer stage of the process. After all, the essence is in the table talk. The tempo should be something along these lines: "We started that this year, but we've detected these problems so we're going to set about fixing them." Adjusting in small increments will also help speed up the process.

Osono: I agree. The "fail fast, fail forward" mantra has already been communicated throughout the Company, but you're welcome to fall a whole lot further forward in front of us (laughs). I'd like to see the company makes use of us (independent directors) at an earlier stage in the problem-solving process, or as leverage for what it hopes to accomplish moving forward.
In this sense, we set off fireworks to provide direction. Irrespective of whether success is guaranteed, I believe it's good to take up the challenge, to be the first, even if there are risks involved. Tokio Marine has established a strong brand name for itself in Japan, but if the Group is to succeed in growing its brand worldwide, it needs to take a solid position and demonstrate stronger leadership through its words and actions. Confronting climate change is uncharted territory. That being the case, we can make our own rules for how we respond. Tokio Marine has consistently adopted this approach throughout its history, which is why we are the industry leader. If, however, the Company wants to remain at the forefront of the insurance industry, we hope to do more in this area.

Katanozaka: I couldn't agree more. The Group has already launched several initiatives that are enabling the Company to demonstrate its leadership in the fight against climate change: the use of data relating to climate change at Tokio Marine dR, the Group's digital vehicle, for example, and the acquisition of GCube, which is contributing to the development of renewable energy. Bringing these to the fore in appealing to both internal and external audiences will offer an effective means of increasing the Company's value.

Katanozaka: While there are many different social issues that require attention, tackling climate change through our core business represents the No. 1 priority for Tokio Marine. It is that critical, but it is a business opportunity, too. I hope that Tokio Marine will continue to lead the way as a top corporate group in Japan and around the world.

Osono: The Ministry of Economy, Trade, and Industry's Green Innovation Fund, of which I am a part, has taken a bold step by allocating a total budget of 2 trillion yen over a 10-year period. This

Emi Osono

Emi Osono is currently the ICS department head and professor of business administration at Hitotsubashi University Business School. She has held her position as a director of Tokio Marine Holdings since June 2021.

budget will support everything from R&D and verification to social implementation for innovations in a diverse range of fields, including biofuels and high-speed, high-efficiency optical transistors. Without solutions created by innovative technologies, it will be impossible to balance the twin goals of economic growth and reduced environmental impact. When it comes to supporting transitions, we need to have our antenna up, have a good grasp of the issues, run alongside our clients, and have their backs. I am confident that we are a corporate Group that can achieve this and we, the independent directors, will be unstinting in providing the necessary cooperation.

Katanozaka: That's right, we can do it!!

—— Thank you for taking time out of your busy schedules to talk with us today.

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.

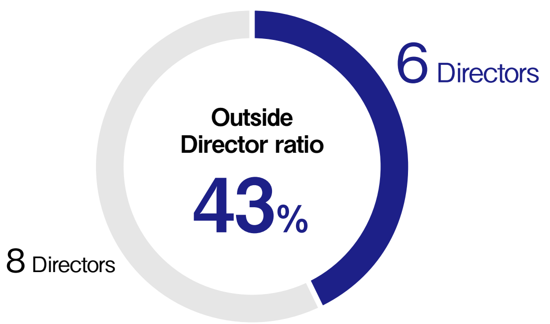
As an insurance holding company, the Company determines significant business execution by resolution of the Board of Directors and emphasizes making high-quality decisions that reflect the insight of Outside Directors and Outside Audit & Supervisory Board Members. Moreover, to increase the monitoring function of the Board of Directors, the rate of outside directors should generally exceed 1/3, with 43% currently being outside directors. Further, the Nomination Committee and the Compensation Committee, which are set up to enhance the supervisory function of the Board 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 institutional design, a majority of outside directors, the appointment of non-Japanese directors, and increasing the ratio of women.

Corporate Governance System

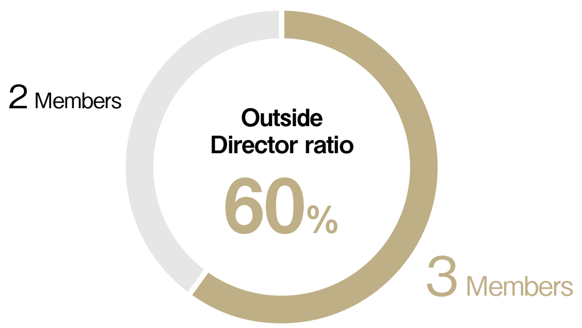
Board of Directors

- Determines significant business execution, supervises Director performance



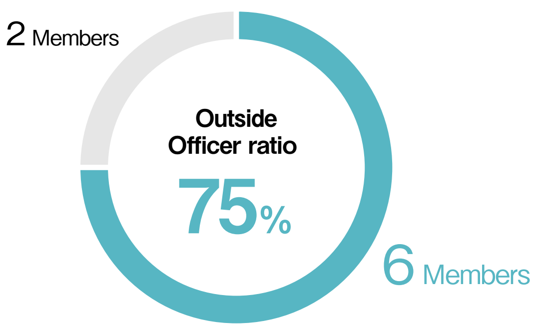
Audit & Supervisory Board

- Audits Director performance



Nomination Committee

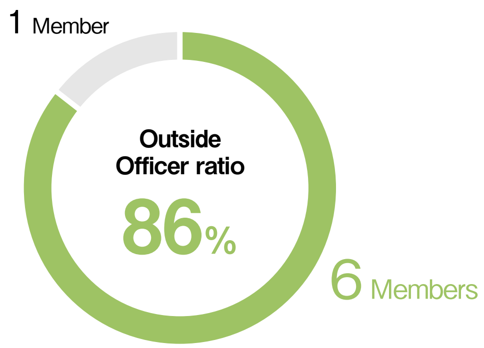
- Deliberates appointment and dismissal of CEO, Directors, and Audit & Supervisory Board Members; reports to the Board of Directors
- Deliberates CEO successor plan and supervises the development of successor candidates



Outside officer selected as Committee Chair

Compensation Committee

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



Outside officer selected as Committee Chair

Record of Measures to Strengthen Corporate Governance

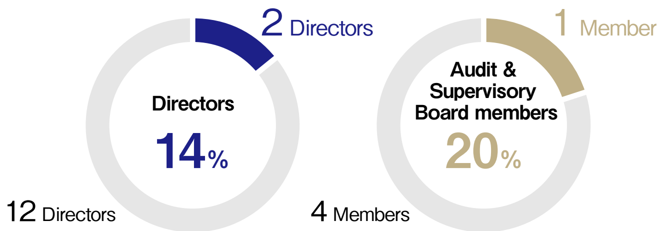
	FY2002	FY2004	FY2005	FY2011	FY2013	FY2015	FY2016	FY2017	FY2018	FY2019	FY2021	FY2022
Structure	April Millea Holdings (currently Tokio Marine Holdings) established as a company with an Audit & Supervisory Board		July Nomination Committee and Compensation Committee discretionally established	November Evaluations of effectiveness of the Board of Directors (surveys administered to all Directors and Audit & Supervisory Board Members) commenced								
Membership: Outside Directors	3						June 4			June Ratio of Outside Directors raised to one-third		
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
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

3 Strategy & Business Platform Supporting Our Purpose Story

Skills of Directors and Audit & Supervisory Board Members

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 control 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 bases 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, outside 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 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 thought of as especially important. Based on this direction, we appoint as outside directors not only four with business administration experience (of whom one has extensive experience as a business administration consultant) but also two with experience in scholarship. Moreover, the outside directors also include a former director of the Bank of Japan, a lawyer, and an analyst. All the directors have rich international experience. In this way, 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 two female directors and one female Audit & Supervisory Board member so that the ratio of female members of the Board of Directors and the Audit & Supervisory Board exceeds 15%.

Ratio of women



Name	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	Chairman of the Board		○	○					○		○	○
Satoru Komiya	President & Chief Executive Officer	Group CEO (Group Chief Executive Officer) Group CCO (Group Chief Culture Officer)	○	○				○			○	○
Akira Harashima	Executive Vice President	Head of International Business Co-Head of International Business	○								○	○
Kenji Okada	Senior Managing Director	Group CFO (Group Chief Financial Officer)		○	○	○			○		○	○
Yoichi Moriwaki	Senior Managing Director	Group CSO (Group Chief Strategy and Synergy Officer)		○	○		○	○		○		○
Yoshinori Ishii	Managing Director	Group CLCO (Group Chief Legal and Compliance Officer)				○		○	○			○
Kiyoshi Wada	Managing Director	Group COO (Group Chief Operating Officer) Group CSUO (Group Chief Sustainability Officer)		○	○						○	○
Shinichi Hirose	Director		○	○				○				○
Akio Mimura	Outside Director		○	○					○		○	
Masako Egawa	Outside Director		○	○	○				○		○	
Takashi Mitachi	Outside Director		○	○	○		○		○	○	○	
Nobuhiro Endo	Outside Director		○	○					○	○	○	
Shinya Katanozaka	Outside Director		○	○				○	○		○	
Emi Osono	Outside Director		○	○	○		○		○		○	
Hirokazu Fujita	Audit & Supervisory Board Member (full-time)			○	○				○		○	○
Takayuki Yuasa	Audit & Supervisory Board Member (full-time)		○	○	○	○			○			○
Akinari Horii	Outside Audit & Supervisory Board Member			○	○				○		○	
Akihiro Wani	Outside Audit & Supervisory Board Member			○	○	○			○		○	
Nana Otsuki	Outside Audit & Supervisory Board Member			○	○		○		○		○	

Principal Activities

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

Name	Current term in office	Attendance at board meetings, etc.	Major activities including the remarks made at board meetings, etc.
Akio Mimura (outside director)	11 years and 9 months	He attended all 10 meetings of the Board of Directors in fiscal 2021.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the Board of Directors’ meetings based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as the chair of the Nomination Committee and the Compensation Committee, he has contributed to the fulfillment of supervisory functions through nominations, performance evaluations, and the establishment of an appropriate compensation system of directors, etc.
Masako Egawa (outside director)	6 years and 9 months	She attended nine out of 10 meetings of the Board of Directors in fiscal 2021.	She has fulfilled her supervisory functions by presenting inquiries and remarks at meetings of the Board of Directors, based on her insight into corporate management acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an Executive Vice President. In addition, as a member of the Nomination Committee and the Compensation Committee, she has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Takashi Mitachi (outside director)	4 years and 9 months	He attended all 10 meetings of the Board of Directors in fiscal 2021.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the Board of Directors’ meetings, based on his insight as a specialist in business management acquired through many years of experience in a consulting firm and a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Nobuhiro Endo (outside director)	2 years and 9 months	He attended all 10 meetings of the Board of Directors in fiscal 2021.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the Board of Directors’ meetings based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Shinya Katanozaka (outside director)	1 year and 9 months	He attended all 10 meetings of the Board of Directors in fiscal 2021.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the Board of Directors’ meetings based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Emi Osono (outside director)	9 months	After being appointed a director, she attended all eight meetings of the Board of Directors in fiscal 2021.	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 and the Compensation Committee, she has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Akinari Horii (outside Audit & Supervisory Board member)	10 years and 9 months	He attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board in fiscal 2021.	He has fulfilled his audit functions by presenting inquiries and remarks based on his insight acquired through many years of experience in his role as an executive or a regular employee of the Bank of Japan.
Akihiro Wani (outside Audit & Supervisory Board member)	7 years and 9 months	He attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board in fiscal 2021.	He has fulfilled his audit functions by presenting inquiries and remarks based on his insight acquired through many years of experience in his role as an attorney at law.
Nana Otsuki (outside Audit & Supervisory Board member)	3 years and 9 months	She attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board in fiscal 2021.	She has fulfilled her audit functions by presenting inquiries and remarks based on her insight into business management which was acquired through many years of experience as an analyst in financial institutions.

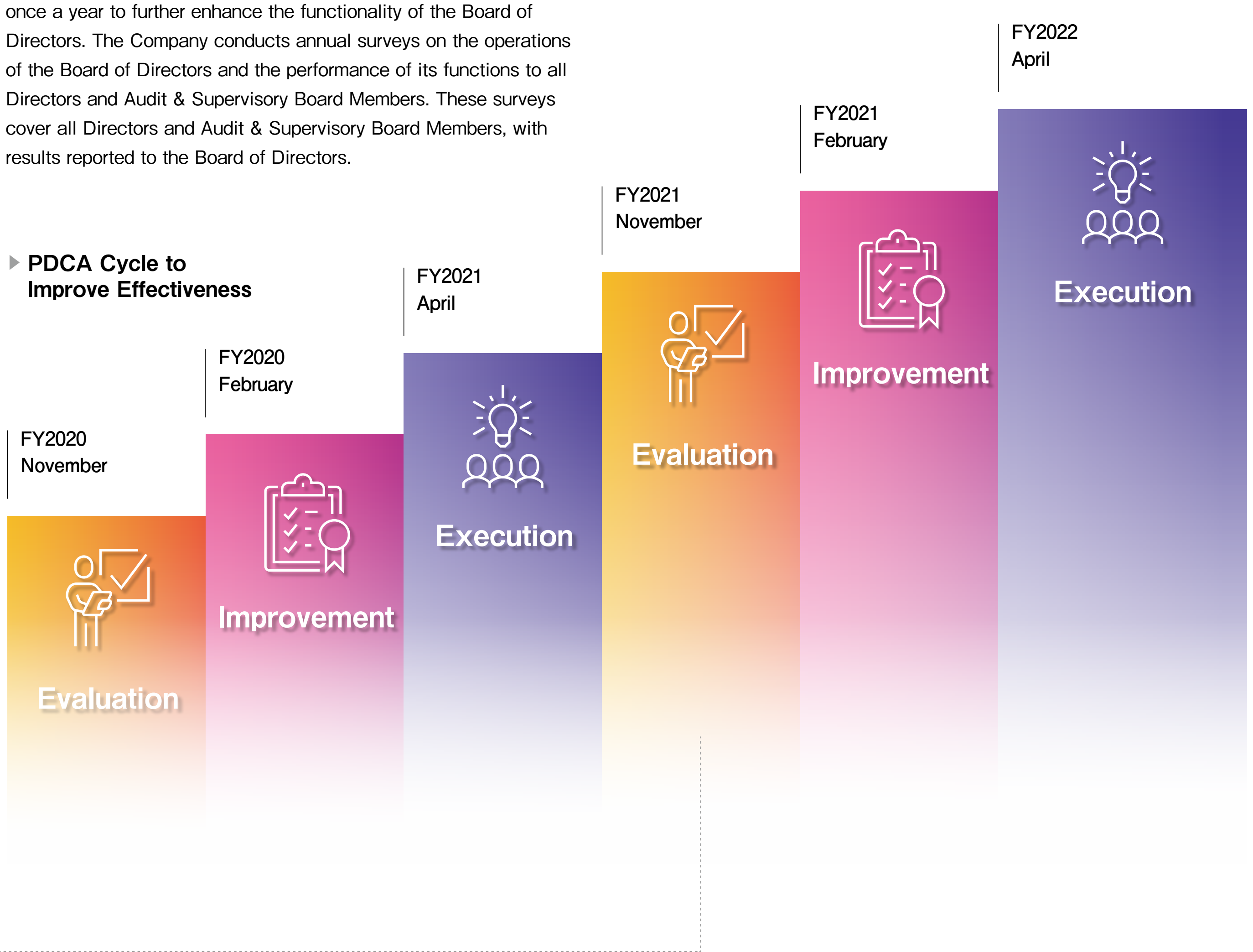
Note 1: Current term in office is the length of the term held as of March 31, 2022.
2: Description in the “Attendance of board meetings, etc.” and “Major activities including the remarks made at board meetings, etc.” includes attendance at Audit & Supervisory Board meetings and major activities including the remarks made at Audit & Supervisory Board meetings of outside Audit & Supervisory Board members.
3: All 10 Board of Directors’ meetings held during fiscal 2021 were ordinary meetings. All 10 Audit & Supervisory Board meetings held during fiscal 2021 were ordinary meetings.

Initiatives to Improve the Effectiveness of the Board of Directors

Method of Effectiveness Evaluations

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

▶ PDCA Cycle to Improve Effectiveness



▶ Fiscal 2021 Evaluation of Effectiveness Questionnaire

Period	**November and December 2021**
Target	**All directors and auditors**
Details	(1) Regarding the ease with which the documents of the Board of Directors can be understood, as well as their volume and the timing at which they are sent out in advance (2) Regarding the ease with which the proponents' explanations of agenda items can be understood, as well as the time set aside for this (3) Whether discussions and Q&A at the Board of Directors are meaningful (whether free, open, and constructive discussions are held and how inside directors respond to the opinions and suggestions of outside directors) (4) Whether the Board of Directors is sufficiently fulfilling its functions of determining significant business execution and supervising the work of directors (5) About the composition of the Board of Directors (e.g., number of members, inside/outside ratio, diversity) (6) About the themes of "Discussions on Corporate Strategy" (7) Other opinions on the management of the Board of Directors in general

Fiscal 2021 Evaluation of Effectiveness and Fiscal 2022 Operation Policy

The evaluation concluded that attendees are speaking actively and that free and constructive discussions are held by the Board of Directors and the Audit & Supervisory Board, so that the functions of the Board of Directors are generally exercised sufficiently. Meanwhile, there are opinions for further improvements, which we are addressing one by one.

Fiscal 2021 evaluation of effectiveness and fiscal 2022 operation policy

(Report to the Board of Directors in February 2022)

(1) Overall evaluation

The evaluation concluded that free and open discussions are held at the Board of Directors, so that the functions of the Board of Directors are exercised sufficiently.

(2) Toward further improvements

[Creation of materials]
The responsible officers should continue to create materials that focus exclusively on the points needed for discussion.

[Ensuring time for discussion]
Conduct more active deliberations in one session to ensure time for discussion.

[Sharing internal discussions]
The responsible officers should work to share key points and concerns discussed at internal meetings with outside directors. The chairman should work to ask inside officers to explain those key points, etc., and share that with outside directors.

[Early reporting of matters of concern, etc.]
In case of matters of concern, etc., the chairman and responsible officers should seek to report early, regardless of whether there are materials available. Governance departments should also report to the Board of Directors if they obtain such information. Likewise, we continue to request Audit & Supervisory Board members to advise the chairman, responsible officers, and the secretariat if they are made aware of matters that ought to be handled by the Board of Directors, if those matters are found when checking agenda items for management meetings or during an audit.

[Meetings to exchange opinions with outside officers, etc.]
We will continue to secure opportunities for independent officers' meetings, Group-wide meetings to exchange opinions with outside directors, and meetings to exchange opinions among representative directors and Audit & Supervisory Board members (full-time and external).

[Providing opportunities to get to know the Company]
In addition to the division managers' meetings and trainings we implement now, we will work to provide information about other observer opportunities, such as IR conferences and other events. We will also regularly arrange opportunities for outside officers and employees of Tokio Marine Group to talk.

Toward Further Improving Effectiveness

To improve corporate value, it is extremely important for the Board of Directors to fulfill its role as expected. The Company is considering measures to further improve the effectiveness of the Board of Directors, such as introducing means for third-party evaluations of effectiveness.

3 Strategy & Business Platform Supporting Our Purpose Story

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. It is for this purpose that the Board of Directors holds "Discussions on Corporate Strategy," which are discussions about themes such as the current management environment and management challenges. 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."

The following themes were discussed in fiscal 2021, and similar discussions will be held in fiscal 2022.

The Company also holds one meeting a year that is attended by independent officers only. It is entirely conducted by independent officers, including establishing agenda items. Opinions are exchanged objectively and from broad perspectives. In fiscal 2021, discussions were held on purpose management, diversity, human resources development, and other issues, with recommendations made based on these discussions.

"Discussions on Corporate Strategy" Themes

Fiscal Year	Themes
FY2021	(1) Exchange opinions with overseas subsidiary heads CEOs from TMSR (Brazil) and TMHCC (US) gave presentations on the current state 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 business.
FY2020	(1) The next Tokio Marine Group Mid-Term Business Plan; (2) exchanging opinions with overseas subsidiary heads; (3) Tokio Marine Group domestic life and non-life insurance business strategies; (4) Tokio Marine Group digital strategies; and (5) direction of human resource strategies
FY2019	(1) Tokio Marine Group CSR/Sustainability initiatives and SDGs; (2) exchanging opinions with overseas subsidiary heads; and (3) Tokio Marine Group digital strategies
FY2018	(1) Tokio Marine Group domestic life and non-life insurance business strategies; (2) direction of human resource strategies; (3) exchanging opinions with overseas subsidiary heads; and (4) Tokio Marine Group digital strategies

Succession Management

The majority of the Nomination Committee consists of outside officers, and the Chairman is elected from the outside officers.

Nomination Committee Members

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

The number of meetings differs by fiscal year; there was one in fiscal 2020 and two in fiscal 2021 with three planned in fiscal 2022. Moreover, all members attended all meetings of the Nomination Committee in fiscal 2021 (that took place after their appointment).

Overview of the Nomination Committee in Fiscal 2021

Fiscal Year	Themes
First meeting (December 21, 2021)	● Discussion of CEO candidates, TMNL ● Overview of talent management meeting (next-generation manager training), FY2021 ● Globally integrated group management and functional axis strengthening through the appointment of deputy CxOs from core talent in overseas Group companies, FY2022
Second meeting (January 14, 2022)	● Directors and executive officers, FY2022 ● Succession planning and candidates for CEO

Regarding CEO succession, themes are discussed by the Nomination Committee as soon as the CEO changes. We select multiple candidates after determining criteria for the successor, share the profiles, strengths, issues, and other attributes of each candidate among the members of the committee, and consider what experience the candidates should be given in the future.

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.

Moreover, specific training measures are systematically implemented so that the managerial capabilities of future management candidates are honed, for example, by dispatching them to external executive programs (training), where they study together with management from other companies.

(See page 31 for details about the fostering of next-generation management professionals.)

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 resignation.
- The Board of Directors shall determine the content of compensation for individual Directors and Executive Officers and other important matters concerning compensation for Directors, Audit & Supervisory Board Members, and Executive Officers. Decisions on any matter requiring consultations with the Compensation Committee shall be made after obtaining the opinions of the said Committee.

Determination Process

The Compensation Committee is an advisory body to the Board of Directors and, in fiscal 2021, consisted of seven members (chaired by an Outside Director), including six Outside Directors.

Members of the Compensation Committee

Chairman	Akio Mimura	Outside Director
Members	Masako Egawa	Outside Director
	Takashi Mitachi	Outside Director
	Nobuhiro Endo	Outside Director
	Shinya Katanozaka	Outside Director
	Emi Osono	Outside Director
	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 differs by fiscal year, but it was four in fiscal 2020 and three in fiscal 2021, with three planned in fiscal 2022. For fiscal 2021, all committee members attended all Compensation Committee meetings held during their term of office.

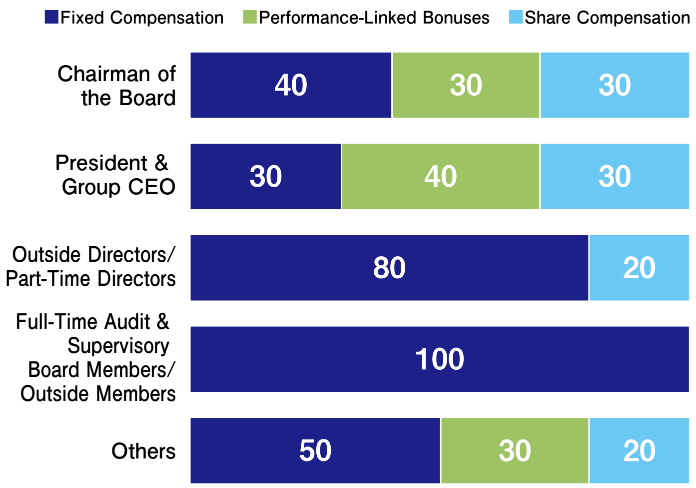
Overview of the Compensation Committee in Fiscal 2021

Fiscal Year	Theme
First meeting (May 20, 2021)	● Discussion and reporting on officer compensation systems and levels that apply in July 2021 or later ● Discussion and reporting on corporate performance evaluation in fiscal 2020 ● Discussion and reporting on individual performance evaluation in fiscal 2020 ● CEO individual target evaluation: Briefing on task achievement progress in fiscal 2020
Second meeting (July 20, 2021)	● CEO individual target evaluation: Setting the first targets for the period ● Reflecting non-financial indicators (ESG, etc.) in officer compensation
Third meeting (December 21, 2021)	● Officer compensation levels that apply in July 2022 or later ● Introducing non-financial indicators to officer compensation systems that apply in July 2021 or later

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.

Fiscal 2021 Targets and Results for Financial Indicators

Performance Indicator	Targets	Results
Adjusted ROE	10.8%	14.4%
Adjusted Net Income	424 billion yen	578.3 billion yen

Non-Financial Indicators (Introduced from Fiscal 2022)

Indicator items	Assessment items
Employee engagement indicators	Status of the Culture and Values Survey score improvements
Indicators relating to sustainability strategy	Progress of efforts to address the four main issues targeted by the sustainability strategies

Reference: Officer compensation to promote ESG initiatives

For 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 social 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 where 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.

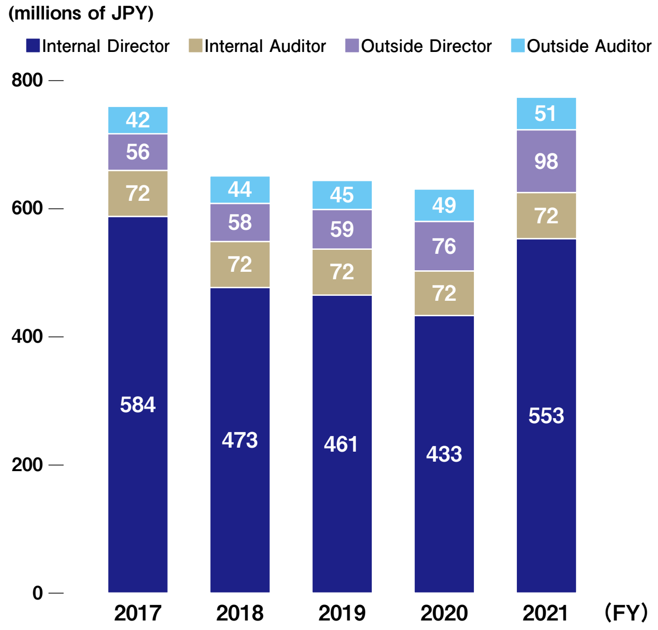
In the future, we will aim to continuously raise the level and realize high and consistent incentive accountability based on new developments in internal discussions about sustainability strategies and trends in the maturation and establishment of ways to evaluate non-financial indicators in the market.

(2) Stock-based compensation

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

Amount of Compensation

The Compensation of Directors and Auditors is as follows:



Strengthening Governance through Integrated Group Management

The key points of our governance are “promoting diversity” and “having a shared core identity.” Promoting diversity allows us to build an environment for generating new value, while having a shared core identity brings highly diverse human resources together into one team, and this is what we consider ultimate governance.

Promotion of Diversity (for details, see pages 82–83)

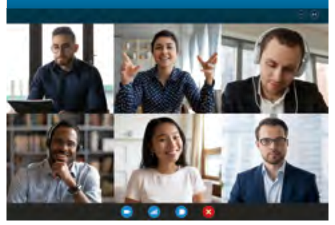
The Company takes its excellent, diverse talent acquired through overseas M&A and appoints them as Co-Heads and leaders of global committees and specialized areas. This is intended to make the integrated group management stronger and more flexible in responding to changes by deploying global knowledge laterally and incorporating it into the Group’s overall strategy.

15th CEO meeting on February 22, 2022

< Principal Initiatives to Promote Diversity >

Closing the gender gap

Empower foreign employees



Empower mid-career hires

Utilize generational diversity

Realize age-free workplace

Promote employment of people with disabilities

Promote understanding of LGBT and other groups

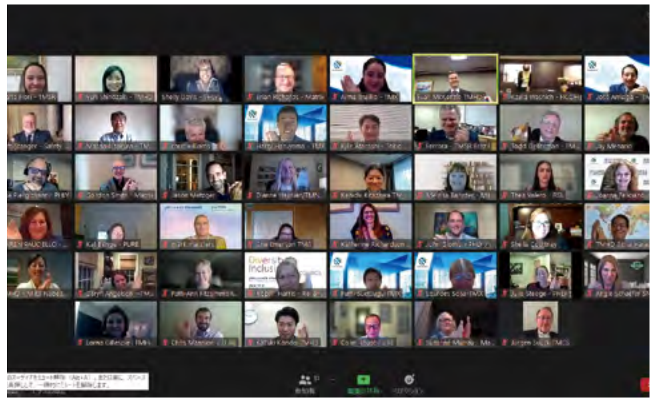
Spreading Our Core Identity

As we become more diverse, the importance of having a core identity that connects the diverse talent as one team becomes more important. The Company started out by acquiring other companies that match our culture of “wanting to make the world better through our business,” and to further disseminate our Group-wide culture of “To Be a Good Company,” we are implementing a variety of initiatives all over the world, including “Majikirakai,” where you can have serious conversations in an easygoing setting, a video series to spread awareness of our core identity principles, and Tokio Marine Group Good Company Awards, which recognize Group employees who take the lead in good initiatives that resonate with being a “Good Company.”

A town hall meeting in Philadelphia led by CEO Komiya

A town hall meeting (President Hirose, TMNF)

Good Company video series
(e.g., Message from the CDO)



Tokio Marine Group Good Company Awards
(online awards ceremony)

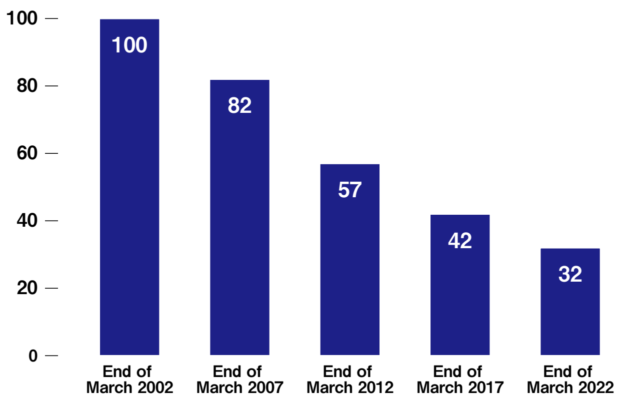
Reduction of Business-Related Equities

Efforts to Reduce Total Volume

We commenced efforts to reduce our business-related equities long before the Corporate Governance Code was made public. A total of 2.4 trillion yen worth of business-related equities (based on the market value at the time of sale) have been sold since fiscal 2002, and their book value reduced by 68% (compared with March 31, 2002).

Under the current Mid-Term Business Plan (MTP), we adopted a plan to sell more than 300 billion yen in three years. We achieved sales of more than 100 billion yen in fiscal 2021 and plan to steadily implement further sales in fiscal 2022.

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



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

Thus far, we have improved our capital to be less susceptible to stock price fluctuations and have been working to reduce the total volume from the perspective of improving ROE. Recently, the Company revised its fundamental corporate governance policy, stating that it would "review the Group's risk portfolio and reduce the amount of equities it holds in order to redirect capital towards achieving its purpose, such as resolving social issues, and growing business fields."

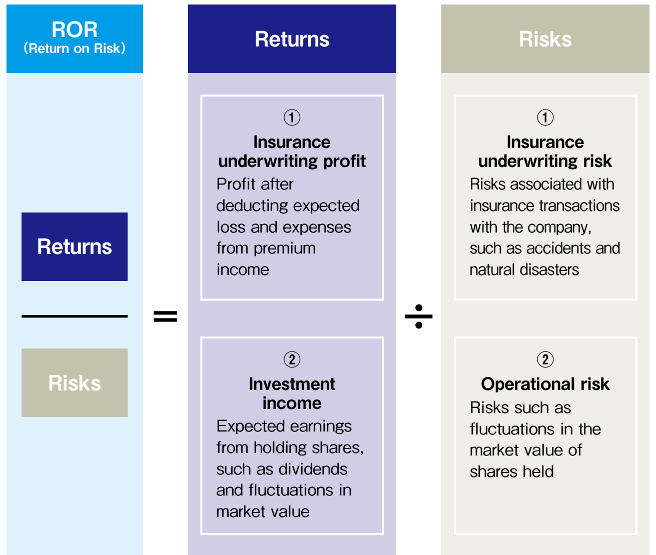
Content of Revisions to Fundamental Corporate Governance Policy

Before Revision	(Policy relating to business-related equity holdings) Article 3 Business-related equities are implemented by a portion of the Company's business subsidiaries (companies at which the Company directly holds a majority of voting rights. The same shall apply hereinafter.) with the intent of strengthening transaction relationships, and held with the intent to improve corporate value of the Group. However, the Company will continue to improve its capital to items that are not easily affected by fluctuations in share price, and from the viewpoint of improving capital efficiency, continue to work to reduce the total amount.
After Revision	(Policy, etc., 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 social issues and growing business fields.

At meetings of its Board of Directors, the Company verifies the risk and returns associated with holding such shares on an individual basis as well as the portfolio as a whole and, confirms the economic rationality of holding the business-related equities. The economic rationality is determined by comparing ROR (Return on Risk)*2 calculated from risks and returns of both insurance transactions and equity investments with the Company's cost of capital.

At the meeting of its Board of Directors held in October 2021, the Company reviewed the economic rationality as of the end of March 2021, and confirmed that ROR of the whole portfolio is above the cost of capital. As for respective companies with ROR less than the cost of capital, the Company works to improve returns from these companies through discussion regarding their business policies, and improvement and new proposals of their insurance programs.

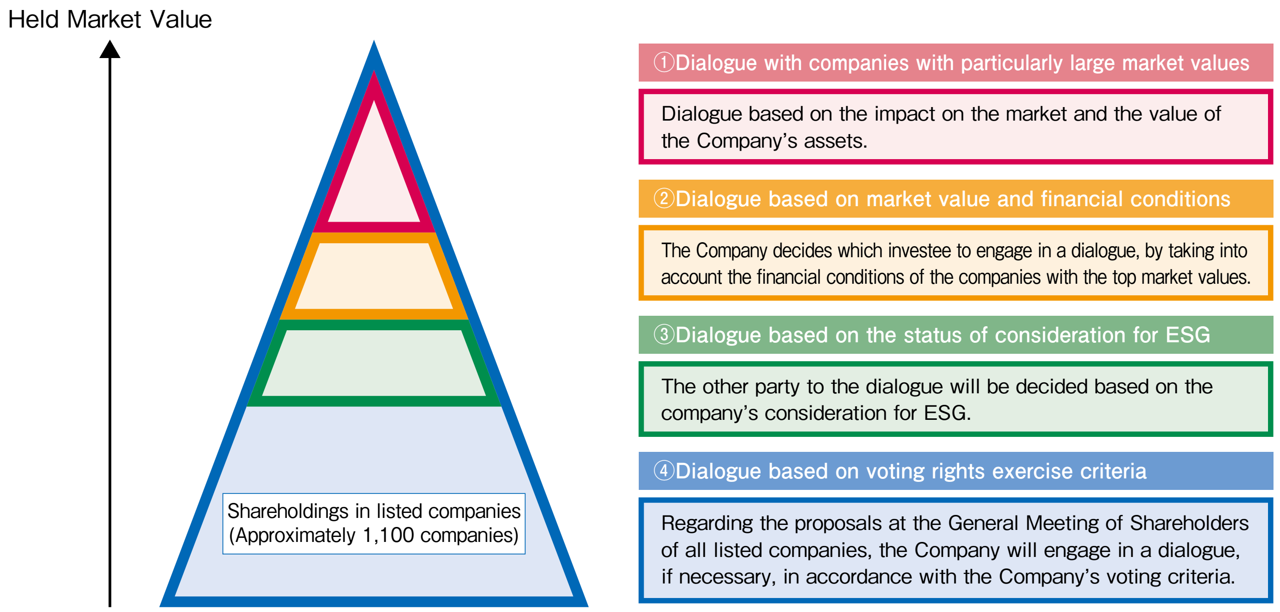
*2: ROR (Return on Risk) is an indicator calculated by dividing insurance underwriting profit and dividends, etc., obtained from the owned corporate group concerned by the calculated amount of risk relating to insurance underwriting and stock price fluctuations calculated based on the Company's risk management risk model.



Dialogue Based on the Stewardship Code

Throughout the year, the Company holds four types of dialogues: Dialogues with companies with particularly large market values; dialogues based on market value and financial conditions; 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	For a company that handles metal and plastic products, we asked about specific measures for reducing CO_2 emissions and the outlook for the emission reduction effects of those measures.	We received a reply to the effect that the company was making efforts to install energy-saving equipment when replacing facilities and would also be addressing the utilization of renewable energy in the future. Subsequently, carbon-neutral targets and CO_2 reduction targets for each production stage were announced in the company's new medium-term management plan.
E	We asked about the specific content of efforts and the key performance indicator (KPI) concepts to a company for which the disclosure of ESG and SDG initiative policies and content would pose problems.	We received a response to the effect that the company would be formulating a policy on ESG while clarifying its investment and lending stance for industries and sectors that have a significant impact on the environment and society. Subsequently, its policy on ESG was announced.
S	For a company that is proactively engaged in ESG, we asked about diversity initiatives, such as case studies on the active participation of women, seniors, and people with disabilities as well as their future prospects.	We received a response that everyone was eliminating the barriers between men and women and aiming to work in the same way. Subsequently, the first female director was appointed at the company's general meeting of shareholders.
G	For a company in which independent outside directors account for only a small proportion of the members of their boards of directors, we asked about their future ideal forms of governance and their ways of thinking on outside directors.	With regard to the appointment of outside directors, we received a response that the company was emphasizing substantial effects, such as discussion intensification, but also recognizing changes in the external environment with regard to external standards. Subsequently, the number of independent outside directors was increased by two at a general meeting of shareholders.

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.

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.

The industry's first full-fledged Investor Day (November 2020), briefings focused on themes of great interest in the capital markets (growth strategies related to the renewable energy market, D&I, overseas subsidiary specials, etc., held about twice a year), and especially the IR conference (May 2022), which was attended by an outside director who represents minority shareholders, were particularly highly rated by domestic and overseas shareholders and investors.

At the IR conferences, the outside director answered, from an objective standpoint, questions about Tokio Marine Group's management evaluations and issues, and how feedback from the capital markets is reflected in the Board of Directors' meetings. Participants commented that it was a valuable opportunity to listen first hand to an outside director, that they had deepened their understanding of the company's management, and that they would like to see more opportunities of this kind in the future.

In fiscal 2021, we also resumed face-to-face overseas IR activities. While improving their quality, we held dialogues with approximately 900 company shareholders and investors, which was almost the same level as the previous fiscal year.

(May 2022 IR conference video)
https://webcast.net-ir.ne.jp/87662205e/index.html


May 2022 IR conference

Dialogue with Individual Investors

In fiscal 2021, we took all possible measures to prevent the spread of infection and held a conference featuring the Group CEO. The Company also provided easy-to-understand explanations of the "Group's management strategy" and "shareholder return," which are of great interest to individual investors. These explanations received a 93% participant satisfaction rate.

(Conference video, Japanese only)
https://www.irmovie.jp/nir2/?conts=tokiomarinehd_202203_wNkD

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. Having little familiarity with capital markets, our employees come to understand the feedback from the capital markets, how the Company is evaluated, and how their own work is connected to the capital markets through IR activity reporting sessions. 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 2021, we also used remote tools to share and interact with 3,360 Group employees.

Awards Related to Disclosure

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


Our Integrated Annual Report 2021 received an Award for Excellence at the 1st Nikkei Integrated Report Award 2021

General Meeting of Shareholders

Presentation by the Group CEO

In order to promote a deeper understanding of the Company's management and business, the Group CEO routinely conducts presentations. At the 20th Ordinary General Meeting of Shareholders (held June 27, 2022), under the theme of "Business Strategy of Tokio Marine Group," the Group CEO gave an easy-to-understand presentation in recognition of the current environment and on our strategy for sustainable future growth.

(Presentation video)
https://www.tokiomarinehd.com/en/ir/event/movie/2022_meeting.mp4

Results of Exercise of Voting Rights

The results of the exercise of voting rights at the 20th Ordinary General Meeting of Shareholders are as follows:

Details of the Resolutions

Item 1: Appropriation of Surplus
Matters regarding the distribution of dividends and its aggregate amount
Amount of cash dividend per common share of the Company: 135 yen
Aggregate amount of cash dividends: 91,611,247,590 yen

Item 2: Partial Amendments to the Articles of Incorporation
1. The Insurance Business Act had formerly limited the scope of business that insurance holding companies can operate to the management of subsidiaries and other incidental operations. However, the Act has been revised and the scope of its business was redefined. The Company proposes to amend Article 2 of the current Articles of Incorporation, which concerns the objectives of the Company, as necessary in accordance with this revision to the Act.
2. The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will enter into force on September 1, 2022. In order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Company proposes to amend Article 16 of the current Articles of Incorporation and add supplementary provisions related to the effective date and other matters.

Item 3: Election of Fourteen (14) Directors
Election of the following fourteen individuals as directors: Tsuyoshi Nagano, Satoru Komiya, Akira Harashima, Kenji Okada, Yoichi Moriwaki, Shinichi Hirose, Akio Mimura, Masako Egawa, Takashi Mitachi, Nobuhiro Endo, Shinya Katanozaka, Emi Osono, Yoshinori Ishii, and Kiyoshi Wada.

Item 4: Election of Three (3) Audit & Supervisory Board Members
Election of following three individuals as Audit & Supervisory Board members: Akihiro Wani, Nana Otsuki, and Takayuki Yuasa.

Results of the Resolutions

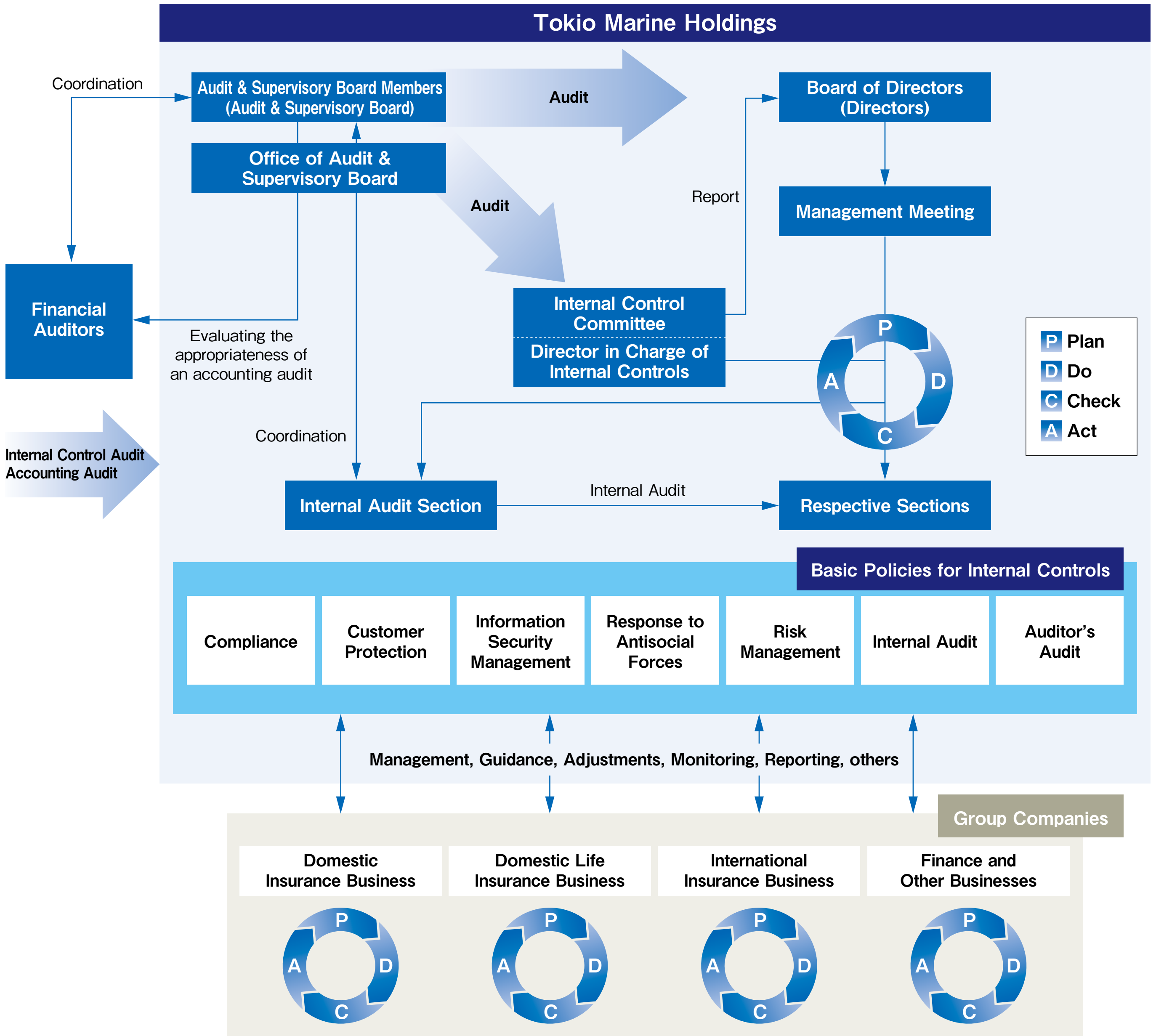
Item	Number of Affirmative Votes	Number of Negative Votes	Number of Abstentions	Approval Ratio (%)	Result of the Resolution
Item 1	5,636,887	1,195	261	99.86	Approved
Item 2	5,635,791	1,557	995	99.84	Approved
Item 3					
Tsuyoshi Nagano	4,790,897	846,063	1,173	84.87	Approved
Satoru Komiya	4,713,852	923,287	995	83.51	Approved
Akira Harashima	5,360,272	263,395	14,483	94.96	Approved
Kenji Okada	5,412,493	211,174	14,483	95.88	Approved
Yoichi Moriwaki	5,433,478	190,192	14,483	96.25	Approved
Shinichi Hirose	5,433,526	190,144	14,483	96.26	Approved
Akio Mimura	4,411,950	1,225,204	995	78.16	Approved
Masako Egawa	5,614,668	22,495	995	99.46	Approved
Takashi Mitachi	5,595,285	40,430	2,440	99.12	Approved
Nobuhiro Endo	5,592,652	43,063	2,440	99.07	Approved
Shinya Katanozaka	5,147,755	489,220	1,173	91.19	Approved
Emi Osono	5,614,512	22,651	995	99.46	Approved
Yoshinori Ishii	5,431,684	191,986	14,483	96.22	Approved
Kiyoshi Wada	5,431,726	191,944	14,483	96.22	Approved
Item 4					
Akihiro Wani	5,631,811	5,377	995	99.77	Approved
Nana Otsuki	5,631,286	5,902	995	99.76	Approved
Takayuki Yuasa	5,489,666	124,929	23,586	97.25	Approved

Internal Control System

Fundamental Policy

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

Internal Control System

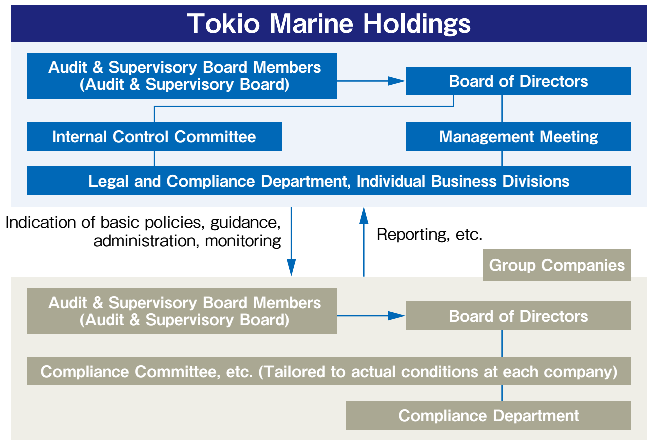


Compliance

The Company has formulated the "Tokio Marine Group Basic Policies for Compliance" and the "Tokio Marine Group Code of Conduct," and a compliance system is in place 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.

In order to prepare for cases in which it is not appropriate to report compliance issues through the organization's usual reporting channels, we have established various internal and external hotlines (whistleblowing hotlines) to accept reports and consultations from executives and employees of Group companies. As regards the number of reports and consultations received by the Group, there were 287 cases in fiscal 2021 (113% compared with fiscal 2020, 89% compared with fiscal 2019). The decrease in fiscal 2020 was due to significant changes in business conditions, such as the increase in telecommuting driven by COVID-19. 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. Also, each Group company in Japan is putting in place the necessary systems for responding to whistleblowers based on the Amended Whistleblower Protection Act, which came into effect on June 1, 2022.

Compliance System



Information Security Management

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

With regard to the 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 measures as one of its important management issues, the Group has appointed a Group Chief Information Security Officer (CISO) under the leadership of management and is maintaining a management system for the entire Group. Specifically, we have established basic ideas and compliance standards for the Group, such as the adoption of a global standard framework and countermeasures for people, processes, and technologies, and are responding to cyberattacks that are becoming more sophisticated year by year. Under Tokio Marine Holdings Group CSIRT*, the entire Group has also been divided into three regions (North America, Europe/Middle East, Japan/Asia). Regarding both responses in normal times such as security monitoring on a daily basis and employee training and emergency responses such as incident responses, all companies are working together while endeavoring to implement efficient and effective initiatives.

*CSIRT: Computer Security Incident Response Team

Crisis Management System

Tokio Marine Group has established a crisis management system to minimize economic losses and other impacts incurred in an emergency and immediately restore ordinary business operations. The Company has formulated the "Tokio Marine Group Basic Policy for Crisis Management" and the "Tokio Marine Group Crisis Management Manual" based on the policy and has set forth the crisis management systems necessary for Group companies to carry out their own roles.

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

When conditions that may develop into an emergency situation arise, in addition to each Group company determining whether or not these conditions correspond to an emergency situation, the Company determines, if necessary, whether or not these conditions correspond to an emergency situation for the Group. This system enables the Company to properly instruct Group companies and make sure necessary actions as a Group can be made. In fiscal 2021, while working on a reexamination of our Business Continuity Plan (BCP) and addressing issues for important risks and emerging risks, we also conducted simulated training in preparation for natural disasters and cyberattacks and worked to improve the effectiveness of our responses.

Internal/External Audits, etc.

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

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

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

Global Insurance Market

Profit growth in the United States, which has the world's largest insurance market, and stable growth in Japan, which has the world's third-largest market (No. 4 in non-life insurance, and No. 3 in life insurance), are the key.

The global insurance market in 2020 was worth 6.29 trillion dollars, with the United States in first place for both life and non-life insurance. Following China, Japan was in third place with the fourth largest non-life insurance and the third largest life insurance markets.

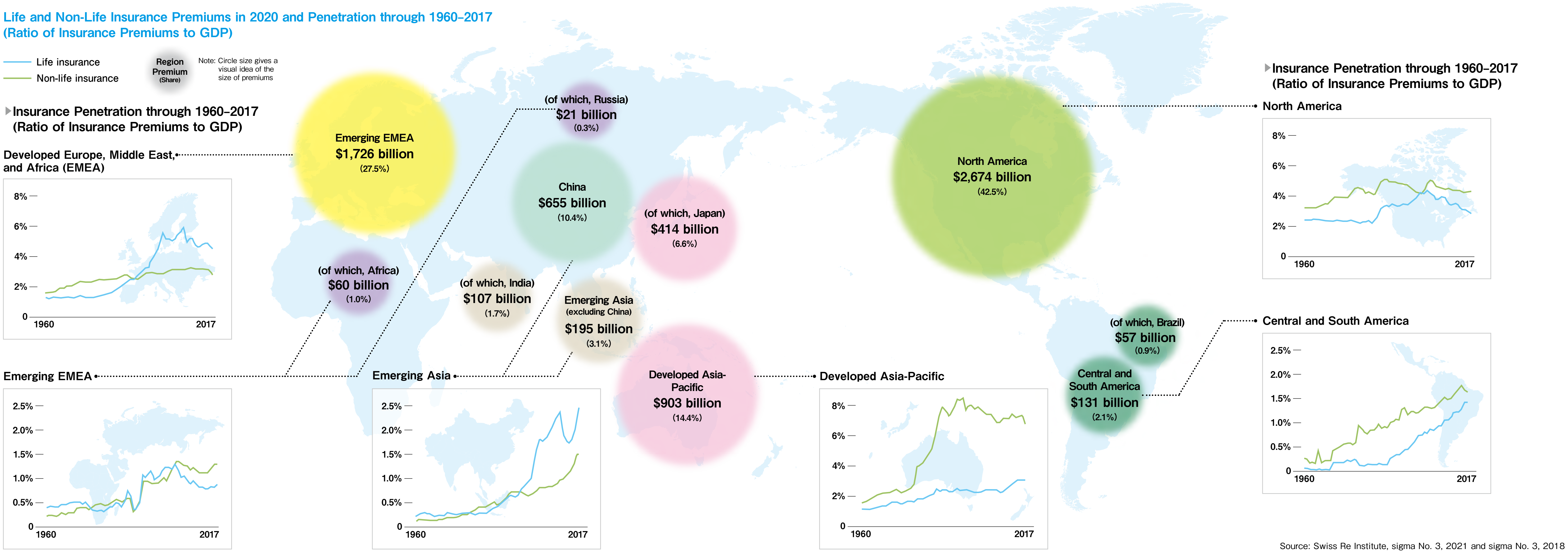
Ten Largest Insurance Markets in Direct Premiums Written for Life Insurance and Non-Life Insurance in 2020

(millions of USD)

Ranking	Country	Life premiums	Non-life premiums	Total premiums		
				Amount	Change against 2019 (%)	Share of the global total (%)
1	United States	632,687	1,897,883	2,530,570	1.8	40.25
2	China	347,545	308,330	655,874	6.2	10.43
3	Japan	294,497	120,308	414,805	-3.0	6.60
4	United Kingdom	238,890	99,430	338,321	-7.0	5.38
5	Germany	106,571	151,995	258,566	3.8	4.11
6	France	136,611	94,736	231,347	-11.2	3.68
7	South Korea	106,143	87,565	193,709	8.2	3.08
8	Italy	118,612	43,361	161,973	-4.0	2.58
9	Canada	58,234	85,234	143,468	6.4	2.28
10	Taiwan	91,155	22,150	113,304	-3.8	1.80

Source: Swiss Re Institute, sigma No. 3, 2021

Life and Non-Life Insurance Premiums in 2020 and Penetration through 1960–2017 (Ratio of Insurance Premiums to GDP)

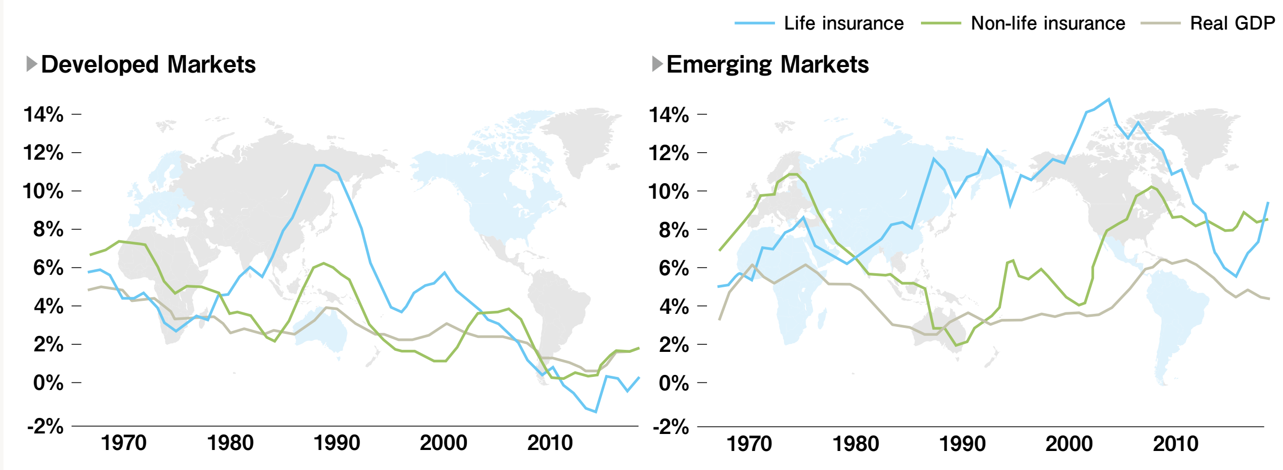


Source: Swiss Re Institute, sigma No. 3, 2021 and sigma No. 3, 2018

For 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 populations, 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)



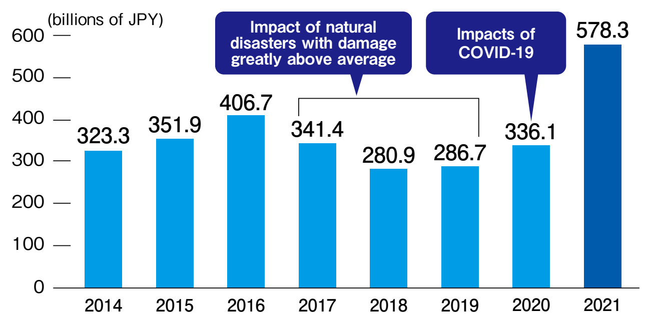
Source: Swiss Re Institute, sigma No. 3, 2018

Financial Highlights

Promoting risk diversification and generating stable profits

As a result of building a well-balanced business portfolio both geographically and in business terms, we have been able to generate stable profits even in the past few years that have seen a number of large natural disasters.

Adjusted Net Income*1

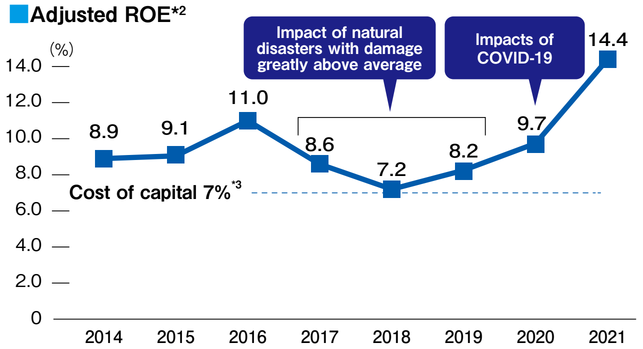


*1: Indicator used for business plans and shareholder return; please see page 136 for details.

Pursuit of higher capital efficiency

We are aiming to improve capital efficiency by revising our business portfolio, strengthening control of natural disaster risks, and continuing to sell business-related equities.

Adjusted ROE*2

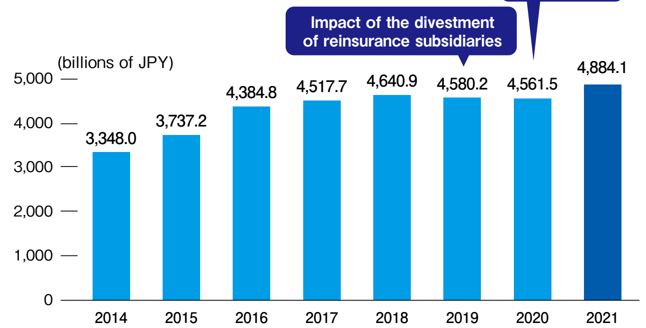


*2: Indicator used for business plans and shareholder return; please see page 136 for details.
*3: Return expected by investors; calculated using the capital asset pricing model (CAPM).

Steady expansion of Top-Line

Excluding the impact of the divestment of reinsurance subsidiaries in the amount of approximately 130 billion yen in fiscal 2019 and COVID-19 in fiscal 2020, insurance premiums are steadily increasing due to organic growth and the disciplined execution of M&A.

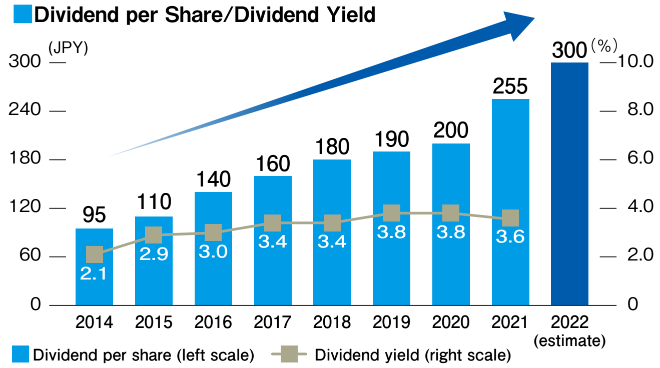
Net Premiums Written + Life Insurance Premiums



11 consecutive years of higher dividends projected

The dividend per share for fiscal 2021 was increased by 55 yen compared to the previous year to 255 yen. In fiscal 2022, we plan to provide a dividend of 300*4 yen per share, representing a 45 yen increase.

Dividend per Share/Dividend Yield

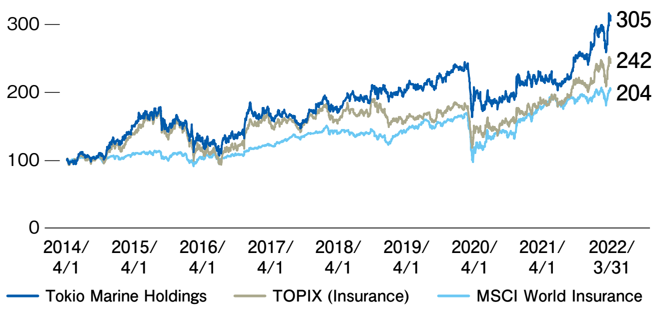


*4: Before consideration of stock split in October 2022

Shareholder value growing with TSR greatly outperforming market

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

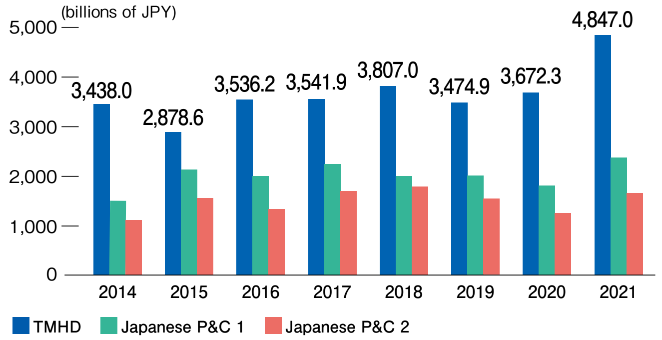


Source: Bloomberg
*5: Stock prices on April 1, 2014 are set at an index value of 100.

Steady growth in corporate value

Market capitalization as a result of evaluations from the capital markets greatly exceeds other insurance groups in Japan.

Market Capitalization



Non-Financial Highlights

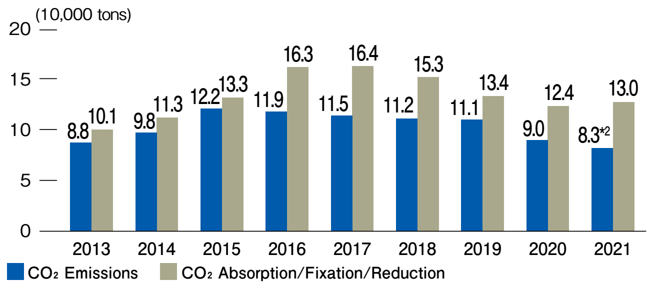
Combat climate change | Protect the natural environment

Achieved carbon neutrality*1 for nine years running and established climate change action targets

Tokio Marine Group has achieved carbon neutrality*1 in its business activities for nine years running since fiscal 2013 through its mangrove planting activities.

Targets toward fiscal 2030

1. CO_2 emissions associated with our own business activities reduction target*1: reduce by 60% compared to fiscal 2015
2. Renewable energy introduction rate target: 100% at main business locations
3. Company-owned vehicles: switch all company-owned vehicles of TMNF and TMNL to EVs



*1: Scope 1 [direct emissions] + Scope 2 [indirect emissions] + Scope 3 [other indirect emissions, categories 1, 3, 5, and 6] based on the GHG Protocol standards
*2: CO_2 emissions for FY2021 reflect a CO_2 reduction effect of 9,000 tons from buying green power

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*3

Prefectures	38
Ordinance-designated cities	10
Other cities	70

*3: Collaboration agreements on regional revitalization including BCP formulation assistance, etc.

Support people's healthy and enriching lives

Selected for inclusion in the Health & Productivity Stock Selection program for seven years running

We continue to work on health and productivity management across the Group, knowing that this forms an important element of our corporate philosophy to be a "Good Company."

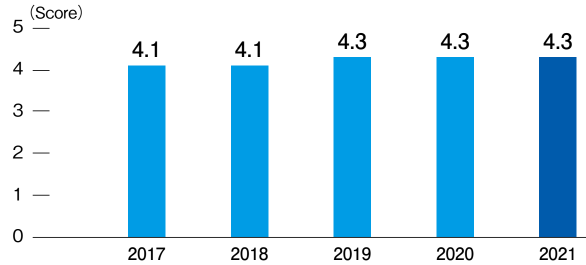
2022 健康経営銘柄 Health and Productivity

Promote and support diversity and inclusion

Group of highly motivated employees

Scores on the Culture and 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*4



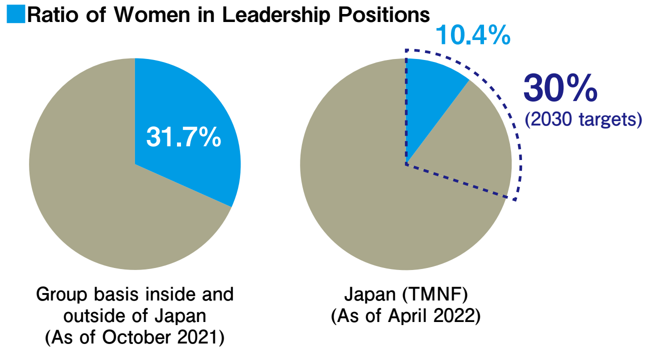
*4: Score of 5 (total for domestic and overseas Group companies and HD)

Promote and support diversity and inclusion

Eliminating the gender gap

We are actively working to eliminate the gender gap as part of our growth strategy.

Ratio of Women in Leadership Positions

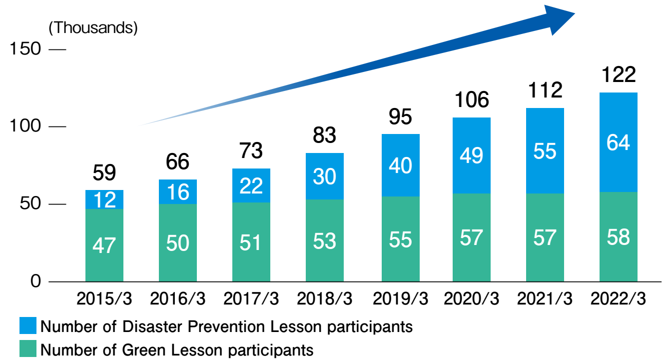


Improve disaster resilience | Protect the natural environment | Provide education to children

Active participation in social contribution activities

We are also actively holding Green and Disaster Prevention lessons as part of efforts to provide education to children.

Cumulative total of participants*5



*5: Number of participants is an approximation.

Progress of Current Mid-Term Business Plan by Business Unit

Looking at individual business unit trends under the current Mid-Term Business Plan (MTP), improvements in the profitability of fire insurance together with the growth of specialty insurance will drive the domestic non-life insurance business (up close to business unit profit plus 30 billion yen). Outside Japan, improvements in underwriting profit in developed countries fueled by risk selection and rate increases, profit growth in Pure and in emerging countries, and investment income expansion will drive the international insurance business (for which business unit profits increased 50 billion yen). In the domestic life insurance business, plans are in place to secure an annual stream of stable profits around the 50 billion yen level to diversify risks and contribute to long-term growth.

Current results indicate steady progress, especially in the domestic non-life and international insurance businesses. We will continue to steadily implement initiatives to achieve our goals.

For details of the status of each business unit's initiatives, see pages 117–128.

	FY2020 Results (Normalized*4; actual in parentheses)	Road Map for Achieving the Mid-Term Business Plan	FY2023 Plan (Released in May 2021)	FY2021 Results (Normalized; actual in parentheses)	FY2022 Projections
Adjusted net income	446 billion yen (399.6 billion yen)		CAGR +3%–7%*5 (Around 480–540 billion yen)	505.4 billion yen (578.3 billion yen)	550 billion yen
Business unit profits, etc. — Domestic Non-Life Insurance*1	138.5 billion yen (175.3 billion yen)	• Auto profit −10 billion yen P117 • Fire profit +45 billion yen P119 • Specialty insurance growth +10 billion yen P120 • Other (e.g., digital investment) P122	CAGR +6% or higher (Around 160 billion yen or more)	164.7 billion yen (203.8 billion yen)	173 billion yen
Business unit profits, etc. — Domestic Life Insurance*2	52.7 billion yen (52.7 billion yen)	P123	Secure a stable stream of profits around the 50 billion yen level	51.1 billion yen (51.1 billion yen)	42 billion yen
Business unit profits, etc. — International Insurance	180.1 billion yen (91.6 billion yen)	• Developed market underwriting +12 billion yen P124 • Pure growth +13 billion yen P125 • Emerging market strategies +15 billion yen P126 • Investment +10 billion yen P128	CAGR Around +9% (Around 230 billion yen)	232.2 billion yen (252.3 billion yen)	263 billion yen
Business unit profits, etc. — Other Businesses*3	74.7 billion yen (80.0 billion yen)		Around 70 billion yen	57.4 billion yen (71.1 billion yen)	72 billion yen

*1: Domestic non-life insurance = TMNF
*2: Domestic life insurance = TMNL
*3: Other domestic non-life, financial and other businesses, and sales of business-related equities not included in business unit profit, etc.
*4: Starting numbers for the current MTP (the impact of natural catastrophes is assumed to come in at around the annual average, and the impact of COVID-19 and FX rate fluctuations is deducted).
*5: As outlined at an IR presentation in May 2021, OG was projected to come in at 5% or higher.

Domestic Non-Life Insurance | Maintaining Auto Insurance Profit

MTP Targets

Auto insurance is a core line of business that generates stable earnings with a combined ratio in the lower 90% range.

Under the current MTP, plans are in place to secure top-line growth and offset the impact of rate decreases in January 2022 through such initiatives as expanded coverage. In this manner, steps are being taken to limit the decline in profit to around 10 billion yen compared with fiscal 2020 and maintain a stable stream of profits.

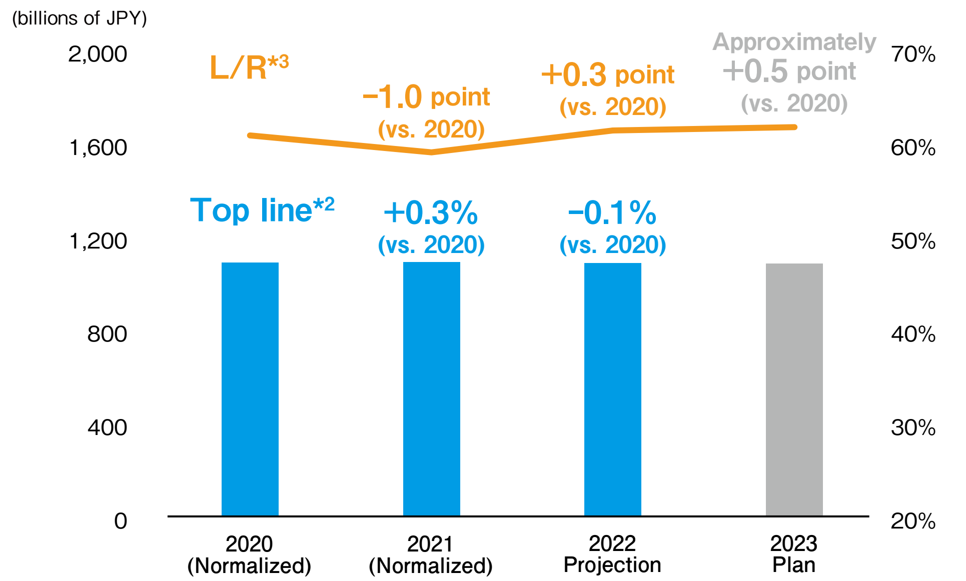
Key Measures

Maintain the top and bottom lines by continuing to implement the following measures during the period of the MTP.

(1) Increase market share (M/S)	• Expand coverage through product revisions • Strengthen digital contact points for customers, establish early contacts, etc.
(2) Generate sustainable and stable earnings	• Push forward initiatives to improve profitability through Drive Agent Personal (DAP)*1 and other proposals • Flexibly review premium levels considering loss costs, etc.

Progress Status

- Fiscal 2021 results: Increase in profit of approximately 9 billion yen and steady progress under the MTP owing to such factors as top-line growth (0.3%) through coverage expansion and efforts to improve earnings (L/R: -1.0 point)
- Fiscal 2022 projections: Despite a decline in profit of 3 billion yen compared with 2020 mainly owing to the impact of premium revisions (down approximately 2%) in January 2022, progress was generally in line with plans for ongoing efforts to steadily implement measures aimed at achieving targets



Profit impact*3,4 attributable to L/R fluctuations (vs. 2020)	+9 billion yen	−3 billion yen	Approximately −10 billion yen

*1: Drive Agent Personal (DAP): A product that uses our original driver recorders (which are equipped with communication functions) to prevent accidents from occurring and provide services to respond when they do occur.
*2: NPW
*3: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded. (Normalized)
*4: After tax, estimation

Reference

Impacts on the Auto Insurance Market due to Advancements in Autonomous Driving Technologies

Although the automobile insurance market will gradually shrink owing to such factors as advancements in autonomous driving technologies, expectations for insurance companies as social infrastructure will increase against the backdrop of advancements in automobiles and the growing complexity of liability.

Advancements in Such Areas as Autonomous Driving Technologies

Autonomous driving and other technologies are experiencing a certain degree of progress, as reflected in such developments as the release of the Honda Legend featuring the world's first Level 3 self-driving tech in March 2021 (the Government of Japan's targets appear to the right).

The insurance industry is expected to be affected by declining accident frequency and the growing complexity of accident liability because of such progress in technology.

Advancements in Autonomous Driving Technology

〈Level of Autonomous Driving〉	〈Driver〉	〈Government Target (private vehicles)〉
LEVEL 0 (zero autonomous)	Human	
LEVEL 1 (driving support)	Human	
LEVEL 2 (partially autonomous)	Human	
LEVEL 3 (conditional autonomous)	System	From March 2021, autonomous driving on expressways*1
LEVEL 4 (highly autonomous)	System	By 2025, autonomous driving on expressways*1
LEVEL 5 (fully autonomous)	System	TBD

Impacts from Declining Accident Frequency

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

- It will take more than 15 years for all vehicles on the market to be replaced with new ones*2. Furthermore, even if a Level 4 automobile came to market, autonomous driving will be limited to expressways (accounting for around 3% of accidents). This suggests that the decline in accident frequency will only be moderate.
- In terms of claim cost, repair costs are expected to increase because of the high cost of EV parts. Therefore, any impacts will be limited for the time being.

No significant changes to claims cost for the time being

Claims cost ＝ Accident frequency↘ × Price per claim ↗

- **Lower accident frequency ↘**
- **Higher price per claim ↗**

(Higher repair expense unit price due to expensive parts ↗)

Average car ownership: 9 years

Replacement of all vehicles will take more than 15 years*2.

Impacts from the Growing Complexity of Accident Liability

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

System for speedy victim relief without payment by policy holders

April 2017: Launched coverage riders for expenses for saving victims [First in the industry]

April 2021: Accidents during autonomous driving have no impact on the grade rating system [First in the industry]

Furthermore, a research working group of the Ministry of Land, Infrastructure, Transport, and Tourism concluded in March 2018*3 that it is appropriate for drivers to remain the primary party of liability up to Level 4 self-driving. As a result, today's automobile insurance will remain relevant for the time being.

Growing Expectations of Insurance Companies as a Form of Social Infrastructure and Our Activities

Amid future advances in autonomous driving technologies, non-life insurance companies, with their wealth of experience in providing auto insurance services and a nationwide network of offices, are expected to play a role as social infrastructure to eliminate concerns surrounding delays in victim relief due to such factors as the growing complexity of liability. Moreover, responding to the new cyber and other risks emerging from technological progress can become an opportunity for non-life insurance companies.

With the advent of a Level 5 autonomous driving society, we will continue to engage in such activities as the development of products and services that contribute to victim relief while leveraging the capital and business alliance (January 2022) with May Mobility, Inc., a company that develops autonomous driving technologies in a bid to support the realization of a safe and secure autonomous driving society.

*1: Based on our data, insurance payments for expressway accidents account for about 3% of all accidents.
*2: Public-Private ITS Initiative/Roadmaps 2020
*3: March 2018, MLIT Research Group on Liability for Accident Compensation concerning Autonomous Driving

Domestic Non-Life Insurance

Improving Fire Insurance Earnings

MTP Targets

As far as the deterioration in fire insurance earnings attributable to such factors as the increase in natural catastrophes and water leak damage in aging buildings in recent years, we will ensure profitability while contributing to the building of a society resilient to catastrophes by taking comprehensive measures including disaster prevention and mitigation. Our strategy is to improve business unit profits by more than 45 billion yen (currently, 70 billion yen) over the three-year period of the current MTP.

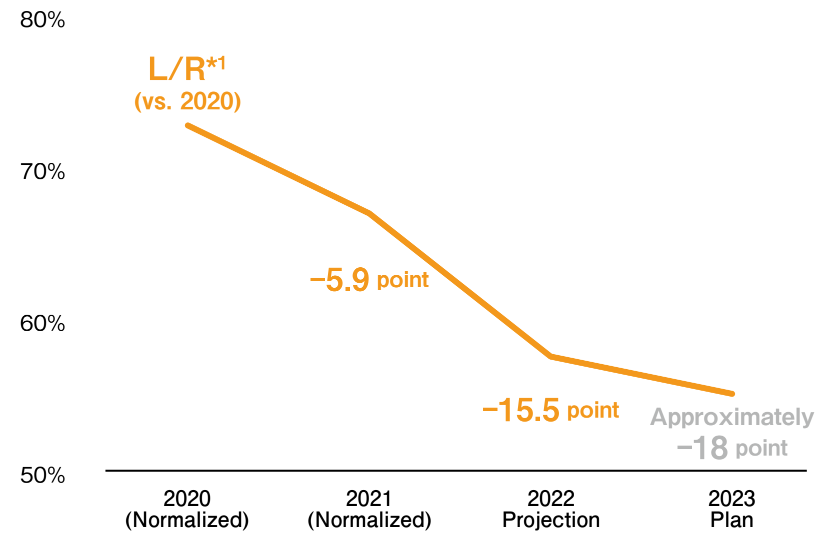
Key Measures

We aim to achieve MTP targets and secure profitability matching the capital cost in advance, estimated to be around fiscal 2026 or fiscal 2027, by implementing the following comprehensive measures focusing mainly on rate revisions.

- Rate/Product revisions (October 2019/January 2021/October 2022)
- Further enhance well-disciplined underwriting
- Enhance disaster prevention/mitigation and early recovery initiatives (use of core data company Tokio Marine dR Co., Ltd.)
- Arrange appropriate reinsurance (Implementation of cycle management based on economic rationale), etc.

Progress Status

- Fiscal 2021 results: Increase in profit of approximately 18 billion yen compared with fiscal 2020 and steady progress under the MTP owing to such factors as the actualization of the impact of October 2019 and January 2021 product and rate revisions. Secured an improvement in profit of approximately 18 billion yen through external methods and 34 billion yen in line with the decrease in natural catastrophes.
- Fiscal 2022 projections: In addition to actualization of the impact of revisions to date, projecting an improvement in profit of approximately 54 billion yen compared with fiscal 2020 after factoring in such factors as the impact of product and rate revisions in October 2022. Despite progress beyond the MTP, we will continue to steadily implement measures.



	2020 (Normalized)	2021 (Normalized)	2022 Projection	2023 Plan
Profit impact (vs. 2020)*1,2		+18 billion yen	+54 billion yen	Around +70 billion yen
Of which, the impact of the rate revision*2,3		+6 billion yen	+12 billion yen	Around +23 billion yen

*1: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded. (Normalized)
*2: After tax; estimation
*3: Cumulative value of the profit improvement impact actualized in the relevant year from product revisions, etc.

Domestic Non-Life Insurance — Specialty Insurance Growth

MTP Targets

Work to expand the top line through a variety of measures including the provision of specialty and other insurance that will lead to the resolution of increasingly complex and diverse social issues and the creation of new markets. Our strategy is to increase revenue by more than 100 billion yen*1 and business unit profits by around 10 billion yen over the three-year period of the current MTP.

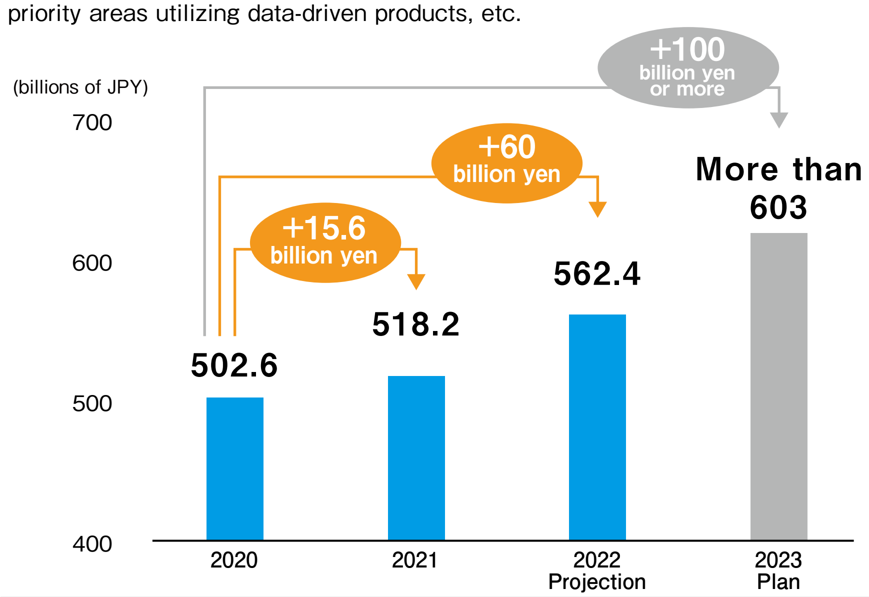
Key Measures

Implement the following measures focusing mainly on four priority areas of social issues: Healthcare, SME, Renewable energy, and Cyber.

Healthcare	• Develop and propose digital data-based products as well as disease prevention and early detection solutions • Increase revenue through new sales models, digital application procedures, and other means
SME	• Strengthen digital contact points with SME markets • Increase revenue by strengthening alliances with commerce and industry associations and improving product appeal
Renewable energy	• Strengthen the internal support system by establishing an internal GX Office organization • Increase revenue by enhancing Group-based initiatives including utilization of the abundant expertise of GCube
Cyber	• Increase revenue by capturing stronger risk awareness and the revised Personal Information Protection Law (2022) • Utilize the 24/7 emergency hotline service
Other New risks, etc.	• Increase revenue with coverage for various risks including M&As, local government related areas, etc. • Create new markets by leveraging the strengths of the Group's core data company Tokio Marine dR Co., Ltd.

Progress Status

- Fiscal 2021 results: Progress in expanding the top line by 15.6 billion yen (vs. 2020); established specialized departments by priority area, strengthened the development and support structure of new products and services, and organized infrastructure for the future
- Fiscal 2022 projections: Increase the top line by 60 billion yen (vs. 2020); create new markets and achieve further growth mainly in the four priority areas utilizing data-driven products, etc.



Impact of top-line growth on profit*2 (vs. 2020)	+1 billion yen	+4 billion yen	About +10 billion yen

*1: NPW, including P.A. *2: After tax; estimation

Column

Examples of Initiatives to Resolve Social Issues in the Healthcare Domain

We will contribute to the realization of customers' healthy and enriched lives by supporting corporate health management and responding to longevity risks. As a result, we will secure specialty insurance top-line growth.

Supporting Corporate Health Management

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

Internal Initiatives*1 as a Base

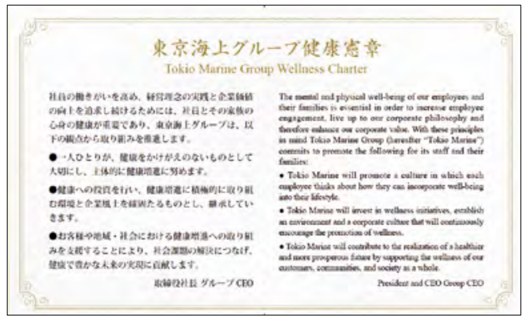
For Tokio Marine Group, employees are the drivers of its business. Therefore, helping them stay healthy is an important responsibility for management. Employees can work more effectively and maximize their potential when they are in good health, both mentally and physically. That, in turn, makes work more rewarding and life more fulfilling, and fosters both personal development and the growth of the Group. From this perspective, Tokio Marine Holdings has positioned health management at the core of the Group's management and is promoting it Group-wide under the leadership of its Chief Wellness Officer (CWO). While confronted by a wide range of issues including health literacy; the need to promote health, improve lifestyles, and prevent an increase in the severity of illnesses; and mental health, we are implementing a plan-do-check-act (PDCA) cycle by addressing each issue on an individual basis through detailed measures. Analysis of data confirms that these efforts are leading to improved individual and organizational performance.

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

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

Tokio Marine Sustainability Search by clicking

Tokio Marine Group Wellness Charter



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

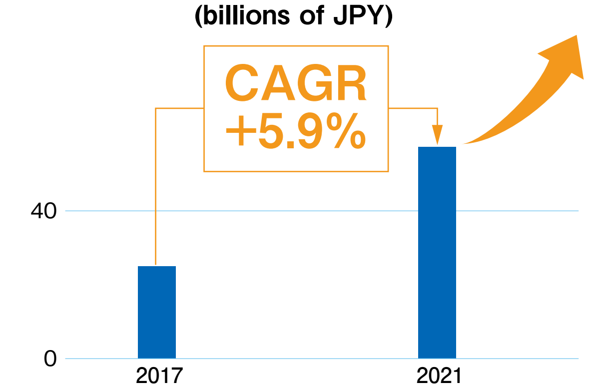
2022 健康経営銘柄 Health and Productivity

Promote Initiatives to Assist Clients' Health Management

Companies in various regions of Japan face serious difficulties in recruiting staff and raising productivity. To address that, Tokio Marine Group is drawing on its track record of inclusion in the Health & Productivity Stock Selection for seven consecutive years and know-how as well as its more than 200 employees assisting clients nationwide with their health management programs and supporting its clients' health management in various regions throughout Japan to contribute to the resolution of a wide array of issues.

In specific terms, amid the growing need for companies to acquire health management certification, we are supporting efforts to acquire certification by providing insurance products that facilitate the balancing of work requirements with health and nursing care, along with mental health-related e-learning tools and work-related stress assessment services. In fact, among newly certified companies in fiscal 2021, we provided support to almost 20%, or about 2,300 firms. In addition to earning a strong reputation among clients, this support has led to the execution of health management-focused insurance policies and an increase in the top line (CAGR of 5.9%). While positioning this initiative as an important driver, we will vigorously promote the growth of specialty insurance, one of the pillars of the current MTP.

Growth in Revenue from Health Management-Oriented Insurance Policies*2 (billions of JPY)



*2: Revenue from insurance premiums covering risks associated with workplace accidents involving employees, the consequent inability to work, and health and nursing care, provided by TMNF to companies and organizations

Domestic Non-Life Insurance — Initiatives to Improve the Combined Ratio (C/R)

MTP Targets

Invest approximately 40 billion yen in DX to rigorously reduce internal administration work.
Use time saved to improve productivity, including top-line growth, and improve the C/R by more than 1.0 point.

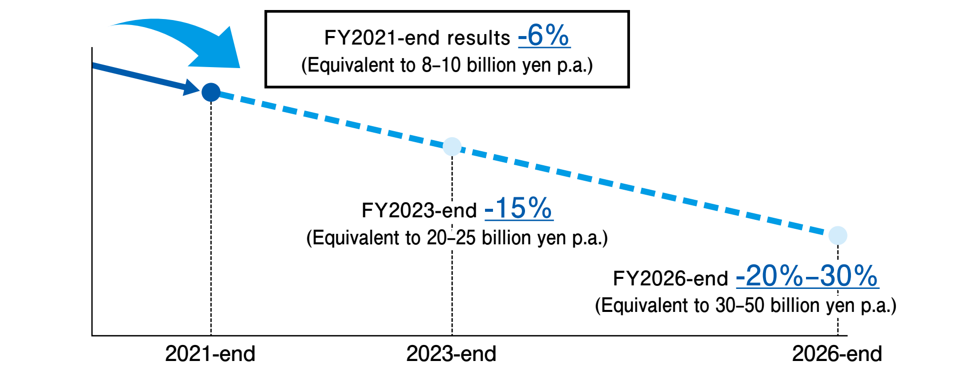
Key Measures

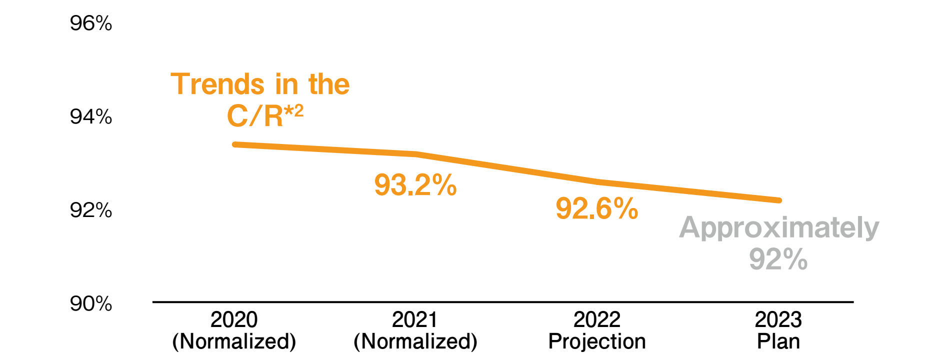
(1)	Rigorously reduce internal administration work through the thorough use of digital technology	• Business expense related: Digitalization of customer contacts, automation, and improved efficiency of administrative work, etc. • Loss adjustment expense related: Improved efficiency using AI, online procedures, etc.
(2)	Initiatives that utilize the time saved/created	• Top-line growth mainly in specialty insurance • Improve fire insurance earnings through disaster prevention and mitigation, as well as via countermeasures, etc.

Progress Status

- Fiscal 2021 results: C/R 93.2% (-0.2 point vs. 2020) and generally steady progress; against an internal administrative work reduction target of 20%–30% as of the end of fiscal 2026, realized a reduction of approximately 6% compared with the end of fiscal 2019.
- Fiscal 2022 projections: C/R projected to come in at 92.6% (-0.8 point); work to improve the C/R through continued top-line growth, improvements in profitability mainly in fire insurance, disciplined business expense control, etc.

Effects of a Reduction in the Amount of Internal Administration Work*1 (Progress)





	2020 (Normalized)	2021 (Normalized)	2022 Projection	2023 Plan
C/R improvement (vs. 2020)		-0.2 point	-0.8 point	More than -1.0 point

*1: Percentage reduction is virtually calculated comparing actual results as of the end of fiscal 2019.
*2: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded. (Normalized)

Domestic Life Insurance — Risk Diversification and Long-Term Growth Drivers

MTP Targets

Under the current MTP, plans are in place to secure a top-line CAGR of around 5% and a stable bottom line of 50 billion yen annually. This is expected to contribute to the diversification of risk and long-term profit growth for the entire Group.

Key Measures

Work to achieve MTP targets by utilizing digital technology to expand sales through the cross-selling of life and non-life products, focusing on the three main product areas of seniors, healthcare, and asset formation.

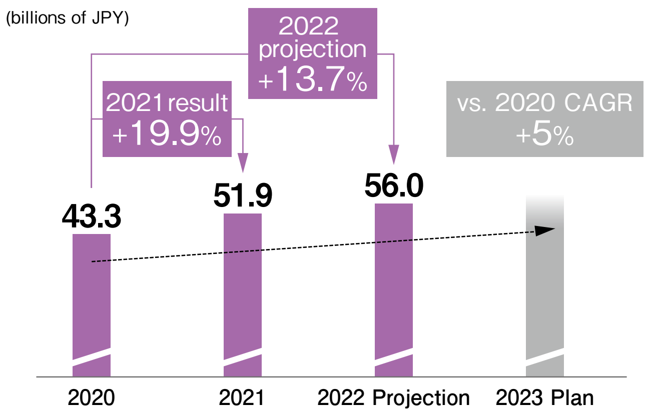
(1)	Focus on growth areas (Seniors, healthcare, and asset formation)	• Introduce new products focusing on nursing care and cancer and improve the product appeal of variable insurance with installment plans. • Expand such supplementary services as dementia prevention and early cancer detection.
(2)	Promote the cross-selling of life and non-life products	• Promote the use of the new "Super AI Planning" function.

Progress Status

- Fiscal 2021 results: Top-line growth of 19.9% year on year
  Fiscal 2022 projections: CAGR projected to come in at 13.7%; progress substantially above the MTP
- Fiscal 2021 bottom-line results progressed in line with the MTP; 2022 profit projected to come in at 42 billion yen due to the increased initial cost of robust sales growth (reflecting conservative J-GAAP accounting) and increased hedging costs.

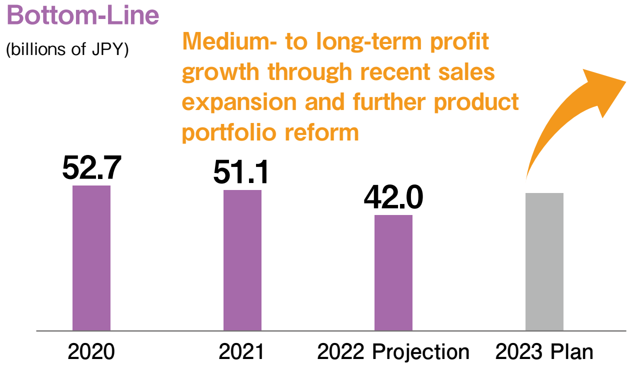
Top Line (New Policies ANP)

(billions of JPY)



Bottom-Line

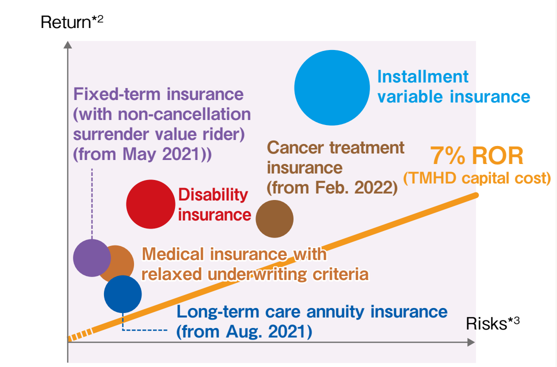
(billions of JPY)



Reference: Medium- to Long-Term Growth Driver

Current main and new products have RORs that exceed the cost of capital and will serve as a driver of future profit growth.

ROR*1 for TMNL's main products (image)



*1: The size of the bubble indicates new policies ANP (FY2022 projection)
*2: Value of new business and future release of cost of non-hedgeable risks (FY2022 projection)
*3: Sum of the present value of required capital for each future fiscal year (FY2022 projection)

International Insurance — Underwriting Profits Increase in Advanced Markets

MTP Targets

Under the current MTP, we plan to boost underwriting profit (15 billion yen before tax) compared with fiscal 2020 by generating robust growth in the top line with a CAGR of approximately 5% while maintaining a C/R that compares well to our global peers of approximately 93%.

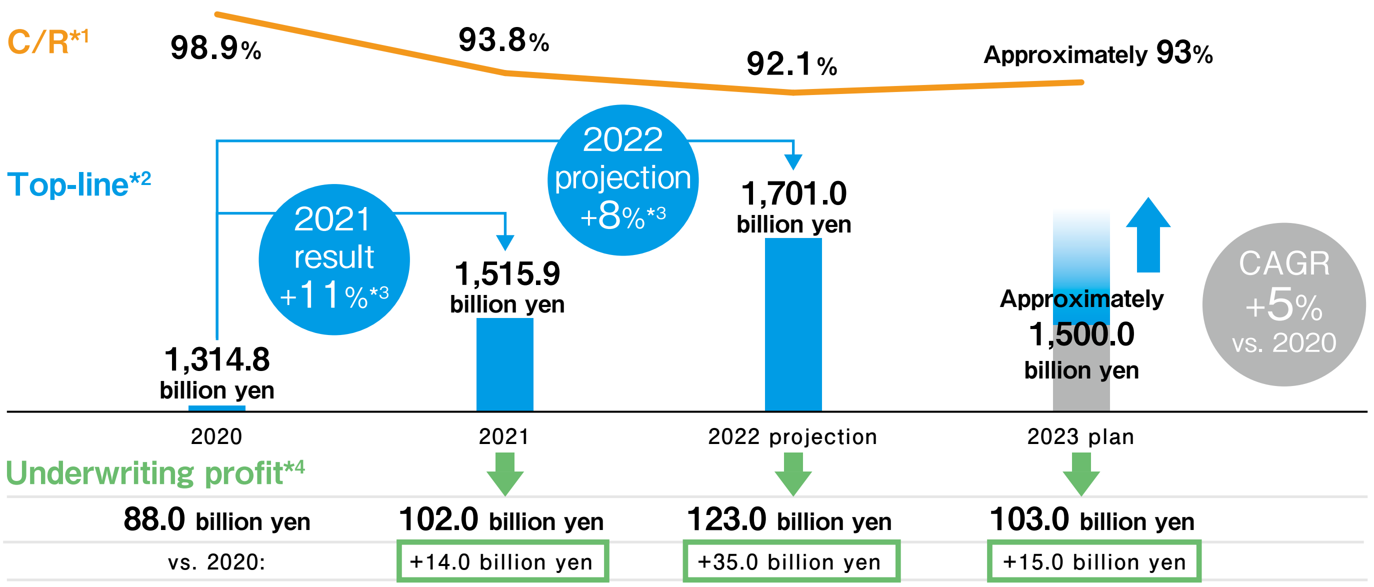
Key Measures

In consistently focusing on the bottom line and harnessing our strength in underwriting and risk underwriting, we will work to achieve targets identified under the MTP by realizing appropriate underwriting while ascertaining the profitability of each business line via a forward-looking approach.

(1) **Top-line growth**	• Leverage the strengths of each Group company and achieve a rate increase exceeding loss cost • While ascertaining profitability, engage in new risk-taking in lines where high returns are expected • Inorganic growth, through the implementation of bolt-on M&As, etc.
(2) **Maintain strong profitability**	• Build a strong underwriting portfolio by maintaining strict underwriting discipline while paying close attention to trends in profitability including rising social inflation • Promote efforts to improve operation efficiency through such measures as administrative process improvement and work to reduce the expense ratio, etc.

Progress Status

- We are steadily implementing and realizing the effects of a variety of measures including rate increases and disciplined underwriting that take advantage of the hard market environment as well as such bolt-on M&As (see page 127) as PHLY's acquisition of WW and SSL's acquisition by DFG.
- As a result, actual underwriting profit in fiscal 2021 increased 14 billion yen compared with fiscal 2020 and is projected to climb 35 billion yen in fiscal 2022 compared with fiscal 2020. This is due to top-line growth at a pace that exceeds plans and steady improvements in the C/R. As a result, trends in underwriting profit substantially exceed the MTP.



*1: North America + Europe segments. Include policies with a high C/R such as DFG's excess workers' compensation and life insurance.
The C/R for 2020 results adjusted for natural catastrophes and COVID-19 effects is 93.3%, and for 2021 results adjusted for natural catastrophes and foreign exchange is 93.0%.
*2: Total NPW of the North America and Europe segments. For 2020 and 2023, the foreign exchange rate is as of March 31, 2021.
*3: Foreign exchange rate is as of March 31, 2021.
*4: Estimated with the top line × (1-C/R) (before tax). Adjusted C/R in *1 above used for 2020 and 2021 excluding foreign exchange

International Insurance — Driving Growth for Pure

MTP Targets

Under the current MTP, we are taking advantage of Pure's customer loyalty rate that is well above the industry average to accelerate the pace of growth and have achieved major growth. Through such measures as the upgrade effect of bringing Pure into the Group and the creation of synergies that leverage the company's North American-based sales platform, we plan to expand business unit profits by 13 billion yen.

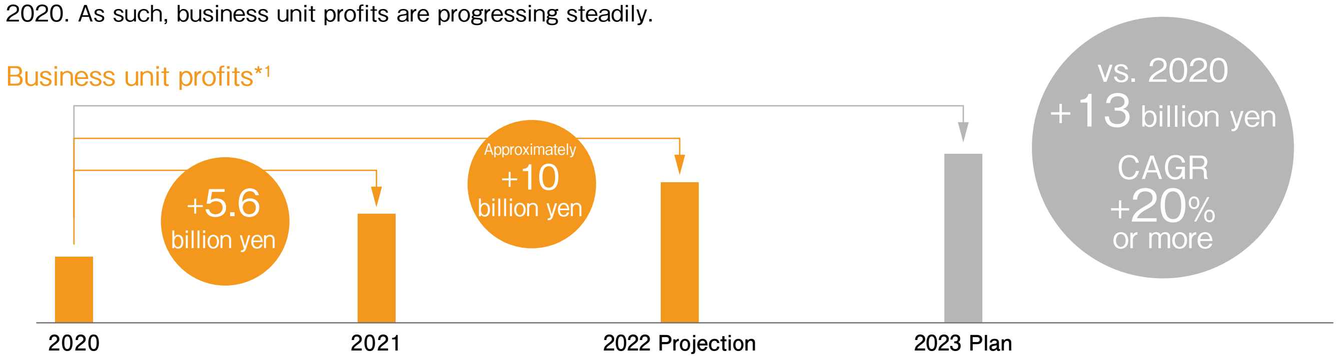
Key Measures

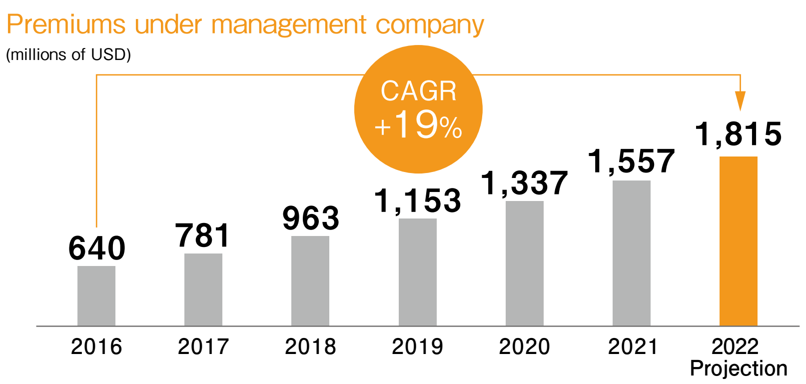
We will work to continuously expand our business scale, which is the base of our fee revenue, on the back of our strong competitiveness and achieve the MTP targets.

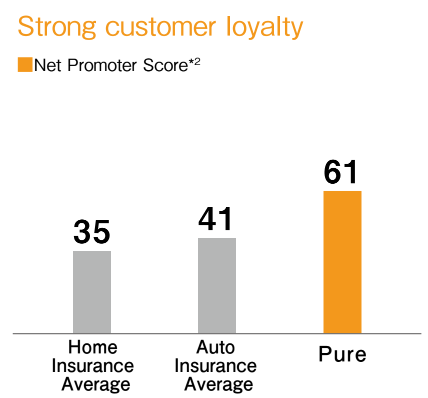
(1) **Implement growth strategies**	• Focus on the high net worth market in the United States, which is a source of high growth potential • Maintain and enhance strong customer loyalty • Increase rates that take advantage of the hard market environment, etc.
(2) **Demonstrate Group synergies**	• New business relation with PHLY's leading agents holding high net worth clients • Joint marketing to agents in Hawaii with Hawaiian subsidiary FICOH • Joint development of cyber insurance products with TMHCC for individual clients, etc.

Progress Status

As a result of the steady implementation of our key measures, actual business unit profits in fiscal 2021 increased 5.6 billion yen compared with fiscal 2020 and are projected to climb approximately 10 billion yen in fiscal 2022 compared with fiscal 2020. As such, business unit profits are progressing steadily.







Source: Customer GURU, NICE Satmetrix 2022 Consumer Net Promoter Benchmark Study

*1: Foreign exchange rate is as of March 31, 2021. For 2020, natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.
*2: Indicator to measure customer loyalty and customer willingness to use products/services continuously. It shows how likely a customer is to recommend a brand to others.

International Insurance

Emerging Countries Strategy

MTP Targets

Under the current MTP, we are implementing a growth strategy with the goal of diversifying geographical risk and capturing markets with high growth potential. Plans are in place to secure a CAGR of at least 15 billion yen through profit growth.

Key Measures

In emerging markets, made up of a variety of countries, we will strategically develop businesses and implement growth strategies considering conditions in each country. Through these means, we will work to achieve MTP targets and develop pillars of future growth.

Strategic Business Development Based on Conditions in Each Country	• Capture Brazilian mortgage-related insurance needs that offer high growth and profitability potential through the establishment of a joint venture with Caixa, Brazil's largest banking group • Further utilize India-based IFFCO's network and the Group know-how, etc.

Progress Status

Actual business unit profits in fiscal 2021 increased 155%*2 compared with fiscal 2020 and are projected to climb 35%*2 compared with fiscal 2020 excluding transient effects*1. As such, progress is substantially beyond the MTP.

Main areas in emerging markets for non-life insurance business expansion

India

• IFFCO-TOKIO General Insurance (49.0%)

	2021	2022 Projection
Profit	0.2 billion yen →	1.7 billion yen
M/S	No. 13 (4%)	

Thailand

• Tokio Marine Safety Insurance (Thailand) (99.3%)

	2021	2022 Projection
Profit	7.9 billion yen →	4.7 billion yen
M/S	No. 4 (7%)	

Brazil

• Tokio Marine Seguradora (98.5%)

	2021	2022 Projection
Profit	8.6 billion yen →	9.3 billion yen
M/S	No. 7 (5%)	

South Africa

• Hollard Group (22.5%)

	2021	2022 Projection
Profit	-0.6 billion yen →	0.8 billion yen
M/S	No. 2 (9%)*3	

Malaysia

• Tokio Marine Insurans (Malaysia) (100%)

	2021	2022 Projection
Profit	3.7 billion yen →	2.9 billion yen
M/S	No. 7 (5%)	

Growth exceeding the market

Non-life premiums*4

2016–2020 CAGR

9.4%

vs. Market **+2.8 pt**

Profits: Business unit profits
M/S: Sources: AXCO, IRDAI, IPRB、SUSEP, Swiss Re, FSCA Financial Sector Conduct Authority
Figures in brackets by the company name: Ownership ratio as of March 2022
Figures in circles: GWP as of FY2020 Source: Swiss Re

*1: Excluding the impact of natural catastrophes and FX.
*2: FX rate is as of March 31, 2021.
*3: M/S of P&C business (2020)
*4: NWP for TMHD, GWP for market Source: Swiss Re

Column

Continued Bolt-on M&As

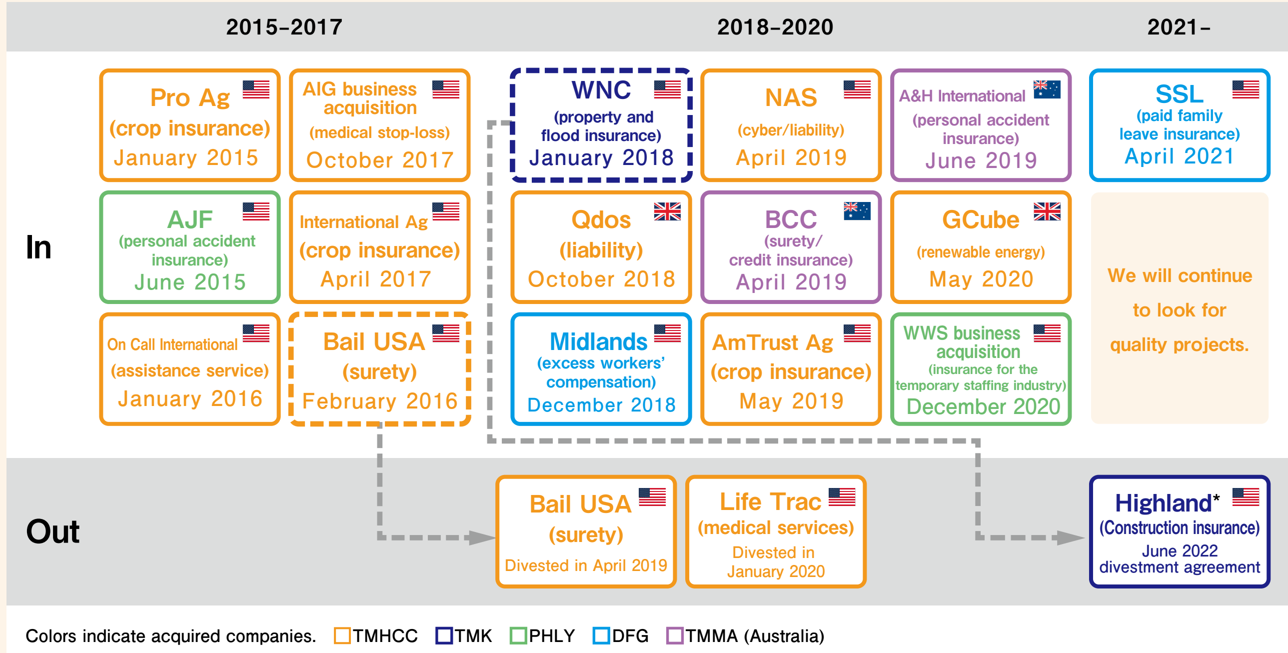
We are executing bolt-on M&A deals and forward-looking divestments with the aim of strengthening existing businesses, diversifying risk, and stabilizing C/Rs.

Bolt-on M&As are distinguished by their high rate of success. This is because we have predominantly targeted companies and businesses with which we have had a long-standing business relationship, have in-depth knowledge of their business, and enjoy relationships of trust with their management. In addition, we are steadily implementing post-merger integration (PMI) based on our wealth of experience and robust framework. Meanwhile, our well-diversified portfolio has allowed us to stabilize C/Rs, which has contributed to profit growth, even as our business expands.

Under the proactive governance of Tokio Marine Holdings, we will further enhance the quality of our bolt-on M&A deals and accelerate growth by utilizing, within each Group company, TMHCC's know-how developed through more than 60 successful bolt-on M&A deals.

Advantages of Bolt-on M&A

High success rate	: In-depth understanding based on a long-term business relationship
Accumulated know-how	: Experience of executing more than 60 bolt-on M&As
Disciplined M&A	: Strategic portfolio adjustment taking the future business environment into consideration



*: Agents handling construction insurance in the Tokio Marine Highland (formerly WNC) Group, affiliated with TMK

Latest M&A deals

Standard Security Life Insurance Company — A Member of the IHC Group

Acquired by DFG in April 2021
(Acquisition price: Around 19.8 billion yen)

- Provides paid family leave insurance, a market that is expected to expand throughout the United States
- Expects to become a top three company in the industry in the state of New York and achieve after-tax profit of 1.5–2 billion yen after the M&A
  Will further expand insurance for employee benefits through cross-selling synergies with DFG

WORLD WIDE Specialty Programs

Acquired by PHLY in December 2020
(Acquisition price: Below 10.0 billion yen)

- Will become a leading company in the temp staffing industry in the United States because of the M&A
- Has acquired an overwhelming competitive advantage in this highly profitable market

Asset Management — Increase Investment Income by Leveraging Our Strength in Credit Management

MTP Targets

Under the current MTP, we plan to increase investment income utilizing the ability to spot good investment targets in the credit market.

Key Measures

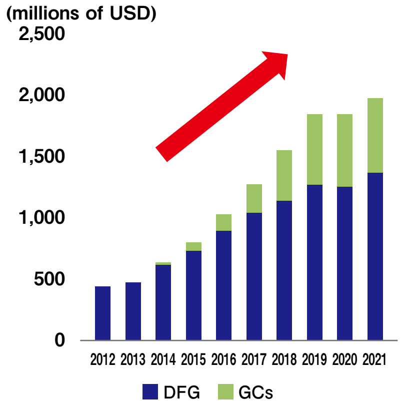
Under appropriate risk control based on the characteristics of insurance liabilities, we will work to achieve MTP targets by achieving high returns relative to risks through various measures including investments in credit assets in the United States that utilize DFG's asset management prowess.

(1) Credit management utilizing the strengths of DFG's investment team	• Leverage long-term, predictable investment fund characteristics and pursue excess profits that tolerate liquidity risk • Execute agile asset allocation according to the investment environment by data gathering and analysis leveraging a broad network • Undertake investments that require expertise in such areas as CLOs and CRE loans
(2) Collaboration with Tokio Marine Group companies	• Control credit risk appropriately within our Group-wide ERM framework • Develop specialized investment personnel through personnel exchanges within the Group, etc.
(3) Demonstrate Group synergies	• Entrust the assets of Group companies to DFG while expanding profits by utilizing the DFG investment team's capabilities • Execute R&D in new fields such as ESG investment on a Group-wide basis

Progress Status

Although the current market environment is in a state of considerable flux, steady progress is being made with stable investment income growth through an integrated asset management style combining Japan and the United States based on investments held aligned with the characteristics of insurance liabilities. This is in conjunction with progress in efforts to increase assets under management (AUM) following the growth in insurance underwriting while utilizing the ability to spot good investment opportunities of DFG, which excels at credit management.

Investment Income (DFG-managed*)



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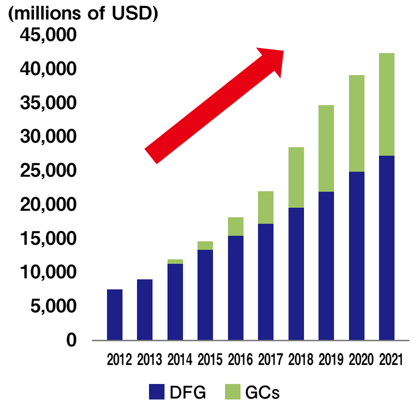
AUM (DFG-managed*)



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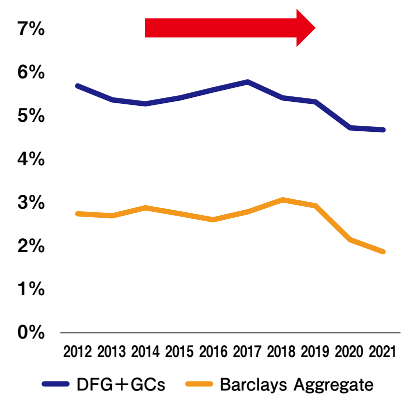
Income Return



• Stable growth of investment income

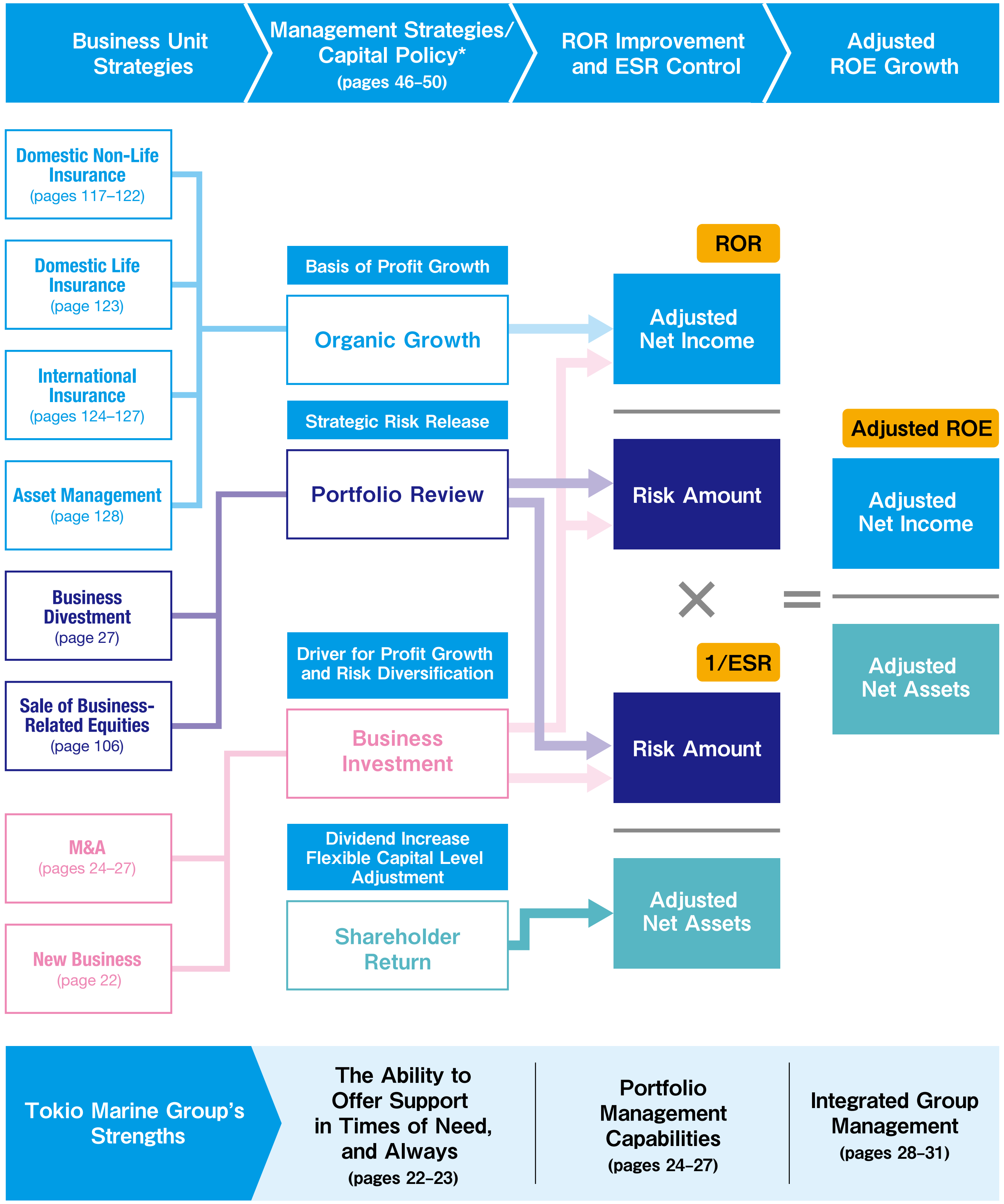
• Steady increase of AUM by business growth and by investment
• Increase in assets entrusted by GCs

• Maintain higher income yields compared to market index in any situation

*Assets of DFG + Assets managed by DFG for three domestic GCs (TMNF, TMNL, NF) and three U.S. GCs (PHLY, TMAIC, TMHCC)

Toward Adjusted ROE Growth

We will secure adjusted ROE growth 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

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

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

United Nations Global Compact

- Joining of United Nations Global Compact and declaration of support in 2005
- In fiscal 2021, participated in "Disaster Prevention and Mitigation Working Group," "Reporting Study Working Group," etc.

Sustainable Finance and Insurance Frameworks

United Nations Environment Programme and Finance Initiative

- Participated in the Insurance Committee as a representative director of the Asia region
- Participated in the Asia-Pacific Roundtable 2021 (June 2021)

Principles for Financial Action for the 21st Century

Principles for Sustainable Insurance

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

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

Sustainable Investment

United Nations Principles for Responsible Investment

- In 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

Net-Zero Insurance Alliance

Partnership for Carbon Accounting Financials

Task Force on Climate-related Financial Disclosures

Taskforce on Nature-related Financial Disclosures

The Geneva Association

Asia-Pacific Financial Forum

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

CDP

ESG Evaluations and External Awards

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

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

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

- Globally recognized ESG index series jointly developed by S&P Dow Jones Indices LLC and RobecoSAM AG in 1999
- Tokio Marine Holdings included for 13 consecutive years beginning in 2009

FTSE4Good

S&P/JPX Carbon Efficient Index

FTSE Blossom Japan

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

The inclusion of Tokio Marine Holdings in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Tokio Marine Holdings by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Corporate ESG Performance RATED BY ISS ESG Prime

Awards for ESG Initiatives

- Tokio Marine Group included in 2022 "Health & Productivity Stock Selection program" (seventh consecutive year)
- Tokio Marine Group selected as an Excellent Enterprise of Health & Productivity Management/ Large Enterprise Category together with 12 Group companies, of which six were recognized as White 500 enterprises
- Selected as a DX Stock for 2022 in the Digital Transformation Stock (DX Stock) listing
- Selected as a Nadeshiko Brand in fiscal 2013, 2015, 2017, and 2018
- Selected as a Semi-Nadeshiko Brand in fiscal 2016 and 2019 to 2021
- Received ministerial commendation as a model example of initiatives being promoted by financial institutions to revitalize regional economies (sixth consecutive year)
- Overseas Group companies named among the "Insurance Asia Awards 2021 (CSR Initiative of the Year)" in Singapore and India
- Overseas Group companies named among the "Best Workplaces in Brazil" in Brazil (ninth consecutive year) and among the "Best Places to Work in Insurance" in the United States

The material social issues to be addressed by Tokio Marine Group are indicated on pages 66–71. In addition to these issues, the Group is advancing various initiatives pertaining to environmental, social, and governance (ESG) issues. We will work to contribute greatly to the achievement of the SDGs through such initiatives.

ESG Category	Initiative Theme	Major Initiative	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 carbon-neutral state												●	●				
	Preserving biodiversity through products and services	Promotion of web-based insurance contracts and omission of issuing insurance policies												●	●				
		Mangrove planting project, "Green Gift," and the Planet GENKI Program				●		●					●	●	●	●	●		
		Promotion of the use of recycled parts when repairing damage to vehicles involved in accidents												●	●				
	Preventing global warming by promoting the development of clean energy	Provision of exclusive products and services for solar, geothermal, and offshore wind power generators							●		●				●				
		Provision of products and services for environment-related operators						●			●				●	●	●		
		Promotion of the use of environmentally friendly drones through the provision of drone insurance									●				●				
		Provision of renewable energy funds, and investment in green bonds							●		●				●				
		Promotion of green transformation (GX)							●						●				
		Supporting the decarbonization of business partners and recipients of investments and financing							●		●				●				
	Providing environmental awareness	Implementation of "Green Lessons"				●		●					●		●	●	●		
S Social	Making society resilient to natural disasters	Execution of natural disaster risk research and "Disaster Risk Prevention Lessons" through industry-academia collaboration	●			●				●	●		●		●				●
		Participation in The Geneva Association and other initiatives and events related to natural disaster	●							●	●		●		●				●
		Provision of business continuity plan (BCP) formulation support programs, and disaster education and training services								●			●		●				
		Improvement of products and services that respond to the increasingly serious natural disasters								●			●		●				
		Development of claim services that utilize satellites and drones	●							●	●		●		●				
	Creating a society based on health and longevity	Provision of highly unique medical, cancer, and other insurance ("Life Insurance Revolution to Protect One's Living")			●					●									
		Provision of new products and services for the rising number of diabetes patients in India			●					●									
		Provision of specialized products for addressing dementia, and execution of courses to foster people providing support to dementia patients			●					●									
		Responding to the need for coverage for COVID-19 as well as for preventing infection			●					●			●						
	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			●						●		●						
		Execution of "Group Work on Managing Risks and Opportunities," a career education program				●					●		●						
	Addressing the increase in foreign visitors to Japan	Development of inbound business support services for Japanese business operators										●		●					
	Eliminating poverty in society	Provision of weather insurance and microinsurance for farmers in India	●	●						●		●							
		Provision of microfinance funds	●	●			●			●		●							
	Realizing an inclusive society	Provision of products and services catering to the LGBT community								●		●							
		Partnership with Special Olympics Nippon Foundation and Japan Deafblind Association, etc.				●				●		●						●	●
		Collaboration with the Japanese Para-Sports Association and Japan Inclusive Football Federation				●				●		●						●	●
		Monetary donations made with the objective of providing logistic support for COVID-19 and large-scale natural disasters, etc.			●					●			●					●	●
	Developing industrial foundations	Support for corporate health and productivity management efforts			●					●	●		●						●
		Partnership between local governments and businesses operators to advance regional revitalization initiatives	●							●	●		●						●
		Contribution to the development of society through sports								●	●	●							●
	Increasing employee motivation	Promotion of diversity and inclusion				●				●		●							
		Promotion of work-style reforms, and health and productivity management			●					●	●	●							
		Human resources development that leverages the Group's collective strengths				●				●									
G Governance	Enhancing corporate governance	Appointment of outside directors with diverse expertise, and adoption of hybrid corporate governance structure																●	
		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 of 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 Tokio Marine Group's Basic Policies for Risk Management and Tokio Marine Group Basic Policy for Crisis Management, and conducting regular monitoring											●					●	

Business Conditions (Unaudited)

Main Financial and Non-Financial Data

(Yen in millions unless otherwise indicated)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	**FY2021**
Performance Indicators (Consolidated)											
Ordinary income	3,415,984	3,857,769	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**
Net premiums written	2,324,492	2,558,010	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**
Ordinary profit	160,324	207,457	274,386	358,182	385,825	387,659	344,939	416,330	363,945	266,735	**567,413**
Net income attributable to owners of the parent	6,001	129,578	184,114	247,438	254,540	273,856	284,183	274,579	259,763	161,801	**420,484**
Comprehensive income	(10,558)	548,251	442,277	997,024	(14,543)	169,603	500,528	42,871	2,737	465,071	**590,780**
Financial Indicators (Consolidated)											
Net assets	1,857,465	2,363,183	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**
Total assets	16,338,460	18,029,442	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**
Capital ratio (%)	11.26	12.98	14.32	17.13	15.94	15.67	16.59	15.86	13.35	14.22	**14.76**
Return on equity: ROE (%)	0.3	6.2	7.3	7.9	7.2	7.8	7.7	7.4	7.5	4.6	**10.9**
Consolidated solvency margin ratio (%)	717.8	737.0	728.4	781.3	791.4	897.3	879.3	854.2	845.8	896.5	**827.3**
Stock-related Information											
Net assets per share (Yen)	2,399	3,052	3,536	4,742	4,617	4,722	5,245	5,058	4,832	5,285	**5,932**
Net income per share—Basic (Yen)	7	168	239	323	337	363	382	383	369	232	**613**
Dividends per share (Yen)	50	55	70	95	110	140	160	180	190	200	**255**
Dividends total (100 million yen)	383	422	537	722	830	1,053	1,176	1,280	1,330	1,391	**1,739**
Number of shares outstanding at year-end (Thousands)	804,524	769,524	769,524	757,524	757,524	753,024	748,024	710,000	702,000	697,500	**680,000**
Share price at year-end (Yen)	2,271	2,650	3,098	4,538.5	3,800	4,696	4,735	5,362	4,950	5,265	**7,128**
Price-to-earnings ratio: PER (Ratio)	290.41	15.69	12.91	14.01	11.27	12.92	12.37	14.00	13.39	22.68	**11.62**
Price-to-book value ratio: PBR (Ratio)	0.95	0.87	0.88	0.96	0.82	0.99	0.90	1.06	1.02	0.99	**1.20**
Key Performance Indicators											
Adjusted net income (100 million yen)	307	1,631	2,437	3,233	3,519	4,067	3,414	2,809	2,867	3,361	**5,783**
Adjusted net assets (100 million yen)	23,016	27,465	31,725	41,034	35,993	38,124	40,864	37,631	32,409	36,924	**42,240**
Adjusted ROE (%)	1.3	6.5	8.2	8.9	9.1	11.0	8.6	7.2	8.2	9.7	**14.4**
Adjusted BPS (Yen)	3,001	3,580	4,135	5,437	4,769	5,082	5,633	5,325	4,643	5,326	**6,232**
Adjusted EPS (Yen)	40	212	317	423	466	539	459	391	408	482	**843**
Adjusted PBR (Ratio)	0.76	0.74	0.75	0.83	0.80	0.92	0.84	1.01	1.07	0.99	**1.14**
Environmental, Social and Governance (ESG) Information											
Number of employees	30,831	33,006	33,310	33,829	36,902	38,842	39,191	40,848	41,101	43,260	**43,048**
Number of employees outside Japan	6,207	8,687	9,102	9,640	12,612	13,525	13,803	15,557	15,814	17,811	**17,936**
CO_2 emissions (Tons)	75,277	93,311	87,971	98,317	122,280	119,420	115,244	111,509	111,172	89,894	**83,483**
CO_2 fixation/reduction effect (Tons)	75,925	84,360	100,951	113,310	133,447	163,459	163,521	153,335	133,617	123,531	**130,003**

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 ¥50.0 billion, ¥25.0 billion, and ¥25.0 billion, respectively.
5. The Key Performance Indicators have been newly defined in FY2015 and figures for FY2011 and thereafter have been restated. FY2021 is based on new definition.
6. 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 for the fiscal year ended March 31, 2022 reflects a CO_2 reduction effect of 8,597 tons from green power purchases.

Business Conditions (Unaudited)

Definition of Adjusted Net Income / Adjusted Net Assets / Adjusted ROE

*Definition been partially revised from FY2021 to enhance transparency and comparability (Portion with dark blue shading)

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 − Gains or losses on sales or valuation of ALM*5 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 − Goodwill and other intangible fixed assets

Adjusted ROE = Adjusted Net Income ÷ Adjusted Net Assets (average balance basis)

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 − Gains or losses on sales or valuation of ALM*5 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*6

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*5 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: ALM: Asset Liability Management. Excluded since it is counter balance of ALM related liabilities.
*6: 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 2021, the world economy experienced a recovery, primarily in personal consumption, with the progress in vaccination for the novel coronavirus (COVID-19) in major countries. The Japanese economy was hampered by factors such as the impact of repeated declarations of a state of emergency, but then showed signs of an upturn with the subsequent resumption of economic activity.

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 2021 were as follows:

Ordinary income increased by 402.5 billion yen to 5,863.7 billion yen from the previous fiscal year, the main components of which were Underwriting income of 4,988.6 billion yen and Investment income of 738.1 billion yen. Ordinary expenses increased by 101.8 billion yen to 5,296.3 billion yen from the previous fiscal year, the main components of which were Underwriting expenses of 4,184.4 billion yen, Investment expenses of 88.3 billion yen, and Operating and general administrative expenses of 1,002.4 billion yen.

As a result, Ordinary profit increased by 300.6 billion yen to 567.4 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 258.6 billion yen to 420.4 billion yen from the previous fiscal year.

Domestic Non-Life Insurance Business

In the Domestic non-life insurance business, Ordinary income increased by 89.0 billion yen to 2,850.0 billion yen from the previous fiscal year. Ordinary profit increased by 159.7 billion yen to 302.6 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)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	495,041	17.82	0.94	490,423	17.80	5.11
Hull and cargo	80,431	2.89	18.35	67,958	2.47	(4.98)
Personal accident	240,526	8.66	0.62	239,033	8.68	(9.81)
Voluntary automobile	1,242,298	44.71	0.93	1,230,897	44.68	2.57
Compulsory automobile liability	220,727	7.94	(7.36)	238,263	8.65	(15.48)
Others	499,451	17.98	2.27	488,379	17.73	2.01
Total	2,778,476	100.00	0.85	2,754,954	100.00	(0.32)
Deposit premiums from policyholders	63,091	2.27	(3.12)	65,122	2.36	(15.47)

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 (Unaudited)

Net premiums written

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	383,292	15.54	1.78	376,596	15.42	8.85
Hull and cargo	73,565	2.98	19.75	61,430	2.52	(5.94)
Personal accident	173,932	7.05	4.04	167,171	6.85	(9.89)
Voluntary automobile	1,236,399	50.11	0.84	1,226,102	50.21	2.55
Compulsory automobile liability	232,657	9.43	(8.14)	253,271	10.37	(13.95)
Others	367,379	14.89	2.76	357,517	14.64	4.79
Total	2,467,227	100.00	1.03	2,442,089	100.00	0.58

Note: The figures represent amounts before the elimination of internal transactions between segments.

Net claims paid

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	223,186	17.35	(1.45)	226,471	17.74	(20.49)
Hull and cargo	39,847	3.10	4.78	38,029	2.98	(13.69)
Personal accident	81,342	6.32	0.75	80,738	6.32	(9.12)
Voluntary automobile	601,476	46.74	2.16	588,748	46.11	(11.03)
Compulsory automobile liability	171,063	13.29	(8.49)	186,933	14.64	(7.94)
Others	169,826	13.20	8.86	156,011	12.22	(11.18)
Total	1,286,743	100.00	0.77	1,276,931	100.00	(12.43)

Note: The figures represent amounts before the elimination of internal transactions between segments.

Investment

Investment assets

(Yen in millions)

	As of March 31, 2022		As of March 31, 2021	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	457,568	6.00	392,707	5.21
Receivables under resale agreements	3,999	0.05	999	0.01
Monetary receivables bought	46,634	0.61	89,215	1.18
Money trusts	—	—	2,378	0.03
Securities	5,574,688	73.15	5,594,582	74.16
Loans	387,837	5.09	350,273	4.64
Land and buildings	204,524	2.68	211,548	2.80
Total investment assets	6,675,254	87.59	6,641,706	88.04
Total assets	7,620,856	100.00	7,544,109	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Securities

(Yen in millions)

	As of March 31, 2022		As of March 31, 2021	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Domestic government bonds	1,322,222	23.72	1,348,321	24.10
Domestic municipal bonds	79,139	1.42	93,812	1.68
Domestic corporate bonds	571,797	10.26	658,394	11.77
Domestic equity securities	2,561,525	45.95	2,511,381	44.89
Foreign securities	1,013,321	18.18	954,534	17.06
Others	26,682	0.48	28,138	0.50
Total	5,574,688	100.00	5,594,582	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	78	520,287	0.02	158	467,224	0.03
Call loans	—	2	0.00	—	2	0.00
Receivables under resale agreements	1	9,081	0.01	2	8,782	0.03
Monetary receivables bought	42	85,009	0.05	149	193,010	0.08
Money trusts	—	504	0.00	—	2,003	0.00
Securities	125,267	3,400,815	3.68	109,147	3,630,470	3.01
Loans	11,380	359,976	3.16	9,139	316,775	2.89
Land and buildings	7,763	210,223	3.69	8,321	213,988	3.89
Subtotal	144,533	4,585,901	3.15	126,918	4,832,258	2.63
Others	635	—	—	625	—	—
Total	145,168	—	—	127,544	—	—

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)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	10,174	520,287	1.96	2,586	467,224	0.55
Call loans	—	2	0.00	—	2	0.00
Receivables under resale agreements	1	9,081	0.01	2	8,782	0.03
Monetary receivables bought	42	85,009	0.05	149	193,010	0.08
Money trusts	44	504	8.77	277	2,003	13.85
Securities	215,483	3,400,815	6.34	194,405	3,630,470	5.35
Loans	24,365	359,976	6.77	14,656	316,775	4.63
Land and buildings	7,763	210,223	3.69	8,321	213,988	3.89
Derivatives	(37,182)	—	—	(24,365)	—	—
Others	6,350	—	—	6,681	—	—
Total	227,042	4,585,901	4.95	202,715	4,832,258	4.20

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 (Unaudited)

Domestic Life Insurance Business

In the Domestic life insurance business, Ordinary income decreased by 60.8 billion yen to 714.4 billion yen from the previous fiscal year. Ordinary profit increased by 0.8 billion yen to 69.5 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, 2022		As of March 31, 2021	
	Total	Rate of change (%)	Total	Rate of change (%)
Individual insurance	28,711,080	(0.95)	28,987,437	(1.18)
Individual annuities	1,963,806	(4.48)	2,055,913	(4.23)
Group insurance	1,978,781	(6.29)	2,111,625	(3.80)
Group annuities	3,074	(0.73)	3,097	(2.03)

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)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	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	2,216,007	2,216,007	—	1,965,684	1,965,684	—
Individual annuities	—	—	—	—	—	—
Group insurance	18,856	18,856	—	13,075	13,075	—
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, 2022		As of March 31, 2021	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	62,773	0.67	64,060	0.68
Securities	8,999,053	95.50	9,085,323	95.75
Loans	231,505	2.46	208,721	2.20
Land and buildings	912	0.01	379	0.00
Total investment assets	9,294,245	98.63	9,358,485	98.63
Total assets	9,423,469	100.00	9,488,683	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Securities

(Yen in millions)

	As of March 31, 2022		As of March 31, 2021	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Domestic government bonds	7,941,635	88.25	8,040,882	88.50
Domestic municipal bonds	4,811	0.05	44,051	0.48
Domestic corporate bonds	502,226	5.58	486,161	5.35
Domestic equity securities	155	0.00	215	0.00
Foreign securities	382,393	4.25	367,851	4.05
Others	167,832	1.87	146,161	1.61
Total	8,999,053	100.00	9,085,323	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	0	61,534	0.00	0	82,456	0.00
Call loans	—	—	—	—	0	0.00
Receivables under securities borrowing transactions	—	—	—	0	2,175	0.01
Securities	105,577	8,628,882	1.22	107,887	8,647,977	1.25
Loans	10,821	219,698	4.93	9,023	212,006	4.26
Land and buildings	—	629	0.00	—	422	0.00
Subtotal	116,398	8,910,745	1.31	116,911	8,945,039	1.31
Others	—	—	—	—	—	—
Total	116,398	—	—	116,911	—	—

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). Meanwhile, the balances for Call loans and Receivables under securities borrowing transactions are based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Realized yield

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	60	61,534	0.10	15	82,456	0.02
Call loans	—	—	—	—	0	0.00
Receivables under securities borrowing transactions	—	—	—	0	2,175	0.01
Securities	108,082	8,628,882	1.25	108,247	8,647,977	1.25
Loans	10,816	219,698	4.92	8,885	212,006	4.19
Land and buildings	—	629	0.00	—	422	0.00
Derivatives	(3,601)	—	—	(4,759)	—	—
Others	—	—	—	—	—	—
Total	115,358	8,910,745	1.29	112,388	8,945,039	1.26

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). Meanwhile, the balances for Call loans and Receivables under securities borrowing transactions are based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Business Conditions (Unaudited)

International Insurance Business

In the International insurance business, Ordinary income increased by 386.9 billion yen to 2,264.7 billion yen from the previous fiscal year. Ordinary profit increased by 140.8 billion yen to 185.5 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)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	268,462	18.90	19.64	224,397	19.27	13.50
Hull and cargo	68,398	4.81	40.53	48,673	4.18	12.08
Personal accident	31,623	2.23	5.96	29,843	2.56	2.48
Voluntary automobile	278,296	19.59	15.37	241,229	20.71	(5.36)
Others	773,867	54.47	24.74	620,389	53.27	(3.89)
Total	1,420,648	100.00	21.99	1,164,532	100.00	(0.52)

Note: The figures represent amounts before the elimination of internal transactions between segments.

Net claims paid

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	149,966	22.42	29.48	115,818	19.75	14.05
Hull and cargo	26,385	3.95	35.26	19,507	3.33	(17.35)
Personal accident	15,065	2.25	17.57	12,813	2.18	(16.13)
Voluntary automobile	148,923	22.27	6.76	139,492	23.78	(6.40)
Others	328,448	49.11	9.90	298,860	50.96	(3.69)
Total	668,789	100.00	14.03	586,492	100.00	(2.21)

Note: The figures represent amounts before the elimination of internal transactions between segments.

Investment

Investment assets

(Yen in millions)

	As of March 31, 2022		As of March 31, 2021	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	290,414	2.82	309,451	3.51
Monetary receivables bought	1,583,889	15.38	1,288,513	14.61
Securities	4,712,188	45.76	4,059,990	46.04
Loans	1,521,656	14.78	1,187,349	13.47
Land and buildings	74,062	0.72	63,538	0.72
Total investment assets	8,182,211	79.45	6,908,842	78.35
Total assets	10,298,239	100.00	8,817,744	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	1,885	299,932	0.63	2,374	265,971	0.89
Monetary receivables bought	55,205	1,395,272	3.96	49,604	1,225,523	4.05
Securities	150,587	4,005,751	3.76	121,596	3,635,477	3.34
Loans	91,914	1,354,823	6.78	75,184	1,141,021	6.59
Land and buildings	787	68,800	1.14	705	54,715	1.29
Subtotal	300,381	7,124,579	4.22	249,466	6,322,708	3.95
Others	1,133	—	—	711	—	—
Total	301,515	—	—	250,178	—	—

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)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	330	299,932	0.11	3,934	265,971	1.48
Monetary receivables bought	54,088	1,395,272	3.88	45,411	1,225,523	3.71
Securities	177,482	4,005,751	4.43	124,325	3,635,477	3.42
Loans	87,057	1,354,823	6.43	67,886	1,141,021	5.95
Land and buildings	787	68,800	1.14	705	54,715	1.29
Derivatives	1,683	—	—	12,466	—	—
Others	9,944	—	—	1,353	—	—
Total	331,373	7,124,579	4.65	256,084	6,322,708	4.05

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)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	926,362	20.39	12.23	825,384	19.79	15.51
Hull and cargo	176,248	3.88	28.54	137,120	3.29	2.64
Personal accident	276,149	6.08	2.80	268,624	6.44	(9.28)
Voluntary automobile	1,536,050	33.81	3.64	1,482,120	35.54	2.16
Compulsory automobile liability	220,727	4.86	(7.36)	238,263	5.71	(15.48)
Others	1,407,059	30.97	15.41	1,219,203	29.23	2.09
Total	4,542,598	100.00	8.92	4,170,716	100.00	2.45
Deposit premiums from policyholders	63,091	1.39	(3.12)	65,122	1.56	(15.47)

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 (Unaudited)

Net premiums written

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	**651,754**	**16.76**	**8.45**	600,993	16.66	10.54
Hull and cargo	**141,964**	**3.65**	**28.94**	110,103	3.05	1.26
Personal accident	**205,548**	**5.29**	**4.34**	197,007	5.46	(8.22)
Voluntary automobile	**1,514,695**	**38.96**	**3.23**	1,467,314	40.68	1.16
Compulsory automobile liability	**232,657**	**5.98**	**(8.14)**	253,271	7.02	(13.95)
Others	**1,141,201**	**29.35**	**16.70**	977,858	27.11	(0.88)
Total	**3,887,821**	**100.00**	**7.80**	3,606,548	100.00	0.23

Note: Figures are amounts after the elimination of internal transactions with other operating segments.

Net claims paid

(Yen in millions)

	FY2021 (April 1, 2021 to March 31, 2022)			FY2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	**373,153**	**19.08**	**9.02**	342,289	18.37	(11.41)
Hull and cargo	**66,158**	**3.38**	**15.15**	57,452	3.08	(15.02)
Personal accident	**96,257**	**4.92**	**3.11**	93,356	5.01	(10.17)
Voluntary automobile	**750,399**	**38.38**	**3.04**	728,239	39.09	(10.18)
Compulsory automobile liability	**171,063**	**8.75**	**(8.49)**	186,933	10.03	(7.94)
Others	**498,275**	**25.48**	**9.55**	454,856	24.41	(6.40)
Total	**1,955,306**	**100.00**	**4.95**	1,863,128	100.00	(9.46)

Note: Figures are amounts after the elimination of internal transactions with other operating segments.

2. Cash Flows

Cash flows for the fiscal year 2021 were as follows:

Net cash provided by operating activities decreased by 75.6 billion yen to 1,102.2 billion yen compared to the previous fiscal year. Net cash used in investing activities decreased by 65.5 billion yen to 665.4 billion yen. Net cash used by financing activities decreased by 8.3 billion yen to 504.6 billion yen.

As a result, Cash and cash equivalents at end of year was 912.2 billion yen, a decrease of 12.4 billion yen from that as of March 31, 2021.

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, 2022	As of March 31, 2021
Assets			
Cash and bank deposits	*4	**848,819**	812,011
Receivables under resale agreements		**3,999**	999
Monetary receivables bought	*4	**1,630,523**	1,377,728
Money trusts		**—**	2,378
Securities	*2*4*6	**19,288,018**	18,741,600
Loans	*3*4*7	**2,008,708**	1,626,615
Tangible fixed assets	*1	**344,703**	334,501
Land		**133,930**	132,618
Buildings		**155,392**	152,964
Construction in progress		**5,650**	5,008
Other tangible fixed assets		**49,729**	43,910
Intangible fixed assets		**1,082,579**	1,054,990
Software		**157,580**	105,486
Goodwill		**453,433**	485,682
Other intangible fixed assets		**471,565**	463,821
Other assets	*3	**1,996,932**	1,783,213
Net defined benefit assets		**4,523**	3,391
Deferred tax assets		**46,252**	37,224
Customers' liabilities under acceptances and guarantees		**1,878**	1,997
Allowance for doubtful accounts		**(11,089)**	(11,284)
Total assets		**27,245,852**	25,765,368
Liabilities			
Insurance liabilities		**19,246,028**	18,020,554
Outstanding claims	*4	**3,609,687**	3,157,123
Underwriting reserves	*4	**15,636,341**	14,863,430
Corporate bonds		**219,795**	230,597
Other liabilities		**2,945,481**	2,992,122
Payables under securities lending transactions		**1,157,261**	1,509,051
Other liabilities	*4*10	**1,788,219**	1,483,071
Net defined benefit liabilities		**259,198**	254,274
Provision for employees' bonus		**85,893**	75,210
Provision for share awards		**3,410**	—
Reserves under special laws		**138,331**	128,006
Reserve for price fluctuation		**138,331**	128,006
Deferred tax liabilities		**264,754**	321,141
Negative goodwill		**8,453**	18,682
Acceptances and guarantees		**1,878**	1,997
Total liabilities		**23,173,226**	22,042,587
Net assets			
Shareholders' equity			
Share capital		**150,000**	150,000
Retained earnings		**1,954,445**	1,788,764
Treasury stock		**(13,179)**	(23,211)
Total shareholders' equity		**2,091,265**	1,915,553
Accumulated other comprehensive income			
Unrealized gains (losses) on available-for-sale securities		**1,835,605**	1,908,438
Deferred gains (losses) on hedge transactions		**(1,551)**	2,787
Foreign currency translation adjustments		**110,335**	(149,098)
Remeasurements of defined benefit plans		**(15,011)**	(13,661)
Total accumulated other comprehensive income		**1,929,376**	1,748,467
Stock acquisition rights		**33**	2,379
Non-controlling interests		**51,949**	56,380
Total net assets		**4,072,625**	3,722,780
Total liabilities and net assets		**27,245,852**	25,765,368

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.	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Ordinary income		5,863,770	5,461,195
Underwriting income		4,988,607	4,669,910
Net premiums written		3,887,821	3,606,548
Deposit premiums from policyholders		63,091	65,122
Investment income on deposit premiums		34,238	36,032
Life insurance premiums		996,288	954,954
Other underwriting income		7,167	7,251
Investment income		738,186	661,414
Interest and dividends		560,082	492,170
Gains on money trusts		44	277
Gains on trading securities		22,553	5,670
Gains on sales of securities		131,947	127,130
Gains on redemption of securities		3,962	1,058
Investment gains on separate accounts		13,533	49,054
Other investment income		40,301	22,085
Transfer of investment income on deposit premiums		(34,238)	(36,032)
Other ordinary income		136,976	129,870
Amortization of negative goodwill		10,229	10,229
Other ordinary income		126,747	119,641
Ordinary expenses		5,296,357	5,194,459
Underwriting expenses		4,184,455	4,185,395
Net claims paid		1,955,306	1,863,128
Loss adjustment expenses	*1	160,775	146,653
Agency commissions and brokerage	*1	748,881	697,263
Maturity refunds to policyholders		180,516	175,458
Dividends to policyholders		3	4
Life insurance claims		436,693	396,519
Provision for outstanding claims		219,809	262,454
Provision for underwriting reserves		477,046	638,068
Other underwriting expenses		5,421	5,844
Investment expenses		88,364	79,552
Losses on sales of securities		23,326	25,385
Impairment losses on securities		13,176	19,387
Losses on redemption of securities		2,069	346
Losses on derivatives		38,946	16,762
Other investment expenses		10,845	17,670
Operating and general administrative expenses	*1	1,002,477	900,956
Other ordinary expenses		21,060	28,556
Interest expenses		8,398	11,455
Increase in allowance for doubtful accounts		71	863
Losses on bad debts		339	204
Equity in losses of affiliates	*2	3,034	10,074
Other ordinary expenses		9,215	5,958
Ordinary profit		567,413	266,735
Extraordinary gains		3,470	649
Gains on disposal of fixed assets		3,470	386
Gains on sales of shares of subsidiaries and affiliates		—	250
Other extraordinary gains		—	13
Extraordinary losses		16,611	24,210
Losses on disposal of fixed assets		3,374	2,401
Impairment losses on fixed assets	*2	764	746
Provision for reserves under special laws		10,324	9,935
Provision for reserve for price fluctuation		10,324	9,935
Losses on sales of shares of subsidiaries and affiliates		—	854
Other extraordinary losses	*3	2,148	10,273
Income before income taxes and non-controlling interests		554,272	243,174
Income taxes–current		180,191	161,442
Income taxes–deferred		(36,333)	(80,104)
Total income taxes		143,858	81,337
Net income		410,414	161,837
Net income (loss) attributable to non-controlling interests		(10,070)	35
Net income attributable to owners of the parent		420,484	161,801

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

(Yen in millions)

	Note No.	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Net income		410,414	161,837
Other comprehensive income			
Unrealized gains (losses) on available-for-sale securities		(79,398)	475,762
Deferred gains (losses) on hedge transactions		(4,339)	(8,639)
Foreign currency translation adjustments		258,238	(158,160)
Remeasurements of defined benefit plans		(1,295)	(3,823)
Share of other comprehensive income of affiliates accounted for by the equity method		7,161	(1,904)
Total other comprehensive income	*	180,366	303,234
Total comprehensive income		590,780	465,071
Comprehensive income attributable to:			
Owners of the parent		601,393	463,181
Non-controlling interests		(10,613)	1,890

The accompanying notes are an integral part of the consolidated financial statements.

(3) Consolidated Statement of Changes in Shareholders' Equity

FY2021 (April 1, 2021 –March 31, 2022)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,788,764	(23,211)	1,915,553
Changes during the year				
Dividends		(151,661)		(151,661)
Net income attributable to owners of the parent		420,484		420,484
Purchases of treasury stock			(93,736)	(93,736)
Disposal of treasury stock		(97)	869	772
Cancellation of treasury stock		(102,898)	102,898	—
Changes in the scope of consolidation		1,540		1,540
Changes in equity resulted from increase in capital of consolidated subsidiaries		(0)		(0)
Others		(1,686)		(1,686)
Net changes in items other than shareholders' equity				
Total changes during the year	—	165,680	10,031	175,712
Ending balance	150,000	1,954,445	(13,179)	2,091,265

	Accumulated other comprehensive income						
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	1,908,438	2,787	(149,098)	(13,661)	2,379	56,380	3,722,780
Changes during the year							
Dividends							(151,661)
Net income attributable to owners of the parent							420,484
Purchases of treasury stock							(93,736)
Disposal of treasury stock							772
Cancellation of treasury stock							—
Changes in the scope of consolidation							1,540
Changes in equity resulted from increase in capital of consolidated subsidiaries							(0)
Others							(1,686)
Net changes in items other than shareholders' equity	(72,833)	(4,339)	259,433	(1,350)	(2,345)	(4,431)	174,132
Total changes during the year	(72,833)	(4,339)	259,433	(1,350)	(2,345)	(4,431)	349,845
Ending balance	1,835,605	(1,551)	110,335	(15,011)	33	51,949	4,072,625

Consolidated Financial Statements

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,800,292	(23,210)	1,927,082
Changes during the year				
Dividends		(160,535)		(160,535)
Net income attributable to owners of the parent		161,801		161,801
Purchases of treasury stock			(25,792)	(25,792)
Disposal of treasury stock		(293)	1,080	787
Cancellation of treasury stock		(24,710)	24,710	—
Changes in the scope of consolidation		12,257		12,257
Changes in equity resulted from increase in capital of consolidated subsidiaries		4		4
Others		(53)		(53)
Net changes in items other than shareholders' equity				
Total changes during the year	—	(11,528)	(1)	(11,529)
Ending balance	150,000	1,788,764	(23,211)	1,915,553

	Accumulated other comprehensive income						
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	1,435,437	11,427	8,042	(9,840)	2,545	51,980	3,426,675
Changes during the year							
Dividends							(160,535)
Net income attributable to owners of the parent							161,801
Purchases of treasury stock							(25,792)
Disposal of treasury stock							787
Cancellation of treasury stock							—
Changes in the scope of consolidation							12,257
Changes in equity resulted from increase in capital of consolidated subsidiaries							4
Others							(53)
Net changes in items other than shareholders' equity	473,001	(8,639)	(157,140)	(3,820)	(166)	4,399	307,634
Total changes during the year	473,001	(8,639)	(157,140)	(3,820)	(166)	4,399	296,105
Ending balance	1,908,438	2,787	(149,098)	(13,661)	2,379	56,380	3,722,780

The accompanying notes are an integral part of the consolidated financial statements.

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	Notes No.	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Cash flows from operating activities			
Income before income taxes and non-controlling interests		**554,272**	243,174
Depreciation		**89,754**	80,905
Impairment losses on fixed assets		**764**	746
Amortization of goodwill		**72,152**	61,794
Amortization of negative goodwill		**(10,229)**	(10,229)
Increase (decrease) in outstanding claims		**241,282**	265,606
Increase (decrease) in underwriting reserves		**529,601**	739,418
Increase (decrease) in allowance for doubtful accounts		**(600)**	309
Increase (decrease) in net defined benefit liabilities		**2,078**	3,210
Increase (decrease) in provision for employees' bonus		**5,336**	5,952
Increase (decrease) in provision for share awards		**3,410**	—
Increase (decrease) in reserve for price fluctuation		**10,324**	9,935
Interest and dividends		**(560,082)**	(492,170)
Losses (gains) on securities		**(118,255)**	(77,656)
Interest expenses		**8,398**	11,455
Foreign exchange losses (gains)		**(26,178)**	(5,806)
Losses (gains) on tangible fixed assets		**(601)**	2,015
Equity in losses (earnings) of affiliates		**3,034**	10,074
Investment losses (gains) on separate accounts		**(13,533)**	(49,054)
Decrease (increase) in other assets (other than investing and financing activities)		**(68,773)**	(25,872)
Increase (decrease) in other liabilities (other than investing and financing activities)		**52,765**	4,484
Others		**427**	11,690
Subtotal		**775,350**	789,986
Interest and dividends received		**552,023**	495,774
Interest paid		**(8,788)**	(12,674)
Income taxes paid		**(223,279)**	(101,534)
Others		**6,934**	6,321
Net cash provided by (used in) operating activities (a)		**1,102,240**	1,177,873
Cash flows from investing activities			
Net decrease (increase) in deposits		**228**	(5,876)
Purchases of monetary receivables bought		**(625,850)**	(328,005)
Proceeds from sales and redemption of monetary receivables bought		**474,800**	222,549
Decrease in money trusts		**2,421**	—
Purchases of securities		**(2,255,729)**	(2,575,102)
Proceeds from sales and redemption of securities		**2,046,983**	2,262,990
Payments for issuance of loans		**(864,335)**	(662,767)
Proceeds from collection of loans		**650,557**	473,377
Changes in cash collateral under securities borrowing and lending transactions		**—**	(320)
Others		**(70,711)**	(51,593)
Subtotal (b)		**(641,634)**	(664,747)
(a) + (b)		**460,606**	513,125
Purchases of tangible fixed assets		**(29,050)**	(26,224)
Proceeds from sales of tangible fixed assets		**5,240**	2,680
Purchases of shares of subsidiaries resulting in change in the scope of consolidation		**—**	(42,981)
Sales of shares of subsidiaries resulting in change in the scope of consolidation		**—**	262
Net cash provided by (used in) investing activities		**(665,444)**	(731,010)
Cash flows from financing activities			
Proceeds from borrowings		**34,506**	41,189
Repayments of borrowings		**(42,350)**	(280,395)
Proceeds from issuance of short-term corporate bonds		**9,999**	9,999
Redemption of short-term corporate bonds		**(10,000)**	(10,000)
Redemption of corporate bonds		**(12,705)**	(36,050)
Change in cash collateral under securities lending transactions		**(351,789)**	(106,194)
Purchases of treasury stock		**(93,736)**	(25,792)
Dividends paid		**(151,571)**	(160,419)
Dividends paid to non-controlling shareholders		**(681)**	(1,089)
Proceeds from share issuance to non-controlling shareholders		**6,794**	5,319
Others		**106,903**	50,464
Net cash provided by (used in) financing activities		**(504,629)**	(512,967)
Effect of exchange rate changes on cash and cash equivalents		**59,659**	(33,124)
Net increase (decrease) in cash and cash equivalents		**(8,174)**	(99,229)
Cash and cash equivalents at beginning of year		**924,687**	1,021,167
Increase in cash and cash equivalents due to newly consolidated subsidiaries		**—**	2,749
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation		**(4,295)**	—
Cash and cash equivalents at end of year	*1	**912,216**	924,687

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 companies: 170 companies

For details of the Company's major consolidated subsidiaries, please refer to "Tokio Marine Holdings and its Subsidiaries" in "Corporate Data".

WGIL1-North Mobile LLC and two other companies are included in the scope of consolidation from the fiscal year 2021 due to the establishment.

Pergamon Management, L.P. and seven other companies are excluded from the scope of consolidation from the fiscal year 2021 due to the liquidation, etc.

(2) Names of major non-consolidated subsidiaries

(Names of major companies)

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 affiliates accounted for by the equity method: 8 companies

For details of major affiliates accounted for by the equity method, please refer to "Tokio Marine Holdings and its Subsidiaries" in "Corporate Data".

XS3 Seguros S.A. is included in the application of the equity method from the fiscal year 2021 due to the establishment.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Life Insurance (Thailand) Public Company Limited, etc.) and other affiliates (Alinma Tokio Marine Company, 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 160 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 valued 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 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 less 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 less 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 2021.

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.

(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 (7 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.

Notes to Consolidated Financial Statements

(8) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido and Tokio Marine & Nichido Life conduct Asset Liability Management ("ALM") to control such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for interest rate swap transactions that are used to manage such risks, Tokio Marine & Nichido and Tokio Marine & Nichido Life apply deferred hedge accounting to the swap transactions 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), and the Practical Solution No. 40, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (issued by the Accounting Standards Board of Japan (the "ASBJ"), 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 utilized 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 15 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 included in the consolidated statement of cash flows

Cash and cash equivalents in 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:

1. Outstanding claims

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2022

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Outstanding claims	3,609,687	3,157,123

(2) Information on the significant accounting estimates

a. Calculation method

Outstanding claims is 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 is 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, 2022

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Goodwill	453,433	485,682

(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, 2022

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)".

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.

Notes to Consolidated Financial Statements

Accounting Standards Not Yet Adopted by the Company

• 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)
• Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No. 24, September 14, 2018)

1. Overview

The Accounting Standards Board of Japan ("ASBJ") has revised PITF No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements" and PITF No. 24 "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method". The major amendments are as follows.

For overseas subsidiaries that present subsequent changes in fair value of investment in equity instruments in Other comprehensive income, when investments in the equity instruments are sold, an adjustment is to be made to recognize the difference between the acquisition cost and sales price as a gain or loss for the corresponding fiscal year within the consolidation process, in accordance with the Tentative Practical Solution of "Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for the Consolidation Process".

For overseas subsidiaries that need to recognize any asset impairment, an adjustment is to be made to recognize the valuation difference as a loss for the corresponding fiscal year within the consolidation process.

2. Date of application

The Company plans to adopt the aforementioned standards from the beginning of the fiscal year following the fiscal year in which its overseas subsidiaries adopt IFRS 9 "Financial Instruments".

3. Impact of application of standards

The Company has not yet evaluated the impact of the application of the aforementioned standards at the timing of the preparation of its consolidated financial statements.

• "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021)

1. Overview

In response to the "Partial Amendments to Income Tax Act, etc." (Act No. 8 of 2020) enacted on March 27, 2020, which revised the consolidated tax payment system and shifted to a group tax sharing system, ASBJ issued this statement to clarify the accounting treatment and disclosure of corporate and local income taxes, and tax effect accounting when a group tax sharing system is applied.

2. Date of application

The Company and its domestic consolidated subsidiaries plan to adopt the aforementioned standards from the beginning of the fiscal year 2022.

3. Impact of application of standards

The impact of application of the new accounting standard is still under evaluation at the timing of the preparation of its consolidated financial statements.

Changes in Accounting Policies

The Company has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and others from the beginning of the fiscal year 2021.

In accordance with the transitional treatment set forth in Paragraph 19 of "Accounting Standard for Fair Value Measurement" and Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company has prospectively applied a new accounting policy prescribed by "Accounting Standard for Fair Value Measurement" and others.

As a result, the effect of applying this accounting standard on consolidated financial statements is immaterial.

Additional Information

The Company and its major domestic consolidated subsidiaries have adopted a structure called Board Incentive Plan Trust (hereinafter, the "BIP Trust") as a new stock-based compensation system (hereinafter, the "New 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 New System.

1. Overview of the New System

Under the New 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.

2. Residual shares of the Company

The Company's shares remaining in the trust are recorded as treasury stock in shareholders' equity. The book value of such treasury stock is 4,958 million yen, and the number of shares is 819,000 shares as of the end of the fiscal year 2021.

Notes to Consolidated Financial Statements

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, 2022	As of March 31, 2021
Accumulated depreciation	381,710	369,087
Advanced depreciation of tangible fixed assets	17,887	17,968

*2. Securities of non-consolidated subsidiaries and affiliates are as follows:

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Securities (equity)	187,720	133,094
Securities (partnership)	24,849	37,213

*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, 2022	As of March 31, 2021
Bankrupt or de facto bankrupt assets	10,937	14,027
Doubtful assets	138,344	98,166
Loans past due for three months or more	1	1
Restructured loans	12,466	11,556
Total	161,748	123,751

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.

Changes in Presentation
In line with the enforcement of "Cabinet Office Order to Amend the Ordinance for Enforcement of the Banking Act, etc." (Cabinet Office Order No. 3 of January 24, 2020) on March 31, 2022, the classification of "Risk management loans" under the Insurance Business Act has been presented in consistent with the classification of assets based on the Act on Emergency Measures for the Revitalization of the Financial Functions.

*4. The value of assets pledged as collateral and collateralized corresponding debt obligations are as follows:

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Assets pledged as collateral		
Bank deposits	55,217	54,804
Monetary receivables bought	21,159	24,640
Securities	730,691	494,069
Loans	264,866	222,828
Collateralized corresponding debt obligations		
Outstanding claims	170,156	162,349
Underwriting reserves	223,808	167,087
Other liabilities (payables under repurchase agreements, etc.)	240,338	133,353

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, 2022	As of March 31, 2021
3,999	999

*6. Securities lent under loan agreements are as follows:

(Yen in millions)

As of March 31, 2022	As of March 31, 2021
1,558,306	1,959,960

*7. The outstanding balance of undrawn loan commitments is as follows:

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Total loan commitments	1,260,620	892,398
Balance of drawn loan commitments	890,702	678,915
Undrawn loan commitments	369,918	213,482

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, 2022	As of March 31, 2021
192,942	168,341

9. Tokio Marine & Nichido guarantees the liabilities of the following subsidiary.

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Tokio Marine Compania de Seguros, S.A. de C.V.	8,569	5,463

*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, 2022	As of March 31, 2021
100,000	100,000

Notes to Consolidated Statement of Income

*1. Major components of business expenses are as follows:

(Yen in millions)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Agency commissions, etc.	637,801	608,750
Salaries	345,670	317,463

Note: 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. The Company recognized impairment losses on the following assets:

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

Purpose of use	Category	Location	Impairment loss			
			Land	Building	Others	Total
Properties for business use (General business (nursing care business))	Buildings	3 properties, including buildings in Setagaya-ku, Tokyo	—	19	20	40
Idle properties or properties planned for sale	Land and buildings	7 properties, including buildings in Fuji-City, Shizuoka	177	516	12	706
Total			177	536	32	746

Properties are classified as follows: (a) properties for use in insurance business and other businesses 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 general business (nursing care business) are grouped on an individual basis.

The total amount of projected future cash flows generated from general 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 of the relevant property is calculated by discounting future cash flows at a rate of 6.0%.

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 real estate appraisers less anticipated expenses for disposal of the relevant property.

Based on the current operating environment, impairment losses of 6,166 million yen, equivalent to the entire goodwill related to Hollard International Proprietary Limited, was recognized and recorded as Equity in losses of affiliates under Ordinary expenses.

*3. Other extraordinary losses for the fiscal year 2020 are 10,273 million yen of Impairment losses on shares of subsidiaries and affiliates, and Other extraordinary losses for the fiscal year 2021 are primarily attributable to 1,608 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)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Unrealized gains (losses) on available-for-sale securities		
Amount arising during the year	**(7,661)**	704,865
Reclassification adjustment	**(98,151)**	(79,665)
Before tax effect adjustment	**(105,812)**	625,199
Tax effect	**26,413**	(149,437)
Unrealized gains (losses) on available-for-sale securities	**(79,398)**	475,762
Deferred gains (losses) on hedge transactions		
Amount arising during the year	**(5,451)**	(10,967)
Reclassification adjustment	**(574)**	(869)
Adjustments of asset acquisition cost	**—**	(155)
Before tax effect adjustment	**(6,026)**	(11,992)
Tax effect	**1,686**	3,352
Deferred gains (losses) on hedge transactions	**(4,339)**	(8,639)
Foreign currency translation adjustments		
Amount arising during the year	**258,238**	(158,160)
Remeasurements of defined benefit plans		
Amount arising during the year	**(6,064)**	(9,454)
Reclassification adjustment	**4,263**	4,311
Before tax effect adjustment	**(1,800)**	(5,143)
Tax effect	**504**	1,320
Remeasurements of defined benefit plans	**(1,295)**	(3,823)
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the year	**8,302**	(1,586)
Reclassification adjustment	**(1,140)**	(318)
Share of other comprehensive income of affiliates accounted for by the equity method	**7,161**	(1,904)
Total other comprehensive income	**180,366**	303,234

Notes to Consolidated Statement of Changes in Shareholders' Equity

FY2021 (April 1, 2021–March 31, 2022)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

	Number of shares as of April 1, 2021	Increase during the fiscal year 2021	Decrease during the fiscal year 2021	Number of shares as of March 31, 2022
Issued stock				
Common stock	**697,500**	**—**	**17,500**	**680,000**
Total	**697,500**	**—**	**17,500**	**680,000**
Treasury stock				
Common stock	**4,226**	**15,643**	**17,653**	**2,217**
Total	**4,226**	**15,643**	**17,653**	**2,217**

Note: 1. The number of shares of common stock at the end of the fiscal year 2021 includes 819 thousand shares of treasury stock held by BIP Trust.
2. The decrease of 17,500 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
3. The increase of 15,643 thousand shares of common stock is primarily attributable to the acquisition of 14,753 thousand shares of treasury stock conducted based on resolution by the Board of Directors and the acquisition of 867 thousand shares of treasury stock by BIP Trust.
4. The decrease of 17,653 thousand shares of common stock is primarily attributable to the cancellation of 17,500 thousand shares of treasury stock and the sale of 48 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, 2022 (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 28, 2021	**Common stock**	**69,327**	**100.00**	**March 31, 2021**	**June 29, 2021**
Meeting of the Board of Directors held on November 19, 2021	**Common stock**	**82,334**	**120.00**	**September 30, 2021**	**December 13, 2021**

Note: For dividends resolved at the meeting of the Board of Directors held on November 19, 2021, the amount of dividends paid includes dividends for treasury stock held by BIP Trust of 104 million yen.

(2) Dividends of which the record date falls within the fiscal year 2021, and the effective date falls after March 31, 2022

The Company intends to obtain approval for the following dividend payment at the 20th Ordinary general meeting of shareholders to be held on June 27, 2022.

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 27, 2022	**Common stock**	**91,611**	**Retained earnings**	**135.00**	**March 31, 2022**	**June 28, 2022**

Note: The amount of dividends paid includes dividends for treasury stock held by BIP Trust of 110 million yen.

FY2020 (April 1, 2020–March 31, 2021)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

	Number of shares as of April 1, 2020	Increase during the fiscal year 2020	Decrease during the fiscal year 2020	Number of shares as of March 31, 2021
Issued stock				
Common stock	702,000	—	4,500	697,500
Total	702,000	—	4,500	697,500
Treasury stock				
Common stock	4,129	4,789	4,692	4,226
Total	4,129	4,789	4,692	4,226

Note: 1. The decrease of 4,500 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
2. The increase of 4,789 thousand shares of common stock is primarily attributable to the acquisition of 4,753 thousand shares of treasury stock conducted based on resolution by the Board of Directors.
3. The decrease of 4,692 thousand shares of common stock is primarily attributable to the cancellation of 4,500 thousand shares of treasury stock.

Notes to Consolidated Financial Statements

2. Stock acquisition rights (including those owned by the Company)

Category	Nature of stock acquisition rights	Amount as of March 31, 2021 (Yen in millions)
The Company (parent company)	Stock acquisition rights as stock options	2,379

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 29, 2020	Common stock	66,297 million yen	95.00 yen	March 31, 2020	June 30, 2020
Meeting of the Board of Directors held on November 19, 2020	Common stock	94,237 million yen	135.00 yen	September 30, 2020	December 11, 2020

Note: For dividends resolved at the meeting of the Board of Directors held on November 19, 2020, the amount of dividends per share consists of 100 yen of ordinary dividend and 35 yen of one-time dividend for the capital level adjustment.

(2) Dividends of which the record date falls within the fiscal year 2020, and the effective date falls after March 31, 2021

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 28, 2021	Common stock	69,327 million yen	Retained earnings	100.00 yen	March 31, 2021	June 29, 2021

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)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Cash and bank deposits	848,819	812,011
Monetary receivables bought	1,630,523	1,377,728
Securities	19,288,018	18,741,600
Time deposits with initial term over three months to maturity	(112,006)	(109,097)
Monetary receivables bought not included in cash equivalents	(1,596,975)	(1,302,087)
Securities not included in cash equivalents	(19,146,163)	(18,595,468)
Cash and cash equivalents	912,216	924,687

*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.

(3) Ordinary income, profit (loss), assets, liabilities and other items by reportable segments

FY2021 (April 1, 2021–March 31, 2022)

(Yen in millions)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total		
Ordinary income							
Ordinary income from external customers	2,839,955	713,641	2,262,031	72,883	5,888,512	(24,741)	5,863,770
Ordinary income from transactions with other reportable segments	10,087	798	2,728	29,477	43,091	(43,091)	—
Total	2,850,042	714,440	2,264,759	102,360	5,931,603	(67,832)	5,863,770
Segment profit	302,684	69,579	185,526	9,623	567,413	—	567,413
Segment assets	7,620,856	9,423,469	10,298,239	72,026	27,414,592	(168,739)	27,245,852
Other items							
Depreciation	28,696	1,481	58,697	879	89,754	—	89,754
Amortization of goodwill	96	—	71,857	198	72,152	—	72,152
Amortization of negative goodwill	8,917	248	917	145	10,229	—	10,229
Interest and dividends	145,168	116,398	301,515	26	563,109	(3,027)	560,082
Interest expenses	2,052	1,992	6,204	—	10,249	(1,850)	8,398
Equity in earnings (losses) of affiliates	—	—	(3,034)	—	(3,034)	—	(3,034)
Investments in affiliates accounted for by the equity method	—	—	124,690	—	124,690	—	124,690
Increase in tangible and intangible fixed assets	66,725	8,932	27,584	734	103,976	—	103,976

Note: 1. "Adjustments" are as follows:

(1) "Adjustments" for Ordinary income from external customers of (24,741) million yen includes the transfer of Reversal of underwriting reserves of 21,268 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 (168,739) 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

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total		
Ordinary income							
Ordinary income from external customers	2,751,387	775,305	1,875,660	71,769	5,474,122	(12,927)	5,461,195
Ordinary income from transactions with other reportable segments	9,579	30	2,184	29,123	40,918	(40,918)	—
Total	2,760,967	775,336	1,877,844	100,893	5,515,041	(53,845)	5,461,195
Segment profit	142,891	68,722	44,638	10,149	266,401	334	266,735
Segment assets	7,544,109	9,488,683	8,817,744	79,360	25,929,897	(164,529)	25,765,368
Other items							
Depreciation	16,447	608	63,076	773	80,905	—	80,905
Amortization of goodwill	96	—	61,482	215	61,794	—	61,794
Amortization of negative goodwill	8,917	248	917	145	10,229	—	10,229
Interest and dividends	127,544	116,911	250,178	84	494,719	(2,548)	492,170
Interest expenses	4,446	2,244	6,035	0	12,725	(1,270)	11,455
Equity in earnings (losses) of affiliates	—	—	(10,074)	—	(10,074)	—	(10,074)
Investments in affiliates accounted for by the equity method	—	—	85,280	—	85,280	—	85,280
Increase in tangible and intangible fixed assets	75,381	5,325	56,378	986	138,073	—	138,073

Note: 1. "Adjustments" are as follows:
(1) "Adjustments" for Ordinary income from external customers of (12,927) million yen includes the transfer of Gains on derivatives of 12,362 million yen. This is included in Ordinary income of International insurance business segment, while it is included in Losses on derivatives in the consolidated statement of income.
(2) "Adjustments" for Segment profit of 334 million yen is mainly to eliminate intersegment transactions.
(3) "Adjustments" for Segment assets of (164,529) million yen is mainly to eliminate intersegment transactions.
(4) "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

FY2021 (April 1, 2021–March 31, 2022)

(1) Information by product and service

(Yen in millions)

	Non-Life insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers	**4,440,474**	**1,350,862**	**72,883**	**5,864,220**	**(449)**	**5,863,770**

Note: "Adjustments" includes transfer of Increase/Decrease in allowance for doubtful accounts in the consolidated statement of income.

(2) Information by region

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
3,422,097	**1,591,695**	**882,825**	**5,896,619**	**(32,848)**	**5,863,770**

Note: 1. The above figures are classified by country and region based on customer location.
2. "Adjustments" includes transfer of Gains/Losses on derivatives in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)

Japan	United States	Others	Total
247,799	**62,130**	**34,774**	**344,703**

(3) Information about major customers

None.

FY2020 (April 1, 2020–March 31, 2021)

(1) Information by product and service

(Yen in millions)

	Non-Life insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers	4,086,929	1,312,920	71,769	5,471,619	(10,423)	5,461,195

Note: "Adjustments" includes transfer of Gains/Losses on derivatives in the consolidated statement of income.

(2) Information by region

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
3,448,733	1,303,317	731,817	5,483,868	(22,672)	5,461,195

Note: 1. The above figures are classified by country and region based on customer location.
2. "Adjustments" includes transfer of Gains/Losses on derivatives in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)

Japan	United States	Others	Total
252,342	49,028	33,130	334,501

(3) Information about major customers

None.

3. Impairment losses of fixed assets by reportable segments

FY2021 (April 1, 2021–March 31, 2022)

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Impairment losses	**525**	**—**	**194**	**44**	**764**

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Impairment losses	488	—	217	40	746

Notes to Consolidated Financial Statements

4. Amortization and remaining balance of goodwill by reportable segments

FY2021 (April 1, 2021–March 31, 2022)

(1) Goodwill

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	96	—	71,857	198	72,152
Remaining balance as of March 31, 2022	102	—	453,331	—	453,433

(2) Negative goodwill

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	8,917	248	917	145	10,229
Remaining balance as of March 31, 2022	3,352	—	4,586	514	8,453

FY2020 (April 1, 2020–March 31, 2021)

(1) Goodwill

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	96	—	61,482	215	61,794
Remaining balance as of March 31, 2021	199	—	484,160	1,321	485,682

(2) Negative goodwill

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	8,917	248	917	145	10,229
Remaining balance as of March 31, 2021	12,269	248	5,504	659	18,682

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, 2022	As of March 31, 2021
As lessee:		
Due within one year	17,180	9,328
Due after one year	72,868	45,068
Total	90,048	54,397
As lessor:		
Due within one year	1,374	1,236
Due after one year	9,201	9,275
Total	10,576	10,512

Deferred Tax Accounting

1. Major components of deferred tax assets and deferred tax liabilities

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Deferred tax assets		
Underwriting reserves	422,822	414,987
Outstanding claims	97,475	85,597
Net defined benefit liabilities	74,901	73,956
Reserve for price fluctuation	38,617	35,732
Impairment losses on securities	28,959	28,361
Net operating loss carry forward (Note)	21,012	17,806
Others	114,137	106,388
Subtotal	797,926	762,831
Valuation allowance on net operating loss carry forward (Note)	(13,368)	(14,862)
Valuation allowance on deductible temporary differences	(35,388)	(34,132)
Subtotal	(48,756)	(48,994)
Total deferred tax assets	749,169	713,836
Deferred tax liabilities		
Unrealized gains on available-for-sale securities	(685,761)	(714,562)
Unrealized gains on consolidated subsidiaries	(163,235)	(165,340)
Others	(118,673)	(117,849)
Total deferred tax liabilities	(967,670)	(997,753)
Net deferred tax assets (liabilities)	(218,501)	(283,916)

(Note) Schedule by expiration of net operating loss carry forward and the corresponding deferred tax assets

As of March 31, 2022

(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 (*)	1,479	2,783	1,821	1,799	1,257	11,870	21,012
Valuation allowance	(1,443)	(2,748)	(1,781)	(1,757)	(1,220)	(4,416)	(13,368)
Deferred tax assets	35	35	40	41	36	7,454	7,644

(*) The amounts of net operating loss carry forward are calculated by using statutory income tax rates.

As of March 31, 2021

(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 (*)	1,234	1,443	2,748	1,781	1,757	8,840	17,806
Valuation allowance	(1,234)	(1,443)	(2,748)	(1,781)	(1,757)	(5,895)	(14,862)
Deferred tax assets	—	—	—	—	—	2,944	2,944

(*) 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, 2022	As of March 31, 2021
Japanese statutory tax rate	30.6	30.6
(Adjustments)		
Permanent differences such as dividends received	(2.4)	(6.1)
Permanent differences such as entertainment expenses	1.4	2.9
Amortization of goodwill and negative goodwill	3.4	6.5
Valuation allowance	(0.0)	1.3
Tax rate applied to consolidated subsidiaries	(4.6)	(4.9)
Others	(2.4)	3.3
Effective tax rate	26.0	33.4

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. We thereby aim to ensure stable, long-term earnings while realizing efficient management of liquidity.

Specifically, our 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, we endeavor 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 Company's asset portfolio. The Group also utilizes financial options as one of the ways to control risks related to variable annuities which guarantee minimum amounts of benefits which are not subject to the result of investment.

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 risk

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 derivatives 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

(i) 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.

(ii) 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.

The tables below do not include securities without a market price, and partnership investments for which transitional measures are applied in accordance with Paragraph 27 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, July 4, 2019, hereinafter referred to as "Guidance for Application of Fair Value Measurement") (presented as financial instruments for which fair value cannot be measured reliably, in the previous fiscal year). (Refer to Note 3 and Note 4.)

The breakdown of fair value by input level for the previous fiscal year is not presented in accordance with Paragraph 7-4 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, July 4, 2019).

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.

(1) Financial instruments recorded at fair value on the consolidated balance sheet

As of March 31, 2022

(Yen in millions)

	Carrying amount shown on the consolidated balance sheet			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	—	1,433,790	196,733	1,630,523
Securities				
Trading securities	106,365	244,308	7,915	358,589
Available-for-sale securities	5,519,401	4,383,083	131,949	10,034,434
Loans	—	—	72,145	72,145
Derivative transactions	2,245	73,669	17,325	93,240
Assets	5,628,012	6,134,851	426,069	12,188,933
Derivative transactions	511	166,815	1,172	168,499
Liabilities	511	166,815	1,172	168,499

(*) The amount of investment trusts to which transitional measures are applied in accordance with Paragraph 26 of "Guidance for Application of Fair Value Measurement" is not included in the table above. The amount of such investment trusts on the consolidated balance sheet is 1,141,916 million yen.

As of March 31, 2021

(Yen in millions)

	Carrying amount shown on the consolidated balance sheet
Monetary receivables bought	1,377,728
Securities	
Trading securities	515,417
Available-for-sale securities	10,597,852
Loans	53,093
Total financial assets	12,544,092
Derivative transactions (*)	(12,236)

(*) Derivative assets and liabilities arising from derivative transactions included in Other assets and Other liabilities are presented on a net basis. Net debits are shown in parentheses.

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, 2022

(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	3,968,104	1,560,872	—	5,528,977	5,112,881	416,095
Bonds earmarked for underwriting reserves	1,312,011	670,468	—	1,982,480	2,220,503	(238,023)
Loans(*)	—	—	1,935,010	1,935,010	1,934,859	150
Assets	5,280,115	2,231,341	1,935,010	9,446,467	9,268,245	178,222
Corporate bonds	—	219,359	42	219,401	219,795	(394)
Liabilities	—	219,359	42	219,401	219,795	(394)

(*) Carrying amount shown on the consolidated balance sheet is the loans after the deduction of Allowance for doubtful accounts earmarked for loans of 1,703 million yen.

As of March 31, 2021

(Yen in millions)

	Carrying amount shown on the consolidated balance sheet	Fair value	Difference
Securities			
Bonds held to maturity	5,114,216	5,767,207	652,991
Bonds earmarked for underwriting reserves	2,194,898	2,082,308	(112,590)
Loans(*)	1,454,602	1,454,710	107
Assets	8,763,718	9,304,226	540,508
Corporate bonds	230,597	230,312	(285)
Liabilities	230,597	230,312	(285)

(*) Carrying amount shown on the consolidated balance sheet is the loans after the deduction of Allowance for doubtful accounts earmarked for loans of 1,725 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 spread 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.

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.

With regard to policy loans, the book value is assumed to approximate the fair value through consideration of the expected repayment period, interest rate terms and others, because of their nature such as no contractual maturity due to the loan amount less than repayment fund for cancellation. Therefore, the fair value is measured with the book value and is categorized within Level 3.

Corporate bonds

The fair value of Corporate bonds is measured using quoted prices in markets and others and mainly 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, 2022

(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	155,575	15,677	(4,516)	(5,940)	17,725	18,211	196,733	—
Securities								
Trading securities	4,909	104	—	1,843	556	500	7,915	1,862
Available-for-sale securities	76,033	12,731	(3,241)	9,989	9,406	27,031	131,949	—
Loans	53,093	—	—	3,505	5,909	9,636	72,145	3,136
Derivative transactions (*6)	16,258	—	—	16,386	1,927	(18,418)	16,153	6,931

(*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.

(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.

For each fair value and level classification measured, the Group verifies the appropriateness of the valuation techniques and inputs in 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 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 partnership investments on the consolidated balance sheet for the fiscal year 2021

(Yen in millions)

	As of March 31, 2022
Securities without a market price (*1)	246,748
Partnership investments (*2)	169,334
Total	416,082

(*1) Securities without a market price include unlisted stocks 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, July 4, 2019).
(*2) Partnership investments are not subject to fair value disclosure in accordance with Paragraph 27 of "Guidance for Application of Fair Value Measurement".

(Note 4) Carrying amount shown on the consolidated balance sheet of financial instruments for which fair value cannot be measured reliably for the fiscal year 2020

(Yen in millions)

	As of March 31, 2021
Investment in non-consolidated subsidiaries, unlisted stock and partnership investments. (*1)	315,603
Policy loans (*2)	117,193
Total	432,797

(*1) Investment in non-consolidated subsidiaries, unlisted stock and partnership investments are not subject to fair value disclosure because their fair value cannot be measured reliably, as they have no quoted market price and the future cash flow cannot be estimated.
(*2) Policy loans are not subject to fair value disclosure because the future cash flows cannot be estimated since policy loans are arranged under an insurance policy and the amount is limited to the repayment fund for cancellation with no contractual maturity.

Notes to Consolidated Financial Statements

(Note 5) Maturity analysis of financial assets

As of March 31, 2022

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	139,114	8,517	—	—
Monetary receivables bought	41,095	25,168	467,342	1,133,727
Securities				
Bonds held to maturity				
Domestic government bonds	4,500	246,500	497,767	4,054,162
Domestic municipal bonds	—	—	—	3,000
Domestic corporate bonds	—	—	—	155,600
Foreign securities	5,543	12,635	15,370	24,978
Bonds earmarked for underwriting reserves				
Domestic government bonds	—	—	—	1,897,200
Domestic municipal bonds	—	—	—	1,800
Domestic corporate bonds	—	—	—	305,500
Available-for-sale securities with maturity				
Domestic government bonds	37,105	249,298	579,815	1,297,873
Domestic municipal bonds	9,612	41,013	18,700	7,236
Domestic corporate bonds	60,196	280,981	214,743	56,917
Foreign securities	119,714	582,696	745,114	2,034,528
Loans (*)	520,850	918,923	228,130	228,276
Total	937,734	2,365,736	2,766,983	11,200,801

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (25 million yen), and loans with no repayment schedule (8,175 million yen) are not included above.

As of March 31, 2021

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	131,972	8,915	—	—
Monetary receivables bought	80,685	25,270	242,012	1,093,410
Securities				
Bonds held to maturity				
Domestic government bonds	2,000	171,000	377,112	4,254,817
Domestic municipal bonds	—	—	—	3,000
Domestic corporate bonds	—	—	—	155,600
Foreign securities	4,009	6,608	14,950	26,073
Bonds earmarked for underwriting reserves				
Domestic government bonds	—	—	—	1,877,500
Domestic municipal bonds	—	—	—	30,900
Domestic corporate bonds	—	—	—	264,600
Available-for-sale securities with maturity				
Domestic government bonds	69,418	221,854	598,766	1,316,907
Domestic municipal bonds	5,821	54,476	22,800	16,609
Domestic corporate bonds	83,587	298,199	263,813	69,089
Foreign securities	73,047	532,898	645,957	1,644,359
Loans (*)	368,715	789,065	148,937	203,918
Total	819,257	2,108,289	2,314,349	10,956,784

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (39 million yen), and loans with no repayment schedule (7,886 million yen) are not included above.

(Note 6) Maturity schedules for corporate bonds, long-term borrowings and lease obligations

As of March 31, 2022

(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	42	—	—	—	—	220,128
Long-term borrowings	66,136	—	34,506	—	—	154,634
Lease obligations	3,607	2,735	1,944	1,603	1,121	3,584
Total	69,786	2,735	36,450	1,603	1,121	378,347

As of March 31, 2021

(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	3,519	265	—	—	2,587	223,287
Long-term borrowings	31,050	62,100	—	—	—	149,162
Lease obligations	3,369	2,650	2,021	1,482	1,138	4,238
Total	37,938	65,015	2,021	1,482	3,725	376,688

Notes to Consolidated Financial Statements

Securities

1. Trading securities

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Unrealized gains (losses) included in income	81,405	70,114

2. Bonds held to maturity

(Yen in millions)

		As of March 31, 2022			As of March 31, 2021		
		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	3,045,970	3,629,930	583,959	3,574,497	4,307,169	732,671
	Foreign securities	47,956	50,663	2,706	51,750	56,600	4,849
	Subtotal	3,093,927	3,680,593	586,666	3,626,248	4,363,770	737,521
Those with fair value not exceeding the carrying amount	Domestic debt securities	2,007,913	1,837,454	(170,459)	1,487,630	1,403,102	(84,527)
	Foreign securities	11,040	10,929	(111)	337	334	(3)
	Subtotal	2,018,954	1,848,383	(170,570)	1,487,968	1,403,437	(84,530)
Total		5,112,881	5,528,977	416,095	5,114,216	5,767,207	652,991

3. Bonds earmarked for underwriting reserves

(Yen in millions)

		As of March 31, 2022			As of March 31, 2021		
		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	5,500	5,545	45	250,749	258,436	7,686
	Subtotal	5,500	5,545	45	250,749	258,436	7,686
Those with fair value not exceeding the carrying amount	Domestic debt securities	2,215,003	1,976,934	(238,068)	1,944,149	1,823,872	(120,277)
	Subtotal	2,215,003	1,976,934	(238,068)	1,944,149	1,823,872	(120,277)
Total		2,220,503	1,982,480	(238,023)	2,194,898	2,082,308	(112,590)

4. Available-for-sale securities

(Yen in millions)

		As of March 31, 2022			As of March 31, 2021		
		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	2,444,299	2,185,962	258,336	3,049,295	2,708,962	340,332
	Domestic equity securities	2,477,828	466,979	2,010,849	2,441,399	493,762	1,947,636
	Foreign securities	4,098,931	3,703,787	395,144	4,266,561	3,847,323	419,237
	Others (Note2)	674,595	613,800	60,794	671,434	611,432	60,001
	Subtotal	9,695,654	6,970,529	2,725,125	10,428,689	7,661,481	2,767,207
Those with fair value not exceeding the cost	Domestic debt securities	707,264	715,626	(8,361)	366,370	369,809	(3,438)
	Domestic equity securities	24,462	27,949	(3,486)	21,241	24,017	(2,776)
	Foreign securities	1,223,458	1,270,490	(47,031)	434,855	444,221	(9,365)
	Others (Note3)	969,597	983,593	(13,996)	753,092	772,031	(18,938)
	Subtotal	2,924,783	2,997,659	(72,876)	1,575,560	1,610,080	(34,520)
Total		12,620,437	9,968,188	2,652,249	12,004,250	9,271,562	2,732,687

Note: 1. As of March 31,2022: Available-for-sale securities without a market price, and partnership investments are not included in the table above.
As of March 31,2021: Available-for-sale securities for which fair value cannot be measured reliably are not included in the table above.
2. "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, 2022: fair value 59 million yen, cost 58 million yen, unrealized gains 0 million yen
As of March 31, 2021: fair value 53 million yen, cost 53 million yen, unrealized gains 0 million yen
- Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
As of March 31, 2022: fair value 663,602 million yen, cost 606,606 million yen, unrealized gains 56,996 million yen
As of March 31, 2021: fair value 661,299 million yen, cost 604,722 million yen, unrealized gains 56,577 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, 2022: fair value 5,575 million yen, cost 5,575 million yen, unrealized losses (0) million yen
As of March 31, 2021: fair value 33,213 million yen, cost 33,213 million yen
- Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
As of March 31, 2022: fair value 958,904 million yen, cost 972,501 million yen, unrealized losses (13,596) million yen
As of March 31, 2021: fair value 711,830 million yen, cost 729,970 million yen, unrealized losses (18,140) million yen

5. Bonds held to maturity that were sold

None.

6. Bonds earmarked for underwriting reserves that were sold

(Yen in millions)

	FY2021 (April 1, 2021–March 31, 2022)			FY2020 (April 1, 2020–March 31, 2021)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	180,066	2,799	6,895	43,239	315	3,170
Total	180,066	2,799	6,895	43,239	315	3,170

7. Available-for-sale securities that were sold

(Yen in millions)

	FY2021 (April 1, 2021–March 31, 2022)			FY2020 (April 1, 2020–March 31, 2021)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	473,825	6,787	3,644	652,676	1,759	2,027
Domestic equity securities	118,949	93,977	397	112,291	84,914	278
Foreign securities	495,579	28,215	12,389	682,408	40,140	19,908
Others	290,211	5,035	3,909	131,032	3,816	3,959
Total	1,378,566	134,015	20,341	1,578,408	130,631	26,173

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 2021: proceeds 23 million yen
Fiscal year 2020: proceeds 925 million yen
- Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
Fiscal year 2021: proceeds 289,574 million yen, gains 4,868 million yen, losses 3,909 million yen
Fiscal year 2020: proceeds 130,106 million yen, gains 3,816 million yen, losses 3,959 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 2021: 14,892 million yen (Domestic equity securities 2,059 million yen, Foreign securities 9,764 million yen, Others 3,068 million yen)
  Fiscal year 2020: 22,546 million yen (Domestic equity securities 243 million yen, Foreign securities 18,043 million yen, Others 4,259 million yen)
- Available-for-sale securities without a market price, and partnership investments
  Fiscal year 2021: 620 million yen (Domestic equity securities 354 million yen, Foreign securities 266 million yen)
- Available-for-sale securities whose fair value cannot be measured reliably
  Fiscal year 2020: 778 million yen (Domestic equity securities 129 million yen, Foreign securities 648 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.

Money Trusts

1. Money trusts held for trading purposes

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Unrealized gains (losses) included in income	—	376

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, 2022				As of March 31, 2021			
		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	2,675	—	—	—	2,254	—	—	—
	Long	1,028	—	—	—	821	—	—	—
Over-the-counter transactions	Foreign exchange forwards								
	Short	721,810	—	(28,162)	(28,162)	617,790	590	(7,307)	(7,307)
	Long	22,198	—	508	508	76,282	—	1,396	1,396
	Currency swaps								
	Pay foreign/Rec. yen	12,435	12,435	(1,075)	(1,075)	12,435	12,435	88	88
	Pay foreign/Rec. foreign	45,029	—	(5,092)	(5,092)	37,616	—	3,635	3,635
Total		—	—	(33,820)	(33,820)	—	—	(2,187)	(2,187)

(2) Interest rate-related instruments

(Yen in millions)

		As of March 31, 2022				As of March 31, 2021			
		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	6,856	—	—	—	184	—	—	—
	Long	1,902	—	—	—	17,268	—	—	—
Over-the-counter transactions	Interest rate swaps								
	Rec. fix/Pay float	1,169,047	1,138,611	35,845	35,845	1,182,434	1,055,888	65,667	65,667
	Rec. float/Pay fix	1,052,312	1,028,614	(32,591)	(32,591)	1,116,136	1,023,715	(63,758)	(63,758)
	Rec. float/Pay float	4,696	4,696	(100)	(100)	4,992	4,992	(127)	(127)
	Rec. fix/Pay fix	339	339	11	11	—	—	—	—
Total		—	—	3,165	3,165	—	—	1,781	1,781

(3) Equity-related instruments

(Yen in millions)

		As of March 31, 2022				As of March 31, 2021			
		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	4,757	—	(383)	(383)	24,052	—	(711)	(711)
	Long	2,305	—	—	—	5,518	—	—	—
Over-the-counter transactions	Equity index options								
	Short	183,131	—			149,168	—		
		[8,293]	[—]	19,283	(10,989)	[9,422]	[—]	24,808	(15,385)
	Long	251,533	—			197,602	1,500		
		[18,261]	[—]	35,450	17,189	[19,630]	[592]	43,041	23,411
Total		—	—	54,349	5,815	—	—	67,138	7,314

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, 2022				As of March 31, 2021			
		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	2,794	—	24	24	8,367	—	121	121
	Long	14,121	—	(80)	(80)	15,251	—	15	15
Over-the-counter transactions	Bond over-the-counter options								
	Short	—	—			327,355	—		
		[—]	[—]	—	—	[1,709]	[—]	2,072	(363)
	Long	—	—			327,355	—		
		[—]	[—]	—	—	[1,390]	[—]	1,614	223
Total		—	—	(55)	(55)	—	—	3,823	(2)

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, 2022				As of March 31, 2021			
		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	439	—	—	—	12,202	—	—	—
	Long	169	—	—	—	990	—	—	—
	Commodity futures options								
	Short	77,822	—			—	—		
		[3,203]	[—]	2,150	(1,053)	[—]	[—]	—	—
Total		—	—	2,150	(1,053)	—	—	—	—

Note: For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

(6) Others

(Yen in millions)

		As of March 31, 2022				As of March 31, 2021			
		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	27,696	16,121			28,096	4,339		
		[1,386]	[851]	674	711	[1,969]	[291]	701	1,267
	Long	22,450	15,000			21,070	4,000		
		[641]	[331]	173	(468)	[888]	[65]	110	(777)
	Weather derivatives								
	Short	13	—			15	—		
		[1]	[—]	0	0	[2]	[—]	0	1
	Others								
	Short	72,019	—			20,700	20,700		
		[5,035]	[—]	3,249	1,785	[2,380]	[2,380]	876	1,503
	Long	14,507	—			9,734	9,734		
		[1,886]	[—]	1,734	(152)	[1,071]	[1,071]	893	(177)
Total		—	—	5,833	1,876	—	—	2,584	1,817

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)

			As of March 31, 2022			As of March 31, 2021		
		Hedged items	**Principal amount**	**Over 1 year**	**Fair value**	Principal amount	Over 1 year	Fair value
Deferred hedges	Foreign exchange forwards Short	Investment in subsidiaries	**290,888**	**—**	**(12,730)**	254,364	—	(12,852)
Fair value hedges	Foreign exchange forwards Short	Available-for-sale securities	**991,355**	**—**	**(53,037)**	973,931	—	(34,764)
	Currency swaps Pay foreign/Rec. yen	Available-for-sale securities	**13,886**	**13,886**	**(1,581)**	13,297	13,297	(1,069)
Assignment accounting	Currency swaps Pay foreign/Rec. yen	Bonds held to maturity	**12,316**	**12,316**	**(Note)**	12,316	12,316	(Note)
Total			**—**	**—**	**(67,349)**	—	—	(48,686)

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)

			As of March 31, 2022			As of March 31, 2021		
		Hedged items	**Principal amount**	**Over 1 year**	**Fair value**	Principal amount	Over 1 year	Fair value
Deferred hedges	Interest rate swaps Rec. fix/Pay float	Insurance liabilities	**259,782**	**259,782**	**6,884**	227,900	227,900	20,229
Total			**—**	**—**	**6,884**	—	—	20,229

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)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Beginning balance	**538,203**	543,633
Service costs	**18,522**	18,886
Interest costs	**3,899**	3,662
Actuarial (gains) losses arising in current year	**(9,966)**	(3,559)
Benefit payments	**(23,684)**	(21,965)
Past service costs (credits) arising in current year	**—**	(917)
Others	**2,731**	(1,536)
Ending balance	**529,706**	538,203

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)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Beginning balance	**287,449**	300,544
Expected return on plan assets	**1,617**	1,112
Actuarial gains (losses) arising in current year	**(16,029)**	(14,196)
Employer contribution	**10,572**	10,105
Benefit payments	**(9,796)**	(9,622)
Others	**1,313**	(493)
Ending balance	**275,126**	287,449

(3) Reconciliation of retirement benefit obligations and plan assets with net defined benefit liabilities and assets

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
Funded retirement benefit obligations	**299,676**	307,237
Plan assets	**(275,126)**	(287,449)
	24,550	19,788
Unfunded retirement benefit obligations	**230,029**	230,965
Asset ceiling adjustments	**94**	129
Net liabilities recognized on the balance sheet	**254,674**	250,883
Net defined benefit liabilities	**259,198**	254,274
Net defined benefit assets	**(4,523)**	(3,391)
Net liabilities recognized on the balance sheet	**254,674**	250,883

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)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Service costs	**18,522**	18,886
Interest costs	**3,899**	3,662
Expected return on plan assets	**(1,617)**	(1,112)
Amortization of actuarial losses (gains)	**5,522**	6,434
Amortization of past service costs (credits)	**(1,258)**	(2,122)
Others	**528**	22
Retirement benefit expenses	**25,596**	25,770

(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)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Past service costs	**(1,258)**	(1,204)
Actuarial differences	**(499)**	(4,241)
Others	**(42)**	302
Total	**(1,800)**	(5,143)

(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, 2022	As of March 31, 2021
Unrecognized past service costs (credits)	**(14,080)**	(15,339)
Unrecognized net actuarial losses (gains)	**34,861**	34,319
Total	**20,780**	18,980

(7) Plan assets

a. Components of plan assets

Percentages by major categories of plan assets are as follows:

(%)

	As of March 31, 2022	As of March 31, 2021
Debt securities	**90**	91
Equity securities	**1**	2
Cash and bank deposits	**2**	0
Life insurance company general accounts	**4**	4
Others	**3**	3
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, 2022, and 2% of total plan assets as of March 31, 2021.

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, 2022	As of March 31, 2021
Discount rate	**0.2–1.0**	0.1–0.8
Long-term expected rate of return on plan assets	**0.5–1.1**	0.3–1.2

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)

FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
10,318	9,831

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)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Carrying amount shown on the consolidated balance sheet		
Beginning balance	**84,331**	64,894
Change during the year	**2,461**	19,437
Ending balance	**86,792**	84,331
Fair value at the end of the fiscal year	**159,382**	193,746

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 2021, the increase is mainly due to the acquisition of real estate properties of 3,145 million yen. For the fiscal year 2020, the increase is mainly due to the acquisition of real estate properties of 20,399 million yen, the decrease is mainly due to depreciation of 1,877 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)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Rental income	**7,462**	7,865
Direct operating expenses	**5,862**	5,885
Net amount	**1,600**	1,979
Others (Gains and losses on disposal by sales, etc.)	**2,255**	(233)

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

(Yen in millions)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Loss adjustment expenses	**21**	114
Operating and general administrative expenses	**94**	498

2. Details of stock options

(1) Details of stock options

	Stock options (July 2020)	Stock options (July 2019)	Stock options (July 2018)
Title and number of grantees (Note 1)	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: 48	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
Number of stock options (Note 2)	Common stock: 143,500 shares	Common stock: 160,100 shares	Common stock: 160,400 shares
Grant date	July 14, 2020	July 9, 2019	July 10, 2018
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 15, 2020 to June 30, 2021	From July 10, 2019 to June 30, 2020	From July 11, 2018 to June 30, 2019
Exercise period (Note 5)	From July 15, 2020 to July 14, 2050	From July 10, 2019 to July 9, 2049	From July 11, 2018 to July 10, 2048

	Stock options (July 2017)	Stock options (July 2016)	Stock options (July 2015)
Title and number of grantees (Note 1)	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	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
Number of stock options (Note 2)	Common stock: 159,900 shares	Common stock: 178,400 shares	Common stock: 160,000 shares
Grant date	July 11, 2017	July 12, 2016	July 14, 2015
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 12, 2017 to June 30, 2018	From July 13, 2016 to June 30, 2017	From July 15, 2015 to June 30, 2016
Exercise period (Note 5)	From July 12, 2017 to July 11, 2047	From July 13, 2016 to July 12, 2046	From July 15, 2015 to July 14, 2045

	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)
Title and number of grantees (Note 1)	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	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
Number of stock options (Note 2)	Common stock: 193,800 shares	Common stock: 202,100 shares	Common stock: 262,500 shares
Grant date	July 8, 2014	July 9, 2013	July 10, 2012
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 9, 2014 to June 30, 2015	From July 10, 2013 to June 30, 2014	From July 11, 2012 to June 30, 2013
Exercise period (Note 5)	From July 9, 2014 to July 8, 2044	From July 10, 2013 to July 9, 2043	From July 11, 2012 to July 10, 2042

	Stock options (July 2011)	Stock options (July 2010)	Stock options (July 2009)
Title and number of grantees (Note 1)	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	Directors of the Company: 11 Audit & Supervisory Board Members of the Company: 5 Executive officers of the Company: 6 Directors of the Company's consolidated subsidiaries: 22 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 32	Directors of the Company: 11 Audit & Supervisory Board Members of the Company: 5 Executive officers of the Company: 5 Directors of the Company's consolidated subsidiaries: 23 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 32
Number of stock options (Note 2)	Common stock: 222,100 shares	Common stock: 238,600 shares	Common stock: 213,300 shares
Grant date	July 12, 2011	July 13, 2010	July 14, 2009
Vesting conditions	(Note 4)	(Note 3)	(Note 3)
Requisite service period	From July 13, 2011 to June 30, 2012	From July 14, 2010 to June 30, 2011	From July 15, 2009 to June 30, 2010
Exercise period (Note 5)	From July 13, 2011 to July 12, 2041	From July 14, 2010 to July 13, 2040	From July 15, 2009 to July 14, 2039

	Stock options (August 2008)	Stock options (July 2007)
Title and number of grantees (Note 1)	Directors of the Company: 13 Audit & Supervisory Board Members of the Company: 5 Directors of the Company's consolidated subsidiaries: 26 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 27	Directors of the Company: 12 Audit & Supervisory Board Members of the Company: 5 Directors of the Company's consolidated subsidiaries: 19 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 8 Executive officers of the Company's consolidated subsidiaries: 21
Number of stock options (Note 2)	Common stock: 122,100 shares	Common stock: 86,700 shares
Grant date	August 26, 2008	July 23, 2007
Vesting conditions	(Note 3)	(Note 3)
Requisite service period	From August 27, 2008 to June 30, 2009	From July 24, 2007 to June 30, 2008
Exercise period (Note 5)	From August 27, 2008 to August 26, 2038	From July 24, 2007 to July 23, 2037

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 number of stock options is converted into the number of equivalent shares.
3. Stock options are vested on the grant date. If directors, executive officers, or Audit & Supervisory Board Members 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 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.
5. 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.

Notes to Consolidated Financial Statements

(2) Figures relating to stock options

The number of stock options that existed in the fiscal year 2021 is converted into the number of equivalent shares and listed.

(a) Number of stock options

	Stock options (July 2020)	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)	Stock options (July 2016)	Stock options (July 2015)
Stock options before vesting (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	32,100	—	—	—	—	—
Granted	—	—	—	—	—	—
Forfeited	5,100	—	—	—	—	—
Vested	27,000	—	—	—	—	—
Outstanding at the end of the year	—	—	—	—	—	—
Exercisable stock options (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	111,400	125,300	87,900	61,100	56,700	34,600
Vested	27,000	—	—	—	—	—
Exercised	16,800	25,100	19,400	13,400	12,500	8,700
Forfeited (Note)	121,600	99,200	67,400	46,400	43,300	25,100
Outstanding at the end of the year	—	1,000	1,100	1,300	900	800

	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)	Stock options (July 2010)	Stock options (July 2009)
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	26,100	12,100	9,700	6,600	1,400	600
Vested	—	—	—	—	—	—
Exercised	5,600	2,500	—	—	—	—
Forfeited (Note)	19,700	8,600	8,000	6,000	1,400	600
Outstanding at the end of the year	800	1,000	1,700	600	—	—

	Stock options (August 2008)	Stock options (July 2007)
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	300	300
Vested	—	—
Exercised	—	—
Forfeited (Note)	300	300
Outstanding at the end of the year	—	—

Note: Forfeited stock options include those associated with the transition to a stock-based compensation system through BIP Trust.

(b) Price information

(Yen)

	Stock options (July 2020)	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)	Stock options (July 2016)
Exercise price (Note)	100	100	100	100	100
Average share price at exercise	5,275	5,275	5,266	5,296	5,296
Fair value on the grant date	430,300	523,700	500,700	455,100	337,700

	Stock options (July 2015)	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Exercise price (Note)	100	100	100	100	100
Average share price at exercise	5,296	5,296	5,296	—	—
Fair value on the grant date	500,800	310,800	332,600	181,900	219,500

	Stock options (July 2010)	Stock options (July 2009)	Stock options (August 2008)	Stock options (July 2007)
Exercise price (Note)	100	100	100	100
Average share price at exercise	—	—	—	—
Fair value on the grant date	234,400	237,600	353,300	491,700

Note: Exercise price per one stock option

3. Valuation technique used for the estimated fair value of stock options

There were no stock options granted during the fiscal year 2021.

4. Estimate of vested number of stock options

Not applicable, as all rights have vested.

Per Share Information

(Yen)

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Net assets per share	**5,932.05**	5,285.10
Net income per share–Basic	**613.46**	232.13
Net income per share–Diluted	**613.28**	231.97

Note: 1. Calculations of "Net income per share–Basic" and "Net income per share–Diluted" are based on the following figures.

	FY2021 (April 1, 2021–March 31, 2022)	FY2020 (April 1, 2020–March 31, 2021)
Net income per share–Basic		
Net income attributable to owners of the parent (Yen in millions)	**420,484**	161,801
Amount not attributable to common shareholders (Yen in millions)	**—**	—
Net income attributable to owners of the parent related to common stock (Yen in millions)	**420,484**	161,801
Average number of shares outstanding (In thousand shares)	**685,426**	697,006
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)	**197**	505
Increased number of stock acquisition rights (In thousand shares)	**197**	505

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 2020: none, fiscal year 2021: 502 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 2020: none, fiscal year 2021: 819 thousand shares).

Notes to Consolidated Financial Statements

Business Combinations and Other Matters

Finalization of provisional accounting treatment for business combination

On December 31, 2020, Delphi Financial Group, Inc., a consolidated subsidiary of the Company, acquired Acorn Advisory Capital L.P. and 6 other companies. The purchase price allocation accounted for on a provisional basis for the fiscal year 2020 was completed in the fiscal year 2021. There is no significant revision to the initial allocation of the purchase price.

Subsequent Events

1. Share repurchases from the market

On May 20, 2022 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 capital policies.

(2) Class of shares to be repurchased

Common stock of the Company

(3) Aggregate number of shares to be repurchased

Up to 12,500,000 shares

(4) Aggregate purchase price of shares

Up to 50 billion yen

(5) Period in which repurchases may be made

From May 23, 2022 through September 22, 2022

2. Stock split and partial amendment to the Articles of Incorporation

The Company resolved to implement a stock split, and partial amendment of the Articles of Incorporation at its Board of Directors on July 20, 2022.

(1) Purpose of the stock split

The purpose is to reduce the minimum investment price through the stock split, thereby creating an environment where it is easier to invest in the Company's shares and expanding its investor base.

(2) Outline of the stock split

a. Method of the stock split

Each share of common stock held by shareholders as of the record date of September 30, 2022 will be split into three shares.

b. Number of shares to be increased by the stock split

Total number of issued shares before the stock split	680,000,000 shares
Number of shares to be increased by the stock split	1,360,000,000 shares
Total number of issued shares following the stock split	2,040,000,000 shares
Total number of authorized shares following the stock split	8,000,000,000 shares

c. Schedule of the stock split

Public notice of record date (tentative):	September 15, 2022
Record date:	September 30, 2022
Effective date:	October 1, 2022

(3) Impact on Per Share Information

Per share information assuming that the stock split was implemented at the beginning of the first quarter ended June 30, 2021 is as follows.

	Three months ended June 30, 2022	Three months ended June 30, 2021
	yen	yen
Net income per share-Basic	**61.51**	76.78
Net income per share-Diluted	**61.51**	76.73

(4) Partial amendment to the Articles of Incorporation

a. Reason for the amendment

In connection with the stock split, an associated part of the Articles of Incorporation will be amended effective October 1, 2022 in accordance with Article 184, Paragraph 2 of the Companies Act.

b. Details of the amendment

The details of the amendment are as follows.

Current Articles of Incorporation	Proposed amendment
(Total number of shares authorized to be issued) Article 6. The total number of the shares authorized to be issued by the Company shall be 3,300,000,000.	(Total number of shares authorized to be issued) Article 6. The total number of the shares authorized to be issued by the Company shall be 8,000,000,000.

(Underlined parts indicates the amendments.)

c. Schedule of the amendments

Effective Date: October 1, 2022

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	17,758 (USD 171,578 thousand)	19,753 (USD 171,737 thousand)	3.31–3.41	N/A	May 1, 2067
Privilege Underwriters Reciprocal Exchange	Surplus Note	Jun. 13, 2007	12,839 (USD 124,052 thousand)	42 (USD 370 thousand) [42]	1.52	N/A	Jun. 13, 2022
Total		—	230,597	219,795 [42]	—	—	—

Note: 1. The figures denoted with ( ) in the columns for beginning balance and ending balance are the amounts denominated in foreign currency.
2. The figures denoted with [ ] in the columns for ending balance are the amounts of corporate bonds to be redeemed within 1 year.
3. Principal amounts to be redeemed within 5 years after the closing date are as follows:

(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
42	—	—	—	—

(Schedule of borrowings)

	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Average interest rate (%)	Maturity date
Short-term borrowings	25,810	23,579	1.0	—
Long-term borrowings to be repaid within 1 year	31,039	66,136	1.0	—
Lease obligations to be repaid within 1 year	3,191	3,384	4.3	—
Long-term borrowings other than those to be repaid within 1 year	211,262	189,078	1.3	Apr. 30, 2024 to Nov. 30, 2043
Lease obligations other than those to be repaid within 1 year	10,941	10,815	3.2	Jan. 1, 2023 to Oct. 6, 2031
Total	282,245	292,993	—	—

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	—	34,506	—	—
Lease obligations	2,735	1,944	1,603	1,121

(Schedule of asset retirement obligations)

Detailed information is omitted due to its immateriality.

Solvency Margin Ratio (Unaudited)

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, 2022	As of March 31, 2021
(A) Total amount of solvency margin	**5,953,657**	5,828,058
Shareholders' equity less adjusting items	**1,129,262**	955,539
Reserve for price fluctuation	**138,331**	128,006
Contingency reserve	**61,869**	59,927
Catastrophe loss reserve	**1,145,489**	1,041,989
General allowance for doubtful accounts	**3,411**	2,964
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**2,313,740**	2,447,869
Unrealized gains (losses) on land	**273,658**	263,397
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	**(20,759)**	(19,187)
Excess of premium reserve, etc.	**294,676**	302,741
Subordinated debt, etc.	**300,000**	300,000
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin	**—**	—
Total margin of Small Amount and Short Term Insurers	**628**	406
Deductions	**159,982**	145,434
Others	**473,330**	489,837
(B) Total amount of risks $\sqrt{(\sqrt{R_1^2+R_2^2}+R_3+R_4)^2+(R_5+R_6+R_7)^2}+R_8+R_9$	**1,439,060**	1,300,045
General insurance risk on non-life insurance contracts (R_1)	**411,122**	374,354
Life insurance risk (R_2)	**34,923**	31,951
Third sector insurance risk (R_3)	**51,776**	44,779
Insurance risk of Small Amount and Short Term Insurers (R_4)	**10**	10
Assumed interest rate risk (R_5)	**21,431**	23,209
Minimum guarantee risk on life insurance contracts (R_6)	**2,235**	2,206
Asset management risk (R_7)	**959,529**	880,380
Business administration risk (R_8)	**35,936**	32,515
Catastrophe risk on non-life insurance contracts (R_9)	**315,825**	268,884
(C) Solvency margin ratio on a consolidated basis [(A)/{(B) × 1/2}] ×100	**827.4%**	896.5%

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, 2022	As of March 31, 2021
(A) Total amount of solvency margin	**5,384,523**	5,222,262
Shareholders' equity less adjusting items	**1,365,291**	1,343,538
Reserve for price fluctuation	**115,167**	109,013
Contingency reserve	**7,546**	6,623
Catastrophe loss reserve	**1,085,378**	981,590
General allowance for doubtful accounts	**183**	256
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**1,948,640**	1,933,277
Unrealized gains (losses) on land	**249,460**	243,088
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	**—**	—
Others	**412,854**	404,874
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**1,276,937**	1,264,478
General insurance risk (R_1)	**205,776**	202,622
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**15,485**	17,226
Asset management risk (R_4)	**1,055,088**	1,054,330
Business administration risk (R_5)	**28,688**	28,394
Catastrophe risk (R_6)	**158,078**	145,538
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**843.3%**	825.9%

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 (Unaudited)

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, 2022	As of March 31, 2021
(A) Total amount of solvency margin	**145,459**	146,730
Shareholders' equity less adjusting items	**60,483**	57,977
Reserve for price fluctuation	**4,896**	1,924
Contingency reserve	**—**	—
Catastrophe loss reserve	**56,981**	58,342
General allowance for doubtful accounts	**42**	59
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**12,863**	20,271
Unrealized gains (losses) on land	**2,402**	2,462
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	**7,790**	5,693
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**23,361**	22,935
General insurance risk (R_1)	**14,614**	14,196
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**719**	811
Asset management risk (R_4)	**6,572**	7,199
Business administration risk (R_5)	**567**	565
Catastrophe risk (R_6)	**6,461**	6,068
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**1,245.2%**	1,279.4%

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, 2022	As of March 31, 2021
(A) Total amount of solvency margin	**15,484**	13,491
Shareholders' equity less adjusting items	**12,354**	11,434
Reserve for price fluctuation	**—**	—
Contingency reserve	**—**	—
Catastrophe loss reserve	**3,129**	2,056
General allowance for doubtful accounts	**0**	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 $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**4,784**	4,637
General insurance risk (R_1)	**4,312**	4,169
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**—**	—
Asset management risk (R_4)	**427**	419
Business administration risk (R_5)	**151**	146
Catastrophe risk (R_6)	**300**	300
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**647.2%**	581.8%

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 & Nichido Life Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
(A) Total amount of solvency margin	**648,429**	819,872
Shareholders' equity less adjusting items	**119,748**	158,664
Reserve for price fluctuation	**18,267**	17,069
Contingency reserve	**54,323**	53,304
General allowance for doubtful accounts	**338**	362
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions × 90%	**161,832**	221,818
Unrealized gains (losses) on land × 85%	**—**	—
Excess of continued Zillmerized reserve	**294,676**	302,741
Subordinated debt, etc.	**100,000**	100,000
Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin	**(153,442)**	(113,357)
Deductions	**—**	—
Others	**52,685**	79,269
(B) Total amount of risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	**114,913**	114,658
Insurance risk (R_1)	**16,652**	16,673
Third sector insurance risk (R_8)	**6,790**	6,725
Assumed interest rate risk (R_2)	**5,226**	5,170
Minimum guarantee risk (R_7)	**2,235**	2,206
Asset management risk (R_3)	**102,311**	102,151
Business administration risk (R_4)	**2,664**	2,658
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**1,128.5%**	1,430.1%

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 (Unaudited)

Solvency margin ratio (non-consolidated) for Tokio Marine Millea SAST Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2022	As of March 31, 2021
(A) Total amount of solvency margin	**1,743**	1,525
Total net assets excluding deferred assets, etc.	**1,598**	1,441
Reserve for price fluctuation	**—**	—
Catastrophe loss reserve	**8**	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	**135**	75
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2}+R_3+R_4$	**101**	101
Insurance risk	**31**	27
General insurance risk (R_1)	**5**	6
Catastrophe risk (R_4)	**26**	21
Asset management risk (R_2)	**73**	78
Business administration risk (R_3)	**2**	2
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**3,434.0%**	3,002.8%

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, 2022	As of March 31, 2021
(A) Total amount of solvency margin	**2,014**	1,440
Total net assets excluding deferred assets, etc.	**1,530**	1,118
Reserve for price fluctuation	**—**	—
Catastrophe loss reserve	**6**	4
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	**477**	317
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2}+R_3+R_4$	**94**	77
Insurance risk	**27**	19
General insurance risk (R_1)	**4**	4
Catastrophe risk (R_4)	**22**	14
Asset management risk (R_2)	**69**	60
Business administration risk (R_3)	**1**	1
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**4,275.9%**	3,716.5%

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.

Market Consistent Embedded Value (MCEV) (Unaudited)
Embedded Value for Tokio Marine & Nichido Life Insurance Co., Ltd. (TMNL) (Unaudited)

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, 2022

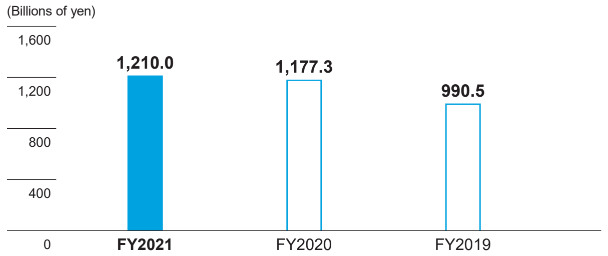
1. MCEV as of March 31, 2022

MCEV of TMNL as of March 31, 2022, was 1,210.0 billion yen, a increase of 32.7 billion yen from the previous fiscal year end (March 31, 2021). MCEV consisted of 542.1 billion yen of adjusted net worth and (667.9) billion yen of value of in-force.

(Billions of yen)

	FY2021	FY2020	FY2019
Adjusted net worth	**542.1**	854.6	1,113.0
Value of in-force	**667.9**	322.7	(122.4)
MCEV at fiscal year-end	**1,210.0**	1,177.3	990.5
New business value	**69.4**	55.0	37.3

MCEV at Fiscal Year-End



2. Change in MCEV

During FY2021, the change in MCEV (before dividends paid) was (79.1) billion yen, which was a decrease on 126.1 billion yen from the previous fiscal year change in MCEV (FY2020). This was mainly due to a reactionary drop after the positive impact of economic variances as a result of rising and steepening interest rates for yen, etc. in FY2020. (For details on the changes, refer to "Reconciliation Analysis of MCEV from the End of FY2020.")

(Billions of yen)

	FY2021	FY2020
Change in MCEV (Before dividends paid)	**79.1**	205.2
(Reference) Change in MCEV (Before dividends paid and excluding economic variances)	**125.6**	76.9

Market Consistent Embedded Value (MCEV) (Unaudited)
Embedded Value for Tokio Marine & Nichido Life Insurance Co., Ltd. (TMNL) (Unaudited)

Reconciliation Analysis of MCEV from the End of FY 2020

The table below shows the reconciliation analysis of MCEV as of March 31, 2022 with the MCEV as of March 31, 2021.

(Billions of yen)

	MCEV
Opening MCEV (MCEV as of March 31, 2021)	1,177.3
(1) Dividends paid	(46.4)
Adjusted opening MCEV	1,130.9
(2) New business value	69.4
(3) Expected existing business contribution (risk-free rate)	20.8
(4) Expected existing business contribution (in excess of risk-free rate)	7.1
(5) Actuarial experience variances	(20.1)
(6) Actuarial assumption changes	45.6
(7) Other operating variances	2.6
(8) Operating MCEV earnings ((2)–(7))	125.6
(9) Economic variances	(46.5)
(10) Other non-operating variances	—
Total MCEV earnings (before dividends paid)	79.1
Closing MCEV (MCEV as of March 31, 2022)	1,210.0

Sensitivity Analysis

The impacts of changing specified assumptions underlying the MCEV are as follows.
Sensitivity analysis of change in MCEV

(Billions of yen)

Assumption	Change in assumption	MCEV	Change in amount	Rate of change
Base case: MCEV at the end of March 2022	No change	1,210.0	—	—
(1) Interest rates	50bp decrease	1,153.4	(56.6)	(4.7%)
	50bp increase	1,182.9	(27.1)	(2.2%)
	Swap	957.3	(252.7)	(20.9%)
	Ultimate fwd rate	1,479.2	269.2	22.2%
(2) Stock/real estate market values	10% decrease	1,206.5	(3.5)	(0.3%)
(3) Stock/real estate implied volatility	25% increase	1,205.1	(4.9)	(0.4%)
(4) Interest swaption implied volatility	25% increase	1,140.1	(69.9)	(5.8%)
(5) Maintenance expenses	10% decrease	1,255.0	44.9	3.7%
(6) Surrender and lapse rates	×0.9	1,191.2	(18.7)	(1.6%)
(7) Mortality rates	Death protection products: ×0.95	1,229.6	19.5	1.6%
	A&H products and annuity products: ×0.95	1,195.9	(14.0)	(1.2%)
(8) Morbidity rates	×0.95	1,287.6	77.5	6.4%
(9) Required capital	Solvency margin ratio of 200%	1,210.0	—	—
(10) Foreign exchange rates	10% appreciation of JPY	1,210.8	0.7	0.1%

Assumptions

1. Risk-Free Rates

We have used government bond yields as of the end of March 2022.

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 2022	End of March 2021
1 year	(0.08%)	(0.12%)
5 years	0.03%	(0.09%)
10 years	0.23%	0.11%
20 years	0.73%	0.51%
30 years	0.95%	0.70%
40 years	0.95%	0.71%
50 years	1.03%	0.80%

The sensitivity analysis in P.192 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 2022
1 year	(0.08%)
5 years	0.03%
10 years	0.23%
20 years	0.73%
30 years	0.95%
40 years	1.37%
50 years	1.82%

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. Temporary impacts due to the spread of COVID-19 are excluded. For policy years with no experience data, assumptions are developed with reference to industry data. We have reflected improvement trends for mortality rates and improving trends or deteriorating trends for A&H morbidity rates of some benefits. The projection period for which these trends are reflected is limited to 5 years.
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. Temporary impacts due to the spread of COVID-19 are excluded.
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 510 million yen, which is tied primarily to a portion of system development costs. And 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), as well as the impact of the consumption tax increase and other factors, inflation rates are set as shown below. MCEV as of March 31, 2022: 0.6%
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, 2022)

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, 2022.

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, 2022)

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	JPY20,389 million	100	0	Tokyo, Japan	Domestic non-life insurance business
E. design Insurance Co., Ltd.	Jan. 26, 2009	JPY29,303 million	95.2	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 general 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	SGD36,000 thousand	0	85.7	Singapore, Singapore	International insurance business
Tokio Marine Seguradora S.A.	June 23, 1937	BRL2,373,779 thousand	0	98.5	Sao Paulo, Brazil	International insurance business
Affiliate accounted for by the equity method						
IFFCO-TOKIO General Insurance Company Limited	Sept. 8, 2000	INR2,802,543 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, 2022)

Tokio Marine Group operates a worldwide network that spans 46 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)

Guam
- ■ Guam

Northern Marianas
- □ Tokio Marine Pacific Insurance Limited (Guam)

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)

Russia
- □ Tokio Marine Risk Management Rus, LLC (Moscow)

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
- □ Tokio Marine Middle East Limited (Dubai)
- ◆ Al Futtaim Development Services Company (L.L.C.) (Dubai and Abu Dhabi)

Saudi Arabia
- ■ Riyadh, Jeddah
- □ Alinma Tokio Marine Company (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

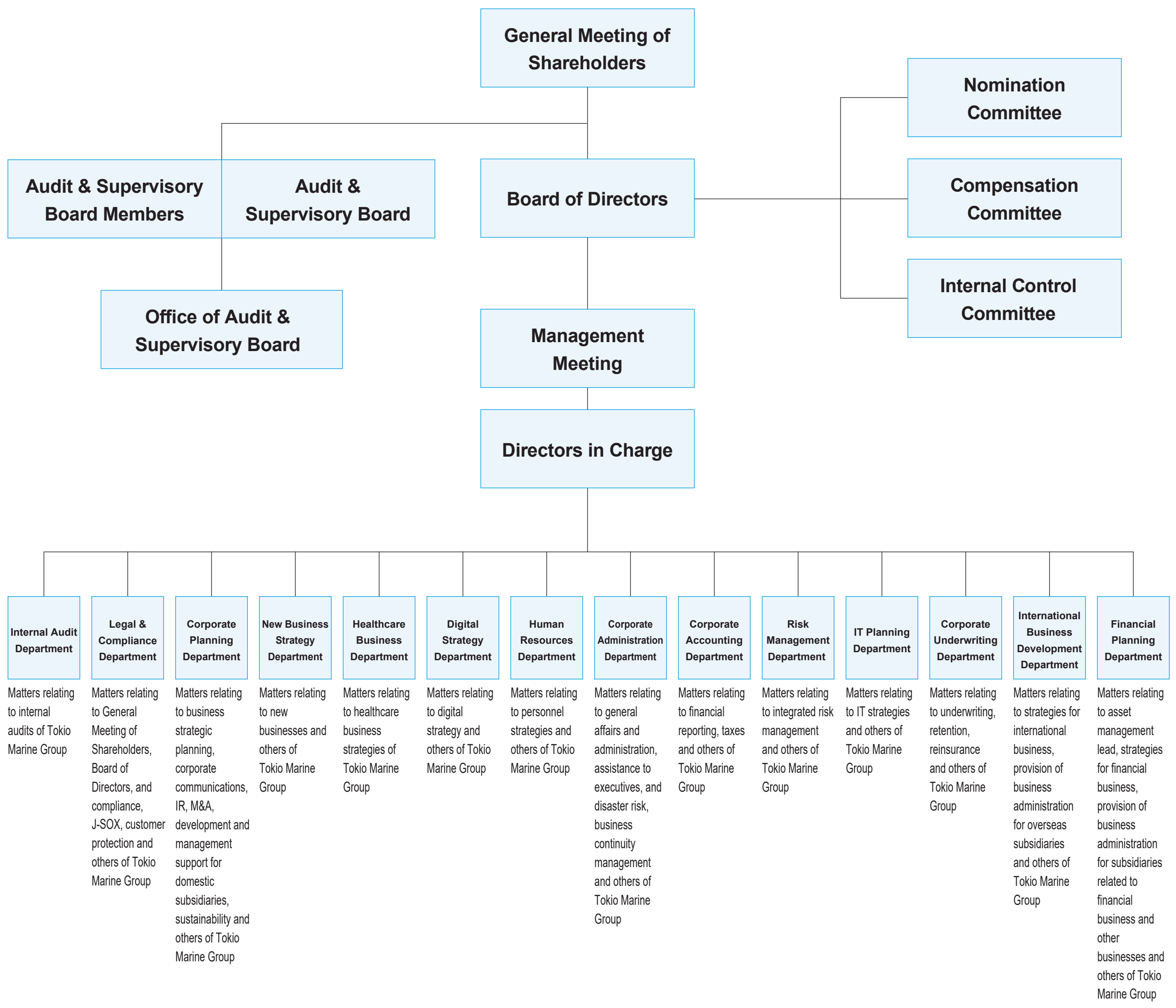
Locations of overseas bases: 46 countries and regions
Number of Japanese employees positioned overseas: 301
Number of locally hired employees: Approx. 33,000
Number of claims agents: Approx. 250 (including subagents)

- ■ 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, 2022)



Employees

(As of March 31, 2022)

Number of employees	877
Average age of employees	43.3 years old
Average length of service of employees	18.2 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, 2022.

Business segment	Amount (Yen in millions)
Domestic non-life insurance business	66,725
Domestic life insurance business	8,932
International insurance business	28,125
Financial and other businesses	734
Total	104,518

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, 2022)

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	— (—)	18	76	1,295	877	—

Domestic subsidiaries

(As of March 31, 2022)

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) including each Service Dept., Tokyo Corporate Division, Tokyo Automobile Division, Commercial Lines Claims Dept. 1, Claims Service Dept. 2, Tokyo Automobile Claims Service Dept., Marketing Promotion Dept. (Governmental), Government Sector Dept. 1&2, Health Care & Welfare Institution Sector Dept., Group Account Marketing Dept., and Financial Institutions Dept. and overseas branches.	Domestic non-life insurance business	35,066 (67,739)	21,947	16,298	81,062	4,102	4,771
	Hokkaido Hokkaido Branch (Chuo-ku, Sapporo) and 6 other branches	Domestic non-life insurance business	837 (6,174)	1,026	487		628	445
	Tohoku Sendai Branch (Aoba-ku, Sendai) and 9 other branches	Domestic non-life insurance business	2,508 (10,239)	3,186	808		977	223
	Kanto Tokyo Chuo Branch (Minato-ku, Tokyo) and 32 other branches	Domestic non-life insurance business	7,752 (12,251)	6,251	2,209		3,845	2,228
	Tokai/Hokuriku Aichi Minami Branch (Naka-ku, Nagoya) and 27 other branches	Domestic non-life insurance business	3,288 (10,674)	7,624	1,341		2,323	1,017
	Kansai Osaka Minami Branch (Chuo-ku, Osaka) and 24 other branches	Domestic non-life insurance business	5,532 (9,797)	4,728	1,645		2,275	1,595
	Chugoku/Shikoku Hiroshima Branch (Naka-ku, Hiroshima) and 14 other branches	Domestic non-life insurance business	2,770 (9,121)	3,421	841		1,268	690
	Kyushu Fukuoka Chuo Branch (Hakata-ku, Fukuoka) and 13 other branches	Domestic non-life insurance business	5,513 (9,971)	7,685	1,019		1,590	223

Facilities

Domestic subsidiaries

(As of March 31, 2022)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Nisshin Fire & Marine Insurance Co., Ltd.	**Head Office** (Chiyoda-ku, Tokyo)	Domestic non-life insurance business	10,097 (20,681)	7,696	1,097	3,533	2,147	1,246
E. design Insurance Co., Ltd.	**Headquarters** (Shinjuku-ku, Tokyo)	Domestic non-life insurance business	— (—)	114	80	9,942	308	265
Tokio Marine & Nichido Life Insurance Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	Domestic life insurance business	— (—)	912	641	11,667	2,258	1,786
Tokio Marine Millea SAST Insurance Co., Ltd.	**Headquarters** (Nishi-ku, Yokohama)	Domestic non-life insurance business	— (—)	14	41	167	101	85
Tokio Marine Asset Management Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	Financial and other businesses	— (—)	342	116	224	347	468

Overseas subsidiaries

(As of March 31, 2022)

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	— (—)	86	377	2,995	446	596
Philadelphia Consolidated Holding Corp.	**Headquarters** (Bala Cynwyd, Pennsylvania, U.S.A.)	International insurance business	— (—)	728	715	9,997	1,866	1,915
Delphi Financial Group, Inc.	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance business	493 (71,876)	6,300	3,856	15,567	2,781	2,316
HCC Insurance Holdings, Inc.	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance business	514 (63,600)	2,600	5,690	5,952	3,579	2,665
Privilege Underwriters, Inc.	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance business	— (—)	199	264	4,575	968	829
Tokio Marine Kiln Group Limited	**Headquarters** (London, U.K.)	International insurance business	— (—)	5,599	766	2,062	783	—
Tokio Marine Asia Pte. Ltd.	**Headquarters** (Singapore, Singapore)	International insurance business	— (—)	82	122	31	82	—
Tokio Marine Life Insurance Singapore Ltd.	**Headquarters** (Singapore, Singapore)	International insurance business	1,768 (214)	887	226	528	236	0
Tokio Marine Seguradora S.A.	**Headquarters** (São Paulo, Brazil)	International insurance business	193 (4,660)	1,049	489	222	2,233	8

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)	4,054 (5,513)	2,209
	Sino Omiya South Wing (Omiya-ku, Saitama)	3,752 (2,617)	2,821
	Minato Mirai Business Square (Nishi-ku, Yokohama)	2,594 (1,618)	1,602
	La Mer Sanbancho (Chiyoda-ku, Tokyo)	3,687 (2,060)	2,425
	Otemachi First Square (Chiyoda-ku, Tokyo)	17 (1,144)	1,802

6. In addition to the above, main company-owned housing and facilities for employee's fringe benefits are as follows:

Company name	Facility name	Carrying amount (Yen in millions)	
		Land (m2)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Shakuji Sports Center (Nerima-ku, Tokyo)	1,752 (8,465)	1,997
	Tama Sogo Ground (Hachioji-shi, Tokyo)	6,705 (53,000)	554
	Tateshina Sanso (Chino-shi, Nagano Pref.)	16 (6,700)	493
Nisshin Fire & Marine Insurance Co., Ltd. Co., Ltd.	Talk Heim Nisshin (Kita-ku, Saitama)	381 (3,529)	364

New Facility Construction and Elimination Schedule

As of March 31, 2022, 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 Nichido Building	Chiyoda-ku, Tokyo	Domestic non-life insurance	Reconstruction	T.B.D.	2,320	Self - financing	T.B.D.	T.B.D.

(2) Renovation

None planned

(3) Sale

None planned

Stock Information

Stock and Shareholder Information

Stock Information (As of March 31, 2022)
Stock issued by Tokio Marine Holdings is common stock and the total number of authorized shares is 3.3 billion shares with the total number of shares outstanding at 680,000 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 20th General Meeting of Shareholders was held on June 27, 2022. 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 2021 (April 1, 2021 to March 31, 2022)
2. Non-consolidated financial statements for fiscal year 2021 (April 1, 2021 to March 31, 2022)

Proposals acted upon
1. Appropriation of Surplus
2. Partial Amendments to the Articles of Incorporation
3. Election of 14 Directors
4. Election of 3 Audit & Supervisory Board Members

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 135 yen per share as a year-end cash dividend for fiscal year 2021. As 120 yen per share was paid as an interim cash dividend (an ordinary dividend), the total amount of annual cash dividends (ordinary dividends) was 255 yen per share for fiscal year 2021. This is an increase of total annual cash dividends (ordinary dividends) of 55 yen per share from 200 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 (70 yen per share, 35 yen per share, and 35 yen per share respectively) for capital level adjustment.

Capital

Date	Equity capital
April 2, 2002	¥150 billion
March 31, 2022	¥150 billion

Stock Ownership Distribution

As of March 31, 2022, the number of shareholders was 108,737. The percentage of major stock ownership was 41.46% and 33.74% for financial institutions and foreign shareholders, respectively.

a. Types of shareholders (As of March 31, 2022)

Category	Number of shareholders	Number of shares	Shareholding ratio (%)
Government/Local government	1	500	0.00
Financial institutions	243	281,913,606	41.46
Financial instruments firms	46	40,516,815	5.96
Other domestic companies	1,521	39,067,493	5.75
Foreign shareholders	1,043	229,411,810	33.74
Individuals and others	105,882	87,691,610	12.90
Treasury stocks	1	1,398,166	0.21
Total	108,737	680,000,000	100.00

b. Breakdown by region (As of March 31, 2022)

Category	Number of shareholders	Shareholder ratio (%)	Number of shares	Shareholding ratio (%)
Hokkaido	1,683	1.55	1,871,606	0.28
Tohoku	2,806	2.58	3,628,269	0.53
Kanto	53,001	48.74	391,475,485	57.57
Chubu	16,357	15.04	22,256,631	3.27
Kinki	21,980	20.21	21,352,336	3.14
Chugoku	4,253	3.91	2,993,985	0.44
Shikoku	2,406	2.21	2,530,856	0.37
Kyushu	5,191	4.77	4,363,422	0.64
Overseas and others	1,060	0.97	229,527,410	33.75
Total	108,737	100.00	680,000,000	100.00

c. Breakdown by number of shares held (As of March 31, 2022)

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	138	269	176	1,367	2,296
Composition ratios to total number of shareholders (%)	0.13	0.25	0.16	1.26	2.11
Number of shares	517,865,509	60,357,158	11,802,896	24,927,795	14,936,773
Composition ratios to total number of shares (%)	76.16	8.88	1.74	3.67	2.20

Category	10 units or more	5 units or more	1 unit or more	Less than 1 unit	Total
Number of shareholders	18,240	15,113	41,120	30,018	108,737
Composition ratios to total number of shareholders (%)	16.77	13.90	37.82	27.61	100.00
Number of shares	34,175,197	8,619,354	6,903,821	411,497	680,000,000
Composition ratios to total number of shares (%)	5.03	1.27	1.02	0.06	100.00

Stock Information

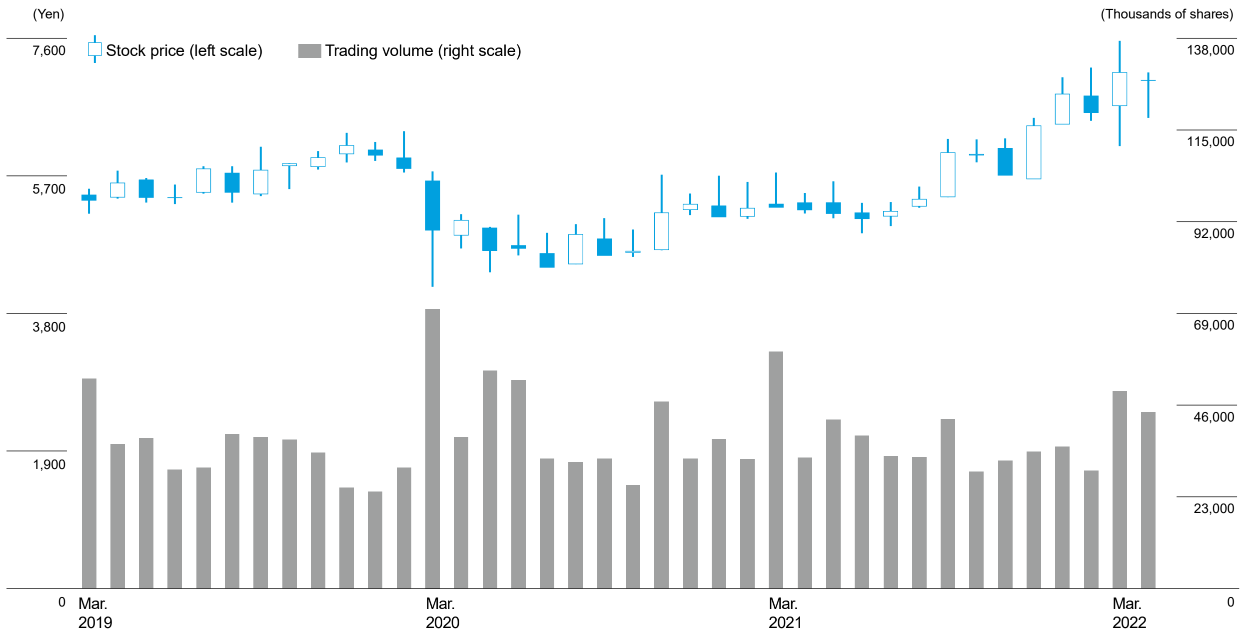
Top 10 Shareholders

(As of March 31, 2022)

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)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	125,947	18.56
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	49,971	7.36
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)	14,201	2.09
Barclays Securities Japan Limited	31F Roppongi Hills Mori Tower, 10-1, Roppongi 6-chome, Minato-ku, Tokyo	12,581	1.85
SSBTC CLIENT OMNIBUS ACCOUNT (Custodian: Tokyo branch, The Hongkong and Shanghai Banking Corporation Limited)	ONE LINCOLN STREET, BOSTON MA USA 02111 (11-1, Nihonbashi 3-chome,Chuo-ku, Tokyo)	10,915	1.61
Moxley & Co. LLC. (Custodian:MUFG Bank, Ltd.)	4 NEW YORK PLAZA, 13TH FLOOR, NEW YORK, NY 10004 U.S.A. (7-1,Marunouchi 2-chome,Chiyoda-ku,Tokyo)	10,829	1.60
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)	10,753	1.58
Tokai Nichido Employee Stock Ownership Plan	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	10,256	1.51
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)	8,858	1.31
The Bank of New York Mellon Corporation 140044 (Custodian: Mizuho Bank, Ltd. Settlement &Clearing Services Division)	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A. (Shinagawa Intercity A Building, 15-1 Konan 2-chome, Minato-ku,Tokyo)	8,638	1.27

Note: Moxley & Co. LLC. is the registered holder of shares deposited pursuant to ADR issuance.

Stock Price Range and Trading Volume



On the Publication of Our Integrated Report 2022

As Group CFO (Chief Financial Officer) of Tokio Marine Holdings, I would like to thank you for taking the time to read our Integrated Report 2022 to its conclusion.

We published our first integrated 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 report rating agencies, and various guidelines, and have now published our eighth integrated report, focusing on three main areas.

First, our Purpose Story has been reconfigured to be future-oriented and focused on climate change. In the 143 years since our founding, we have contributed to the resolution of social issues by consistently using our Purpose (our raison d'être or mission as an organization) as a springboard and have achieved sustainable growth as a result. As in last year's edition, this integrated report is grounded in our Purpose Story, but to make it easier for forward-looking analysts and institutional investors to read, the Management Discussion and Analysis (pages 4–5) and Forward-Looking Actions (pages 6–19) sections have been placed in a more prominent position than in previous reports. In addition, in focusing on climate change, an extremely important social issue for us and for all humankind, our aim is to provide a deeper, more immediate understanding of our ability to create sustainable value.

Second, we have attempted to provide a more detailed picture of our investments in intellectual capital (pages 32, 84, and 85) and human capital (pages 33, 86, and 87). For us, intellectual capital is our digital technology and data, and our ability to execute mergers, acquisitions, and post-merger integration, whereas human capital is our employees. We have been investing in these areas for a long time and believe that reinforcing these investments is a key success factor for sustainable growth in the era of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity). Accordingly, to make our story of sustainable value creation more compelling, we thought that it was vital to disclose information on our intellectual capital and human capital.

Third, we have increased the levels of disclosure in the section on governance (pages 88–111). Against a backdrop of Corporate Governance Code revisions and a string of corporate frauds and scandals, the expectations and interest of analysts and institutional investors in corporate governance, an area that is directly linked to the maintenance and improvement of corporate value, have been growing stronger by the day. With this in mind, we have reinforced and supplemented our Purpose Story, which this time is focused on climate change, from a governance perspective in the section on Independent Directors' Dialogue. We have also enhanced the quality and quantity of disclosure by focusing on areas of particular interest to analysts and institutional investors, such as initiatives to improve the effectiveness of the Board of Directors, incorporating a sustainability perspective into executive compensation, and initiatives to reduce business-related equities.

Last but not the least, as the officer responsible for publishing this integrated 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 Story concludes with the words, "With purpose as our springboard, Tokio Marine Group's value creation story will continue to evolve (spiral upward) as we look ahead to the coming century." The evolution of our integrated reporting is by no means over. We will continue our efforts to further improve our disclosure and appreciate your continued support and guidance as we move ahead.

Kenji Okada
Integrated Report 2022 Publication Officer
Senior Managing Director
Group Chief Financial Officer

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