



Tokio Marine Holdings

To Be a Good Company

2022 Integrated Annual Report

To Be a Good Company

An aerial photograph taken from an airplane window, showing a vast expanse of white and light blue cumulus clouds against a darker blue sky. The perspective is looking down and slightly forward, with the horizon visible in the distance.

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

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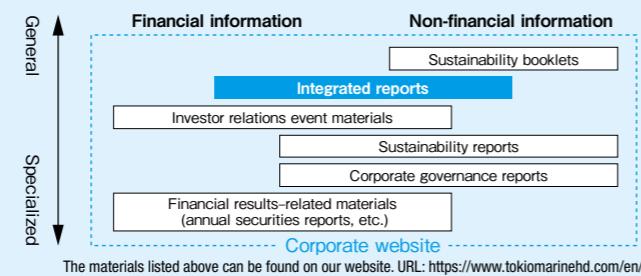
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● References

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.



● Positioning of This Integrated Report



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

● Forward-Looking Statements

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

● Abbreviations Used in This Material

TMNF : Tokio Marine & Nichido Fire Insurance Co., Ltd.	DFG : Delphi
NF : Nisshin Fire & Marine Insurance Co., Ltd.	TMHCC : Tokio Marine HCC
TMNL : Tokio Marine & Nichido Life Insurance Co., Ltd.	TMK : Tokio Marine Kiln
PHLY : Philadelphia	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.

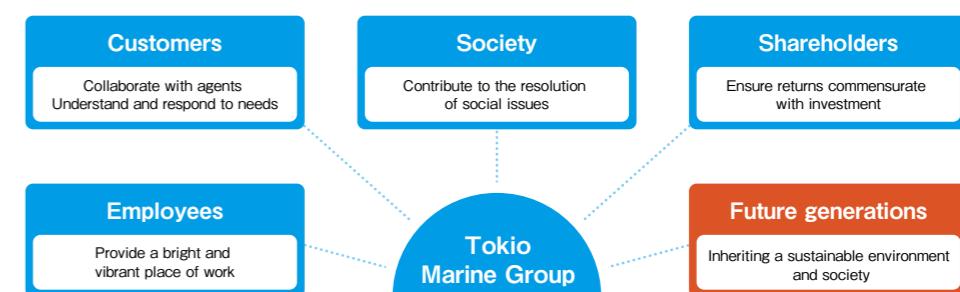
With our strong belief that "it is our responsibility to pass on the irreplaceable global environment to future generations in a sustainable condition," we have clearly positioned future generations as stakeholders since 2021, together with customers, society, employees, and shareholders and investors.

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



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.



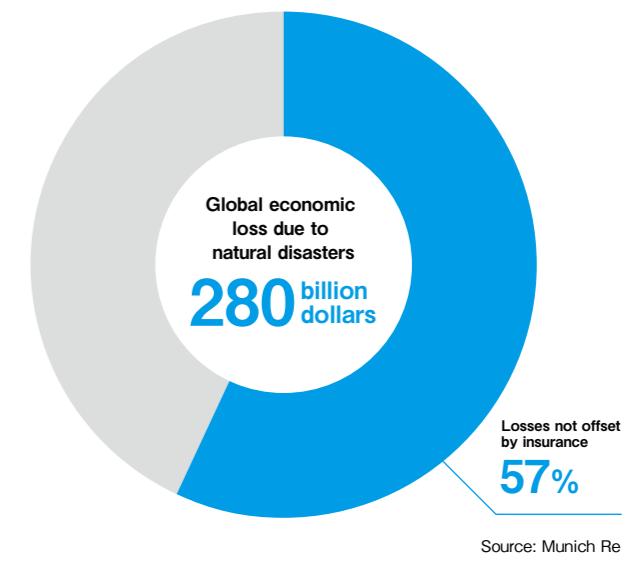
Risk Assessment and Mitigation

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).



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

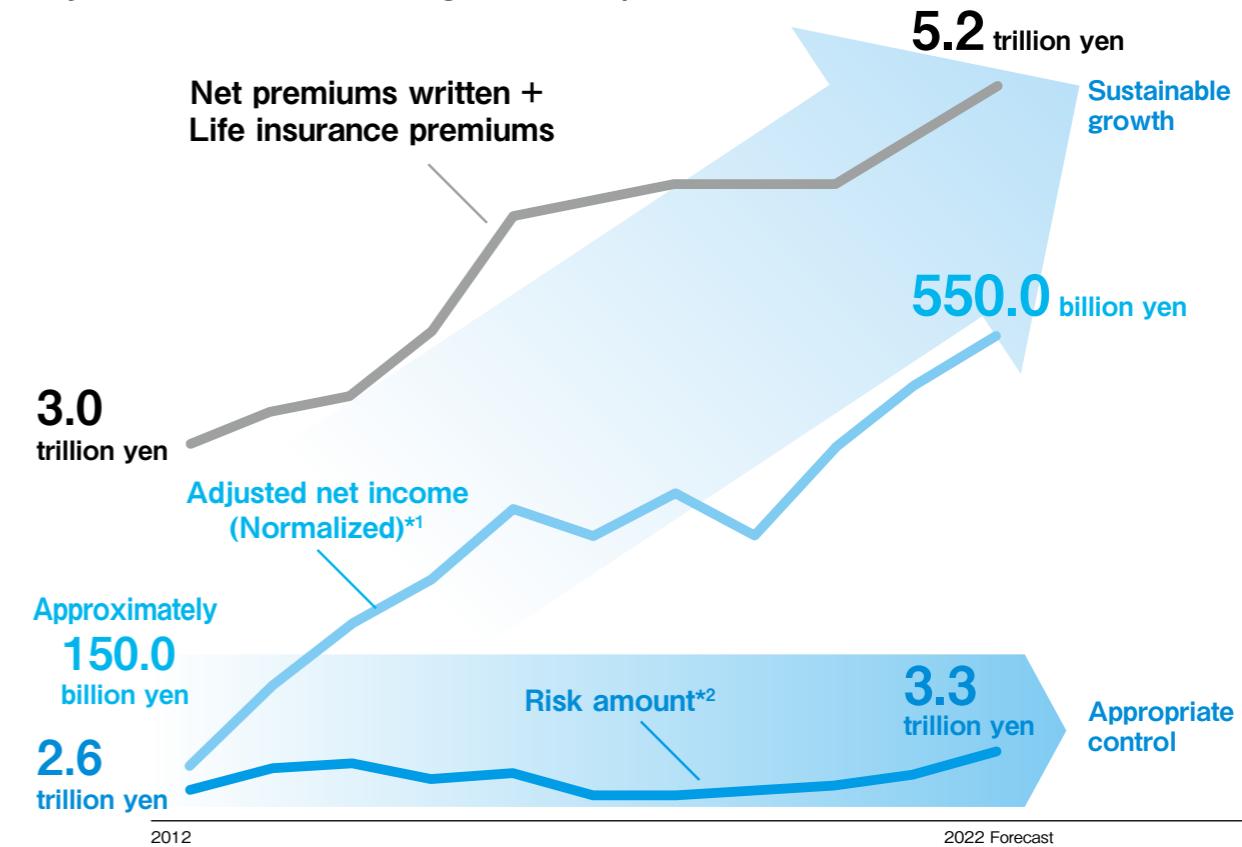
Insurance is a business that underwrites risk and protects customers. Under no circumstances can we allow the foundations of our business to be shaken. The key to this business is in diversifying risks across geographic areas, businesses, and products as well as appropriately controlling risks. From 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

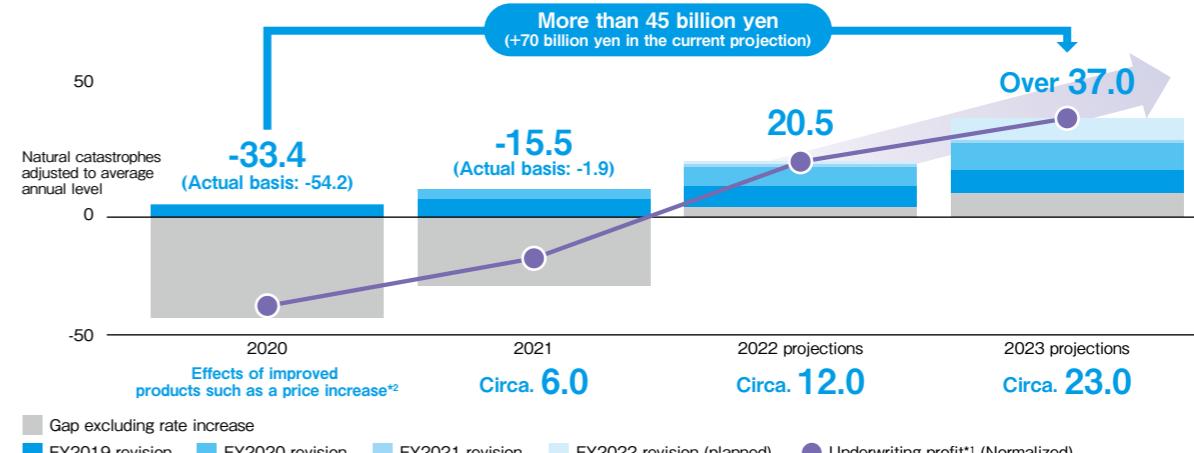
It is said that, while the land area of Japan, our primary market, accounts for just 0.25% of the total land mass of the world and 6% of global GDP, losses from natural disasters in Japan account for nearly 20% of economic losses globally. This is why Japan is referred to as a country of natural disasters. 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.

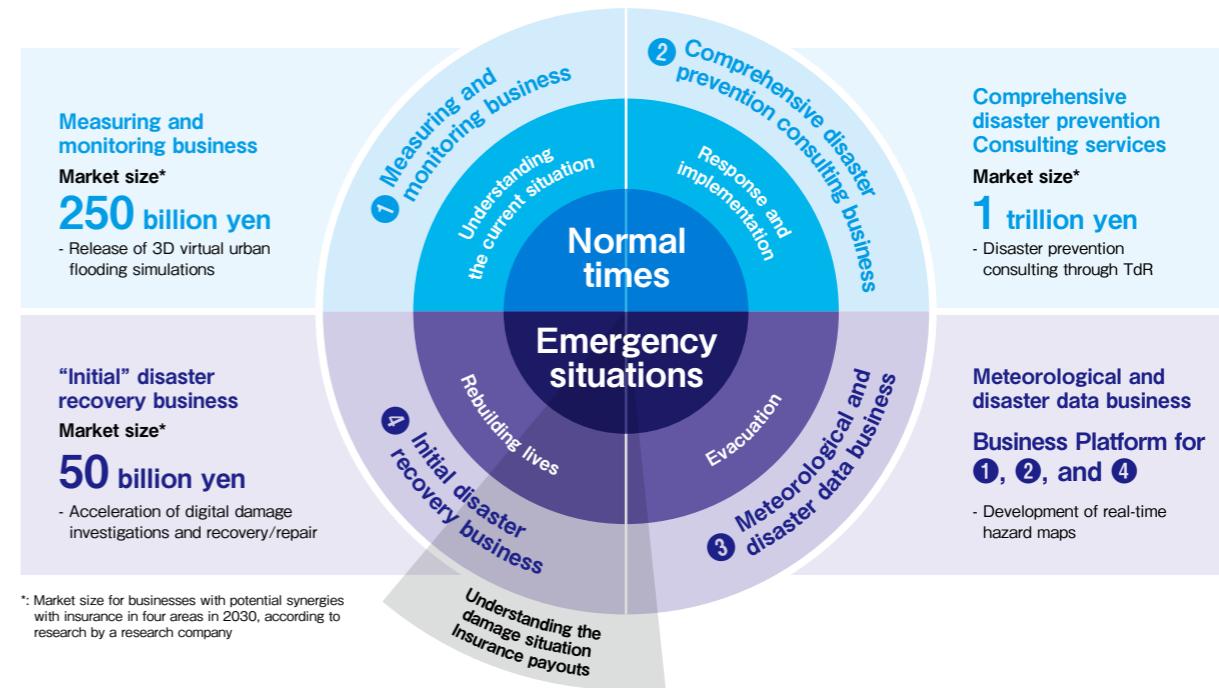
One example of a disaster prevention and mitigation initiative is CORE, a disaster prevention consortium. We launched this consortium in November 2021, and as of July 2022, more than 60 companies from a diverse range of industries had participated. The consortium provides services directly related to 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



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

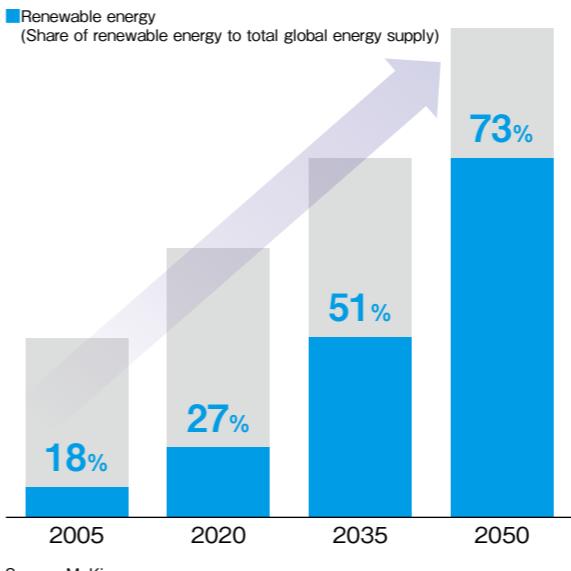
We are working to develop new products and services related to climate change, and one of these new products is insurance related to renewable energy.

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



Reference: GCube's Strengths

① Advanced 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

② Leading 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

③ Leading 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 (REL A)

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.



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)

Adjusted net income

505.4 billion yen
(578.3 billion yen)

Adjusted ROE

12.7%
(14.4%)

Dividend payout ratio

43%

Capital level
adjustment

100.0 billion yen

FY2022 projections

FY2023 plans
(Current mid-term business plan
announced in May 2021)

550.0 billion yen

CAGR +3%-7%
(Approximately 480.0 - 540.0 billion yen)

About 12%

40% or above→50%
(Adjusted November 2021)

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)

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

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

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)

Non-financial KPI

2030

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 continue our world-class profit growth and expand ROE.

As a result,

we will expand shareholder returns.

- 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

- Strategic investments: Continue with investments for growth
- Digitalization personnel: Continue recruitment and training in keeping with business expansion

- 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

- 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)

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.

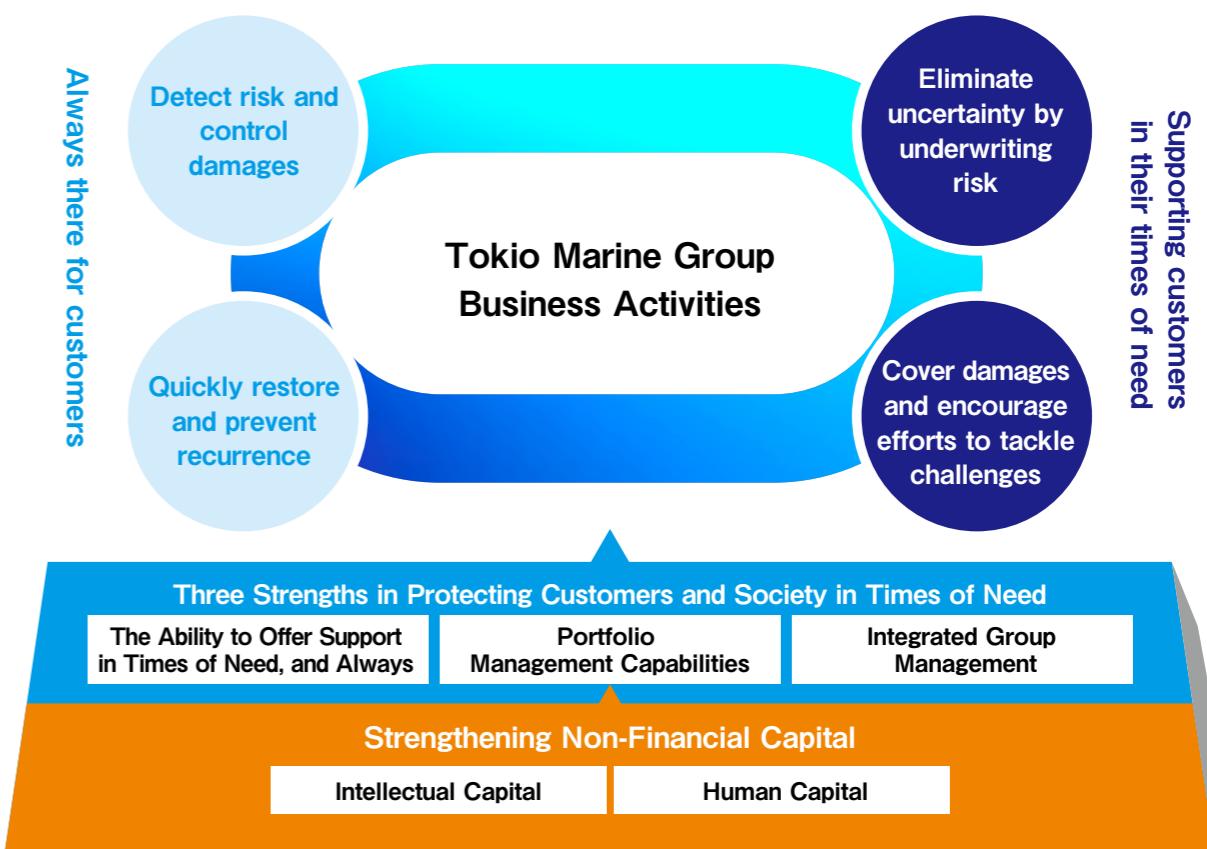
We have been able to realize our purpose and as a result achieve sustainable growth because of the many challenges we have undertaken and difficulties we have overcome during our 143-year history, which has enabled us to cultivate three unique strengths that we have continued to refine over the years.

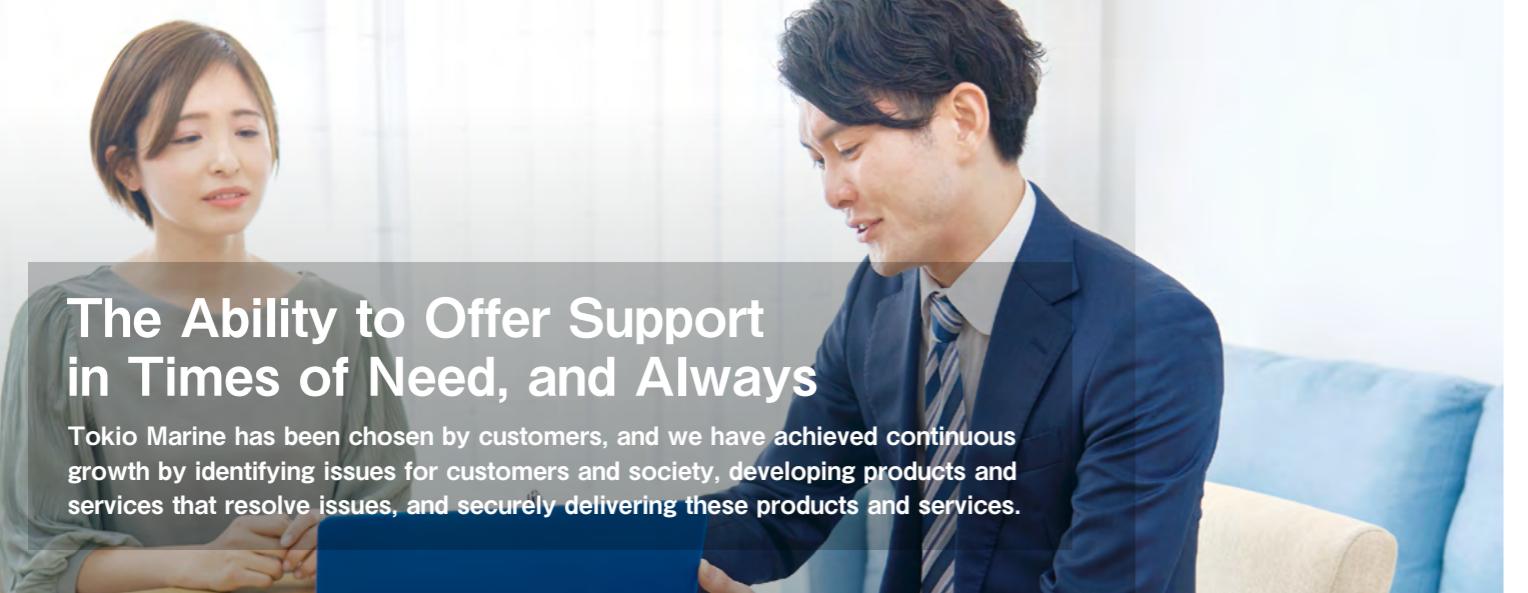
First, we have the ability to offer support in times of need, and always.

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.

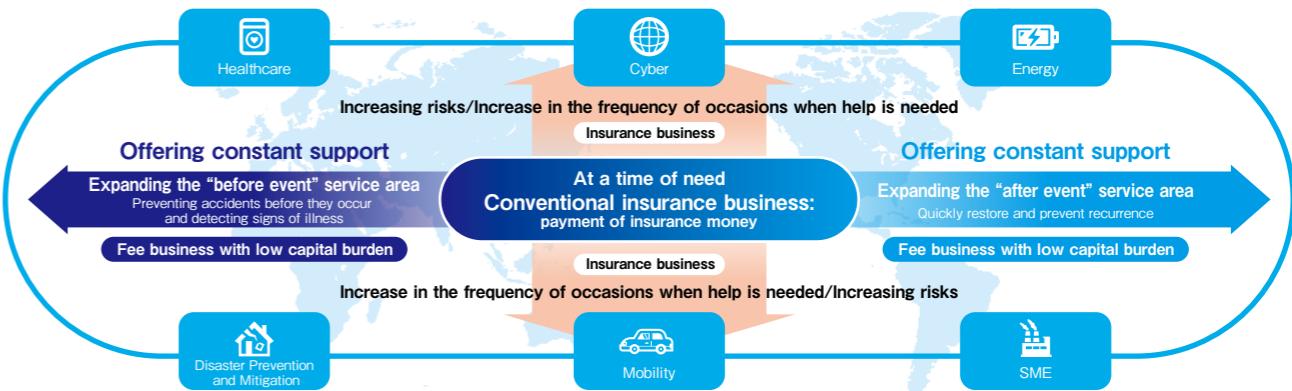
The Ability to Develop Products and Services That Resolve Issues

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

Proposals of suitable coverage and simplification of policy procedures



Illustration ©TMNF

Use of technology for the prompt payment of insurance money



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.



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

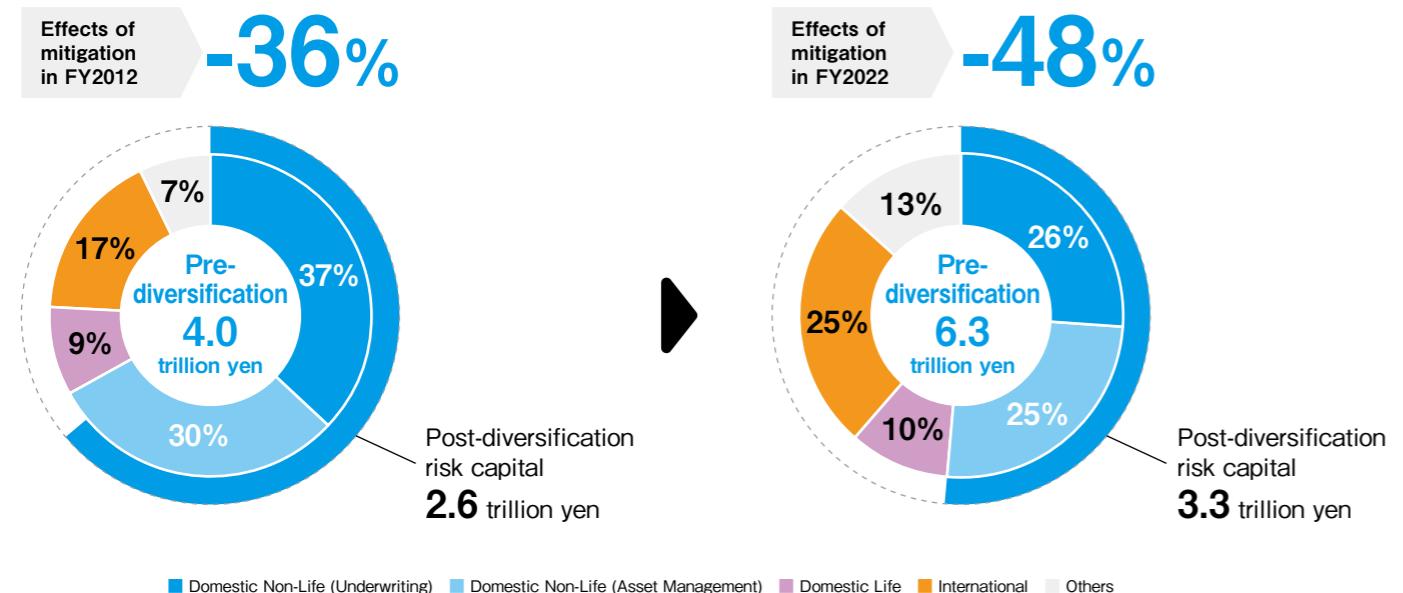


Track Record of Portfolio Management

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)).

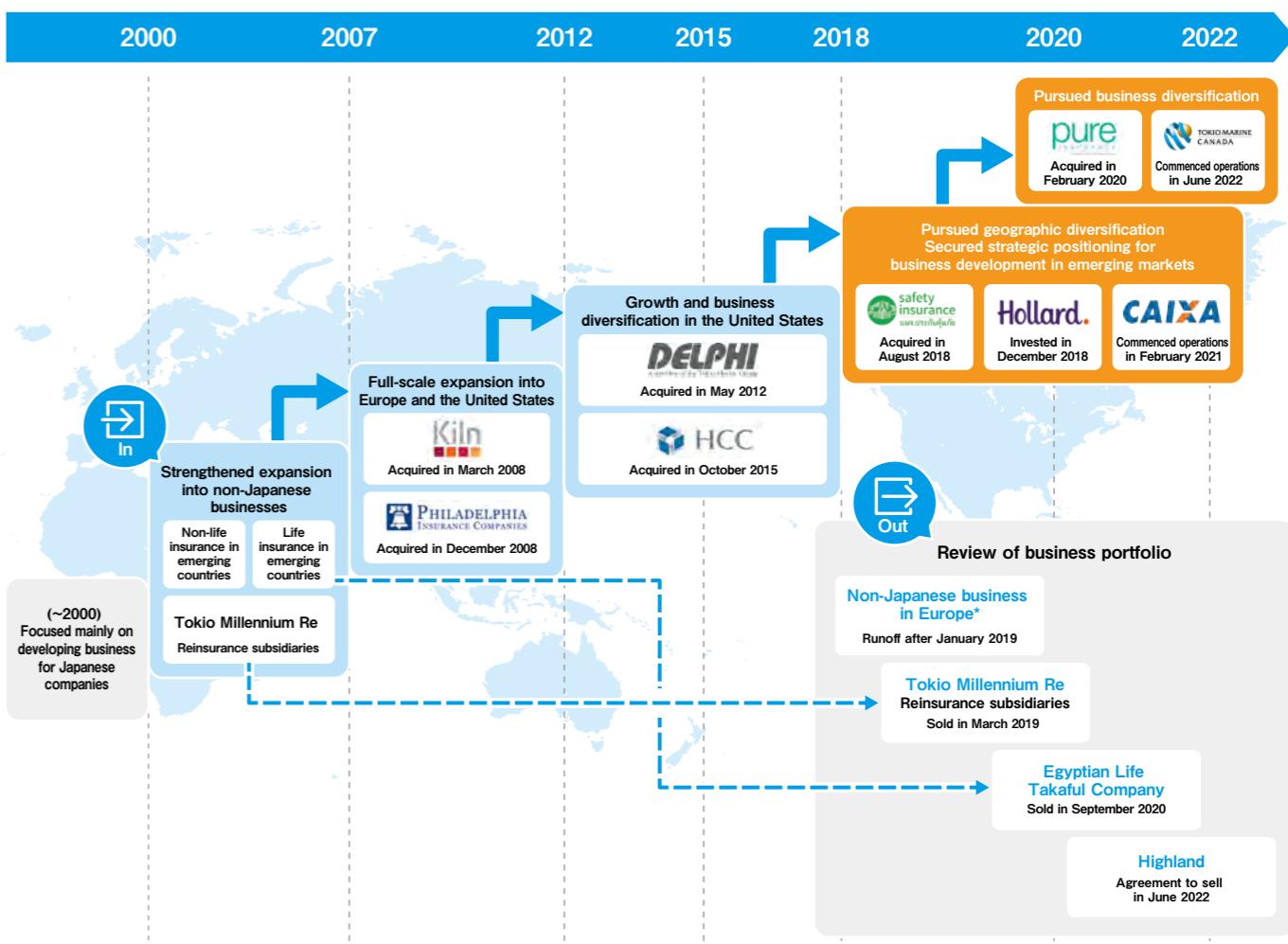
This is why we have spent some 20 years working to reduce business-related equities and expand our international insurance business where there is a low correlation with natural disasters in Japan, and in doing so, have diversified risks across geographic areas, businesses, and products. As a result, 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)

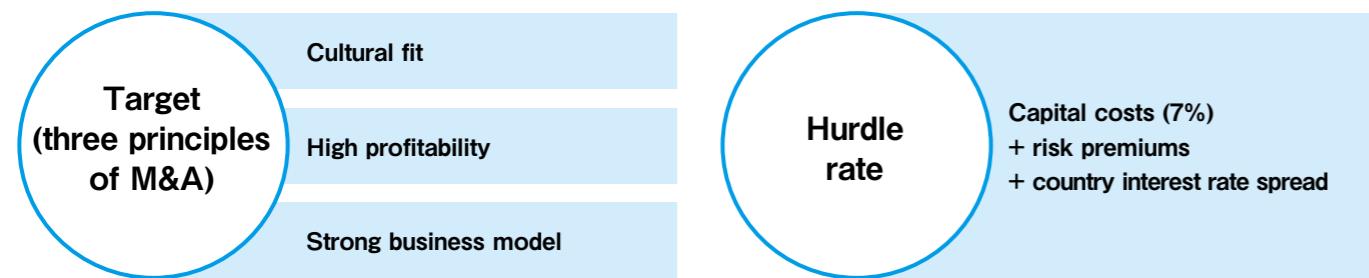
Stringent Acquisition Guidelines Emphasizing Cultural Fit and Autonomy

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.

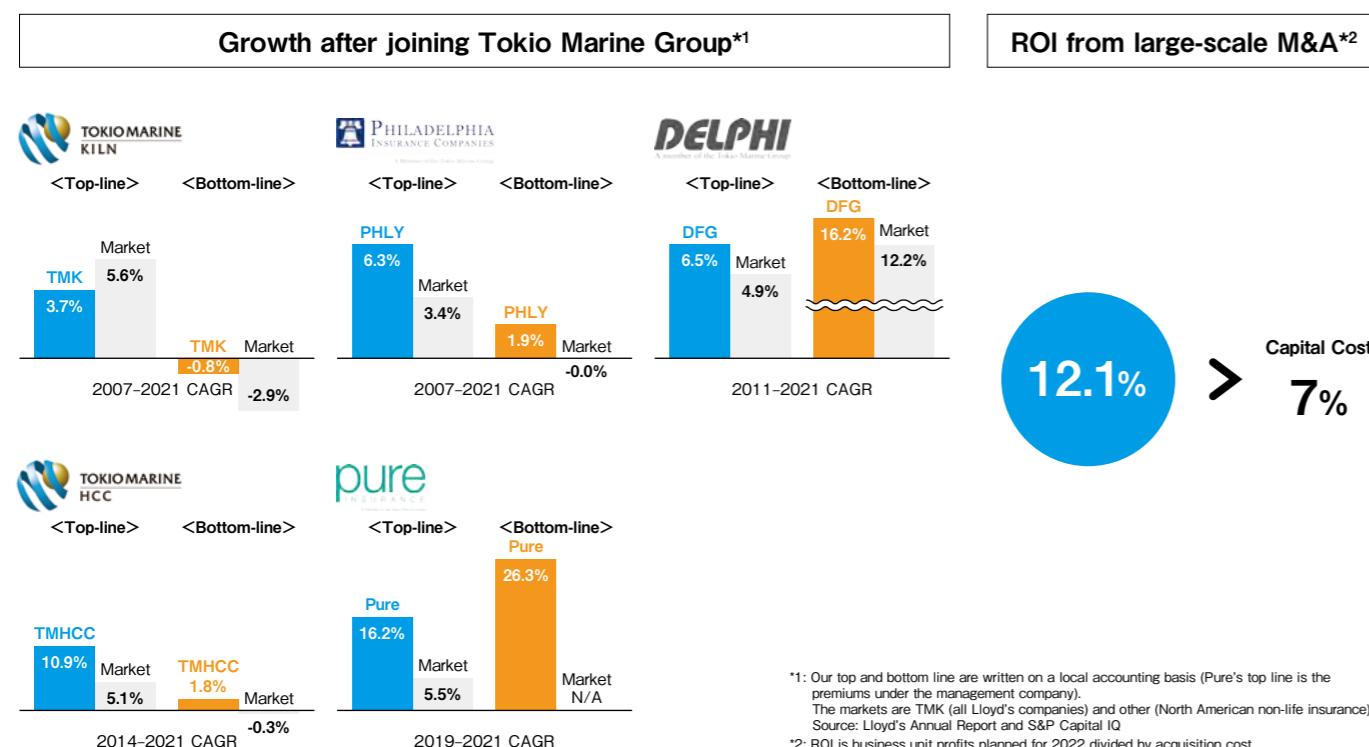
Yet another characteristic of our M&A style that remains unchanged today is that we respect the autonomy of the target company and avoid invasive acquisitions.

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

Stringent Acquisition Guidelines



Significant Growth at Five Companies in Europe and North America



*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.



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.

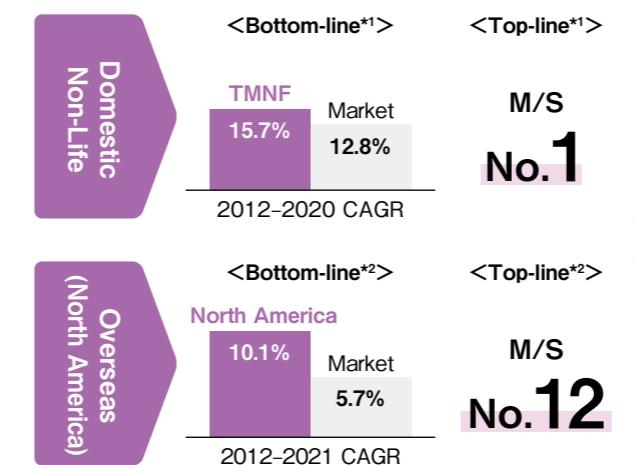
Achieving Conglomerate Premium

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

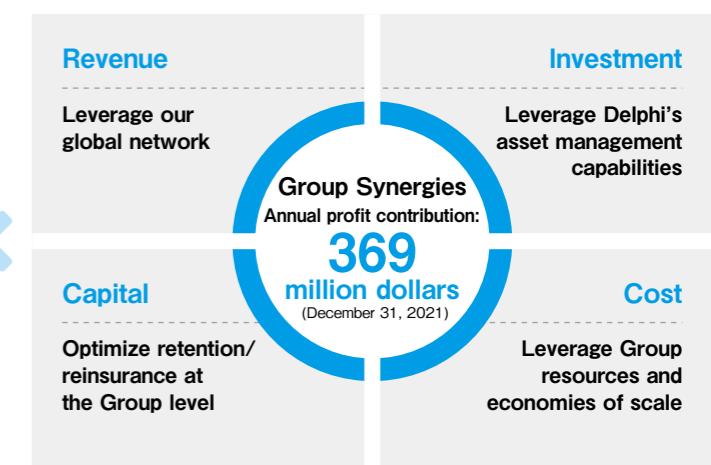
Stand-alone value



*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

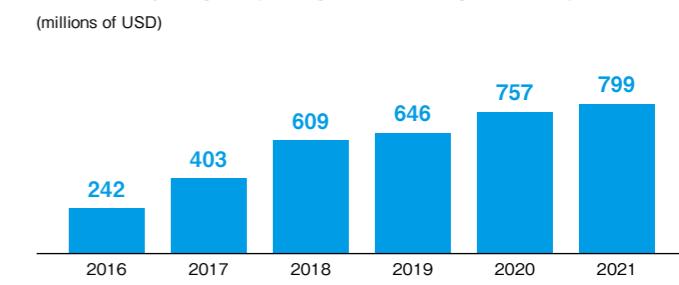
Creation of group synergy



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)



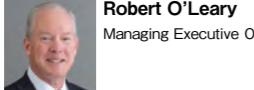
Assigning our Talented Workforce Optimally to Further Enhance Our Integrated Group Management

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

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

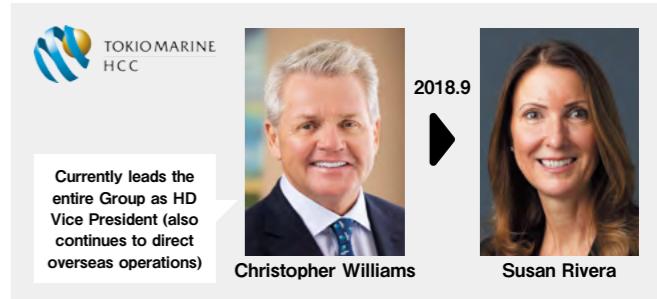
Both a smooth succession and the training of the next generation of management professionals are essential to make our integrated group management sustainable.

Smooth successions are progressing, as we replaced the CEO of TMHC 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



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	Middle Global Leadership Development 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	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  Visiting the areas affected by the Great East Japan Earthquake Presentation to management
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	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 as a Good Company on which the world will rely for the next century, we will

support customers and society in times of need into the future and to maintain our position 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

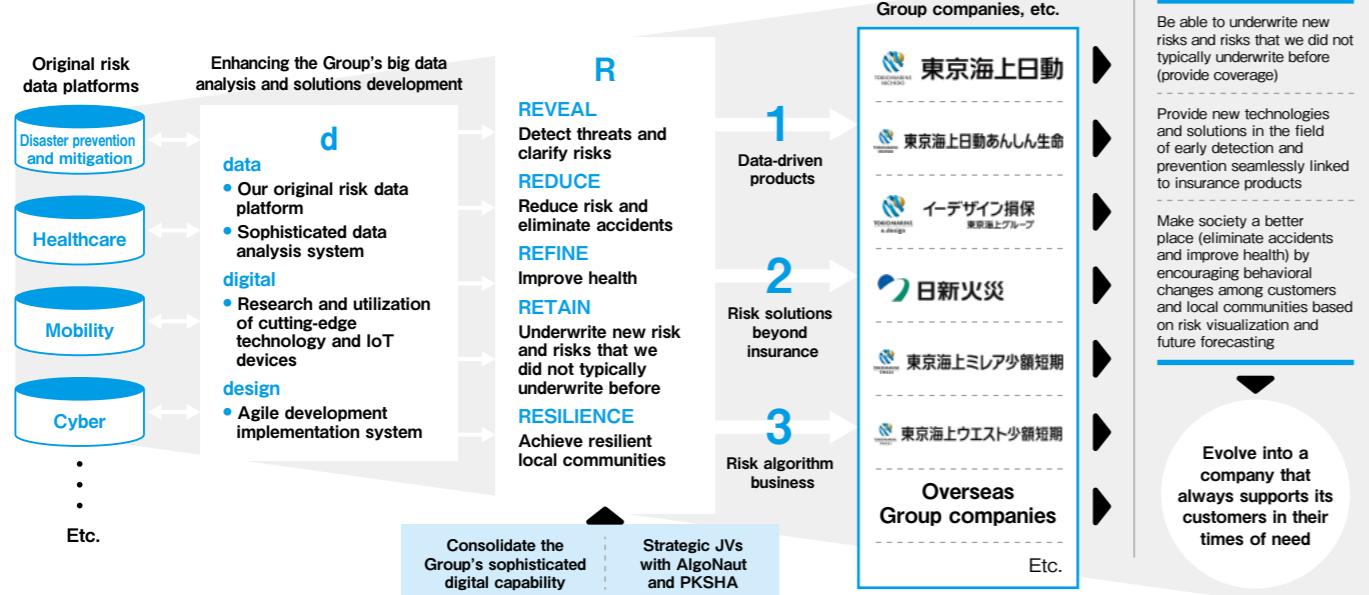
company. Moreover, by bringing together the know-how and data possessed by Tokio Marine Group within Tokio Marine dR Co., Ltd., which was launched in July 2021, we are powerfully driving the creation of new insurance products and paid services that will serve as a pillar of monetization in the future.

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 experience 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.

Competitive Advantage

Provide optimal solutions to customers' issues around the world by leveraging our diversity

Improve Productivity

Create a work environment that allows all employees, including those belonging to minorities, to fully demonstrate their abilities and minimize opportunity losses

Demonstrate the Group's Integrated Strength

Make effective use of the excellent human resources within the Group to further realize synergies on a global basis

Secure Top Talent

Create an inclusive work environment where diverse human resources can flourish and win the fierce competition for talented people

Our Progress in Solving Social Problems and Achieving Sustainable Growth

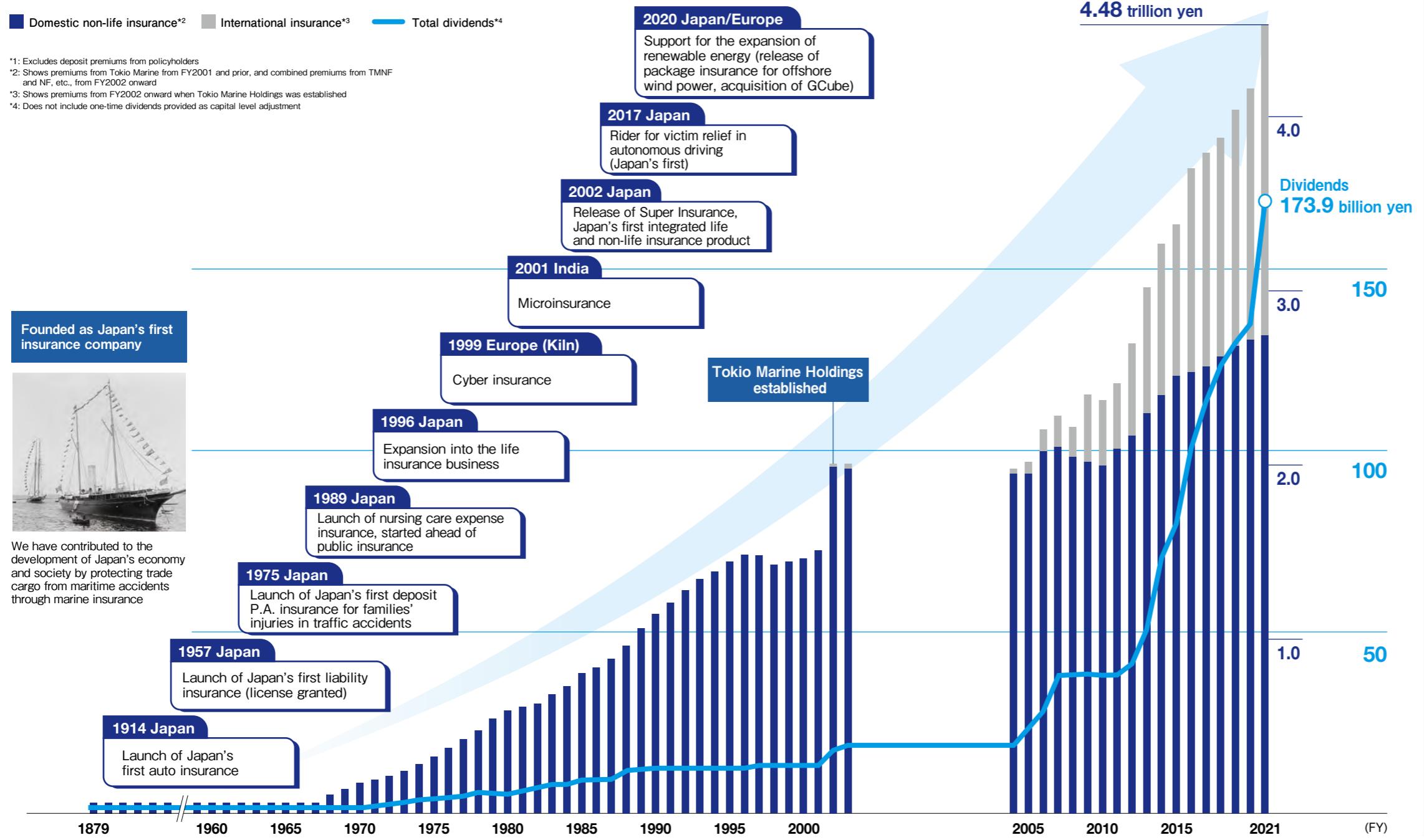
We want to protect our customers and society in times of need. Tokio Marine was founded on this purpose in 1879. Since then, we have helped people to overcome various social problems as they change with the times. We began as a company devoted fully to marine insurance, but this business now accounts 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



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



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.

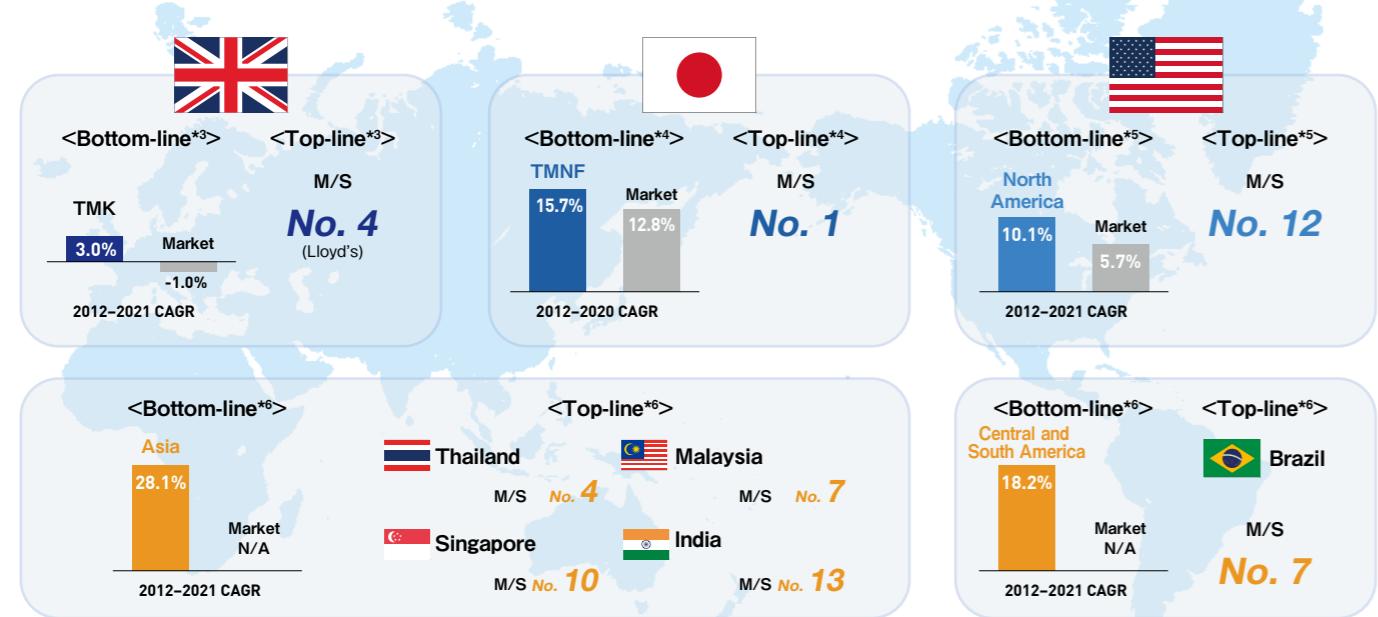
Leading Global Insurance Company

Non-Life Insurance Profit Ranking (billions of JPY)			Non-Life Insurance Market Capitalization Ranking (billions of JPY)		
Ranking	Company name	Profit*1*2	Ranking	Company name	Market capitalization*2
1	Allianz	1,011.2	1	Chubb	11,300.4
2	Chubb	661.6	2	Allianz	10,572.8
3	AXA	643.8	3	Progressive Corporation	9,226.4
4	Zurich	540.8	4	Zurich	8,886.9
5	Progressive Corporation	468.0	5	AXA	7,197.0
6	Allstate	460.5	6	Travelers	5,506.1
7	China Pacific Insurance	453.9	7	AIG	5,495.3
8	People's Insurance Company Group of China	417.3	8	Tokio Marine Holdings, Inc.	5,374.0
9	Tokio Marine Holdings, Inc.	377.4	9	Allstate	4,727.9
10	Travelers	367.5	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

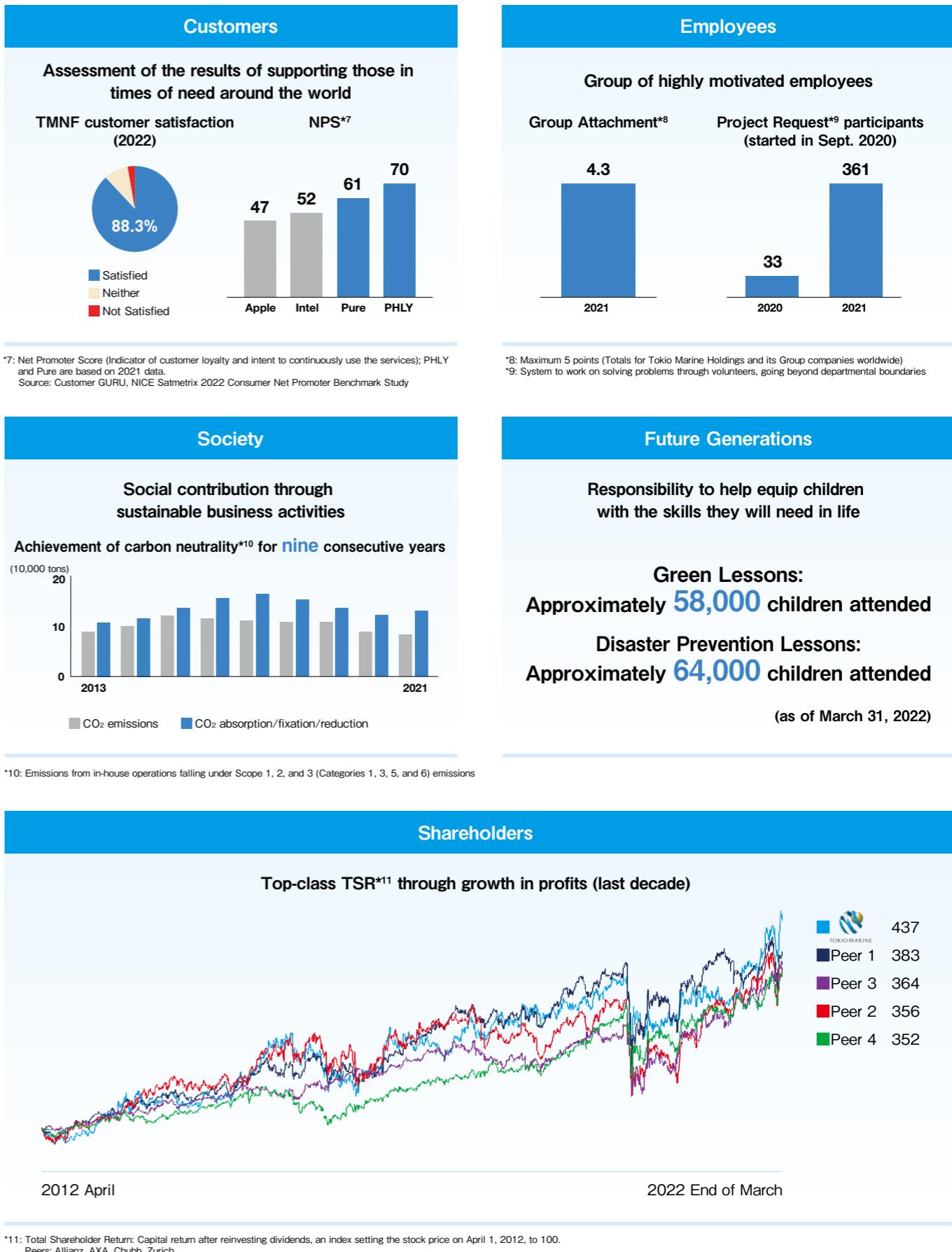
*4: Bottom line: Tokio Marine's business unit profits and the market's net income on a financial accounting basis for members of The General Insurance Association of Japan.
Source: The General Insurance Association of Japan HP
Top line: FY2021 NWP base
Source: Public documents from various companies

*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)

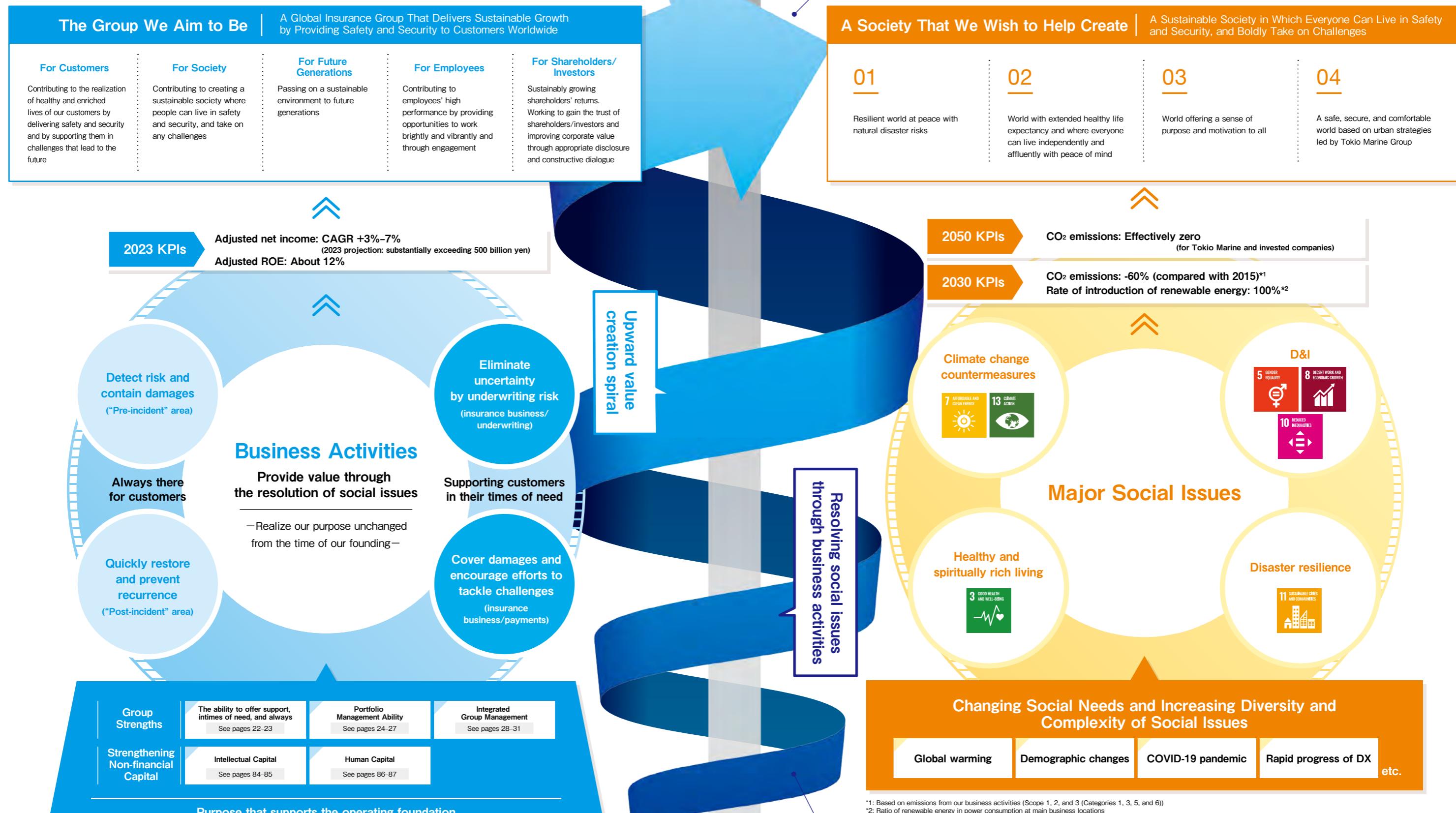
A "Win-Win" Scenario with Stakeholders



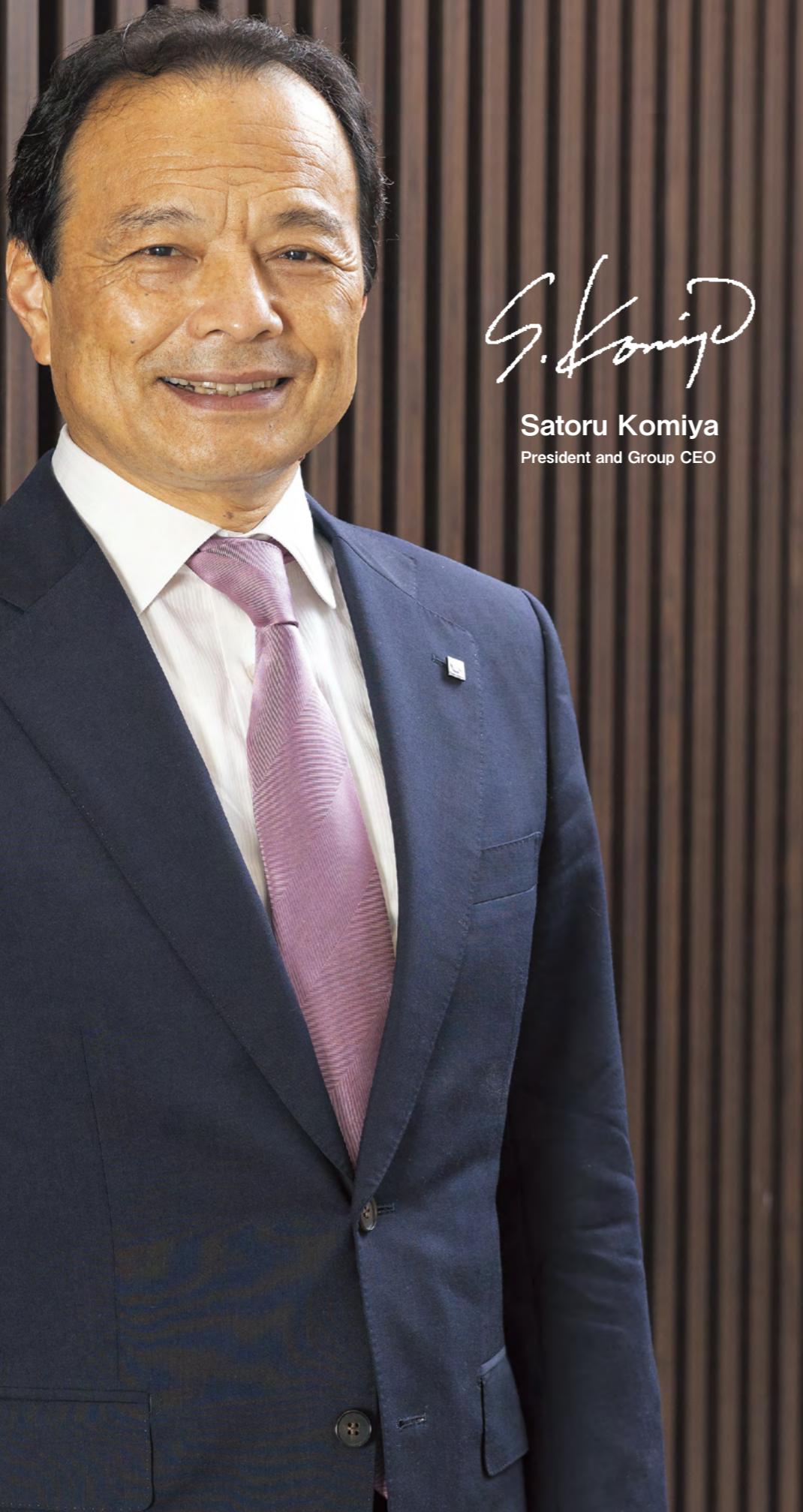
Tokio Marine Group's Sustainability Management

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



*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



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.

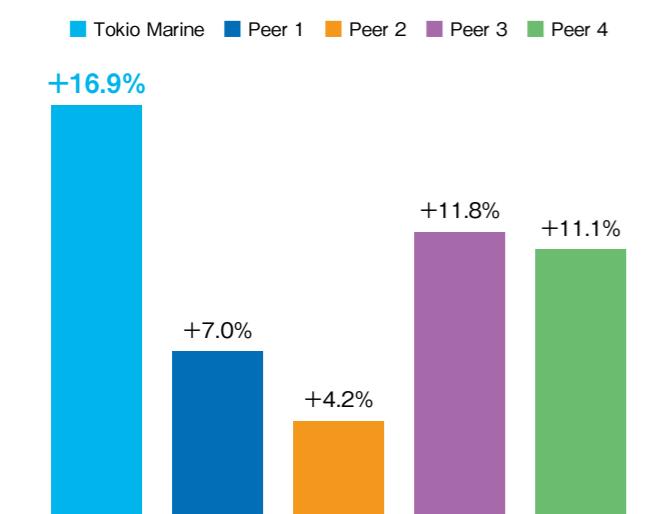
In fiscal 2022, the Co-CIO (Chief Investment Officer) and CEO of Delphi Financial Group, Inc. (DFG), Donald Sherman, and the Co-Head of International Business and Co-CRSO (Chief Retention Strategy Officer), Christopher Williams, were promoted to Vice President Executive Officers, for their various insights 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.

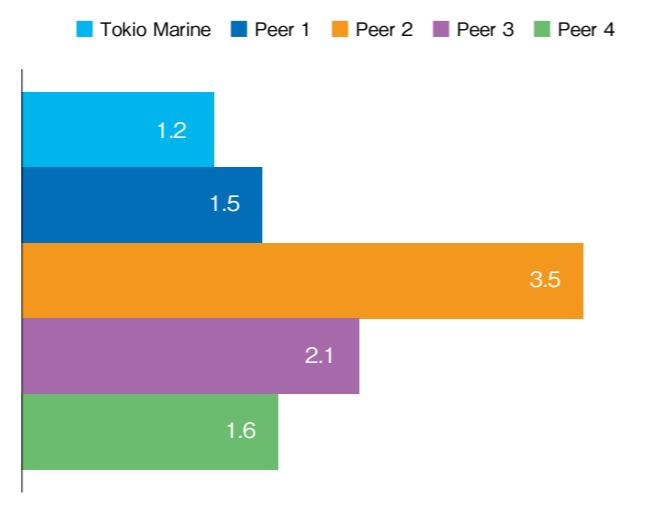
As to what lies ahead, we are currently taking a broad-minded approach in evaluating our new target. What I can say concretely is that as we anticipate that social issues will only continue to escalate, and that we must do our utmost to support our customers and society in their times of need. The fruits 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: 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

**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.

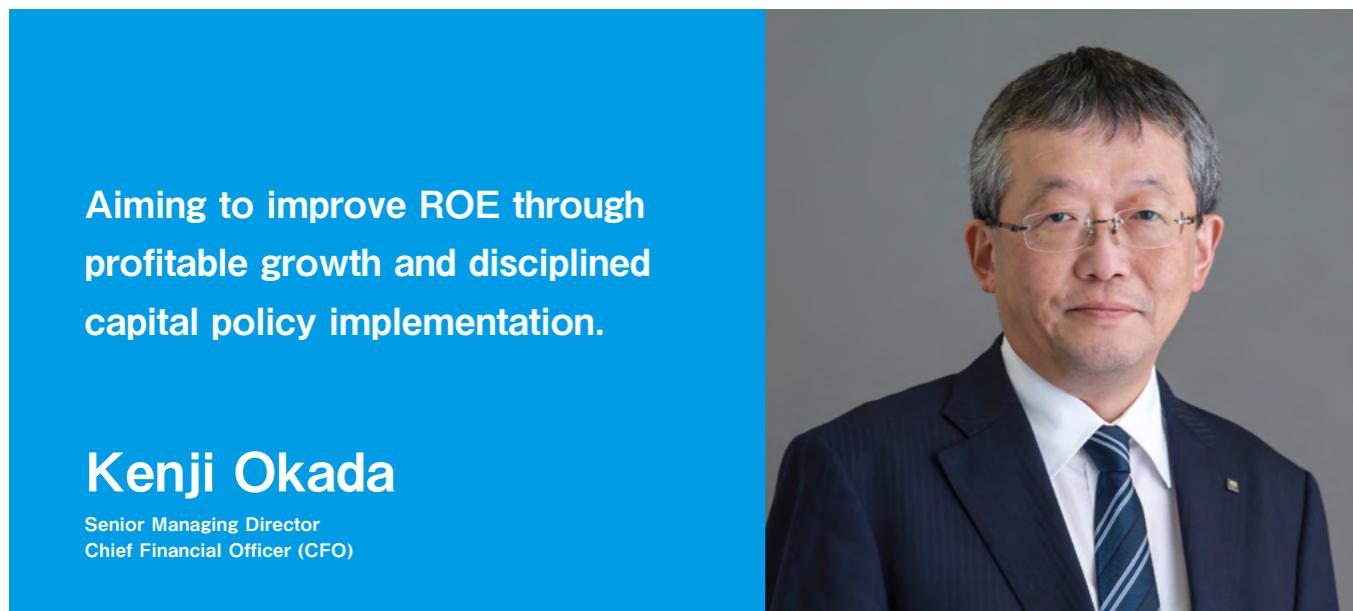
Conclusion

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.





Kenji Okada

Senior Managing Director
Chief Financial Officer (CFO)

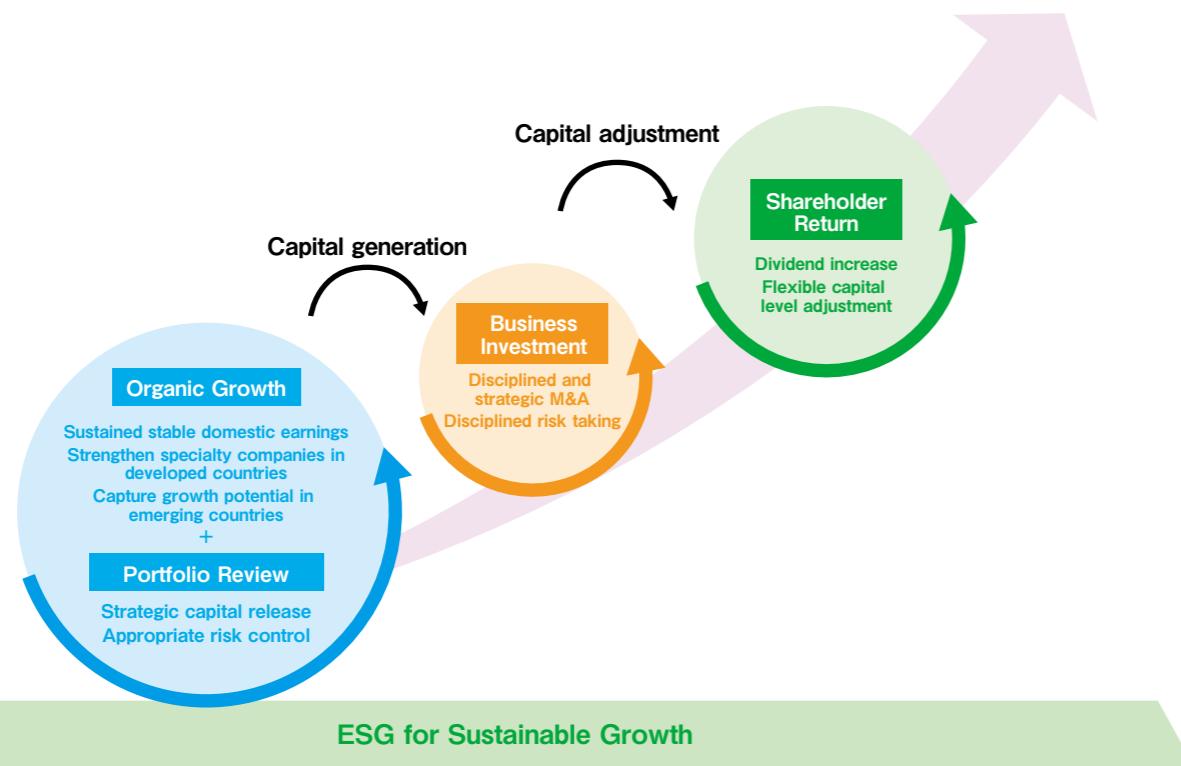
Having achieved the medium- to long-term targets of “adjusted net income above 500 billion yen and adjusted ROE of around 12%” set forth in November 2017 and having grown into one of the leading global insurance companies, we are now looking to further improve our corporate value. Although our next target 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.

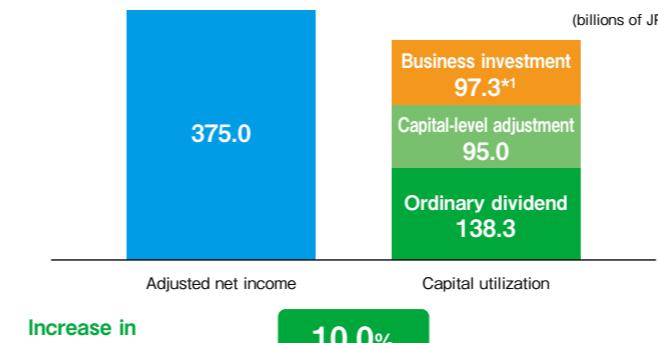
Capital Management Cycle



ESG for Sustainable Growth

Track Record of Disciplined Capital Management

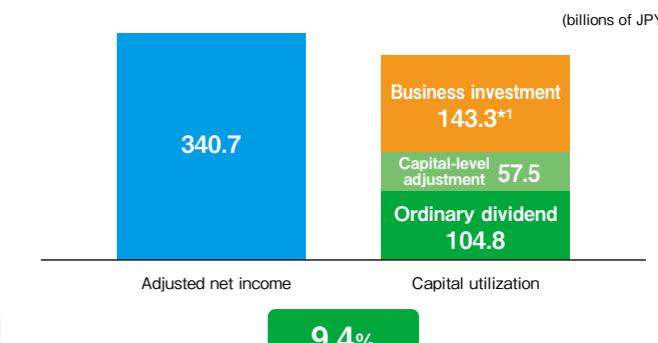
Average of the past 5 years (2017–2021)



Increase in
adjusted ROE

10.0%

Average of the past 10 years (2012–2021)



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

Organic Growth

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

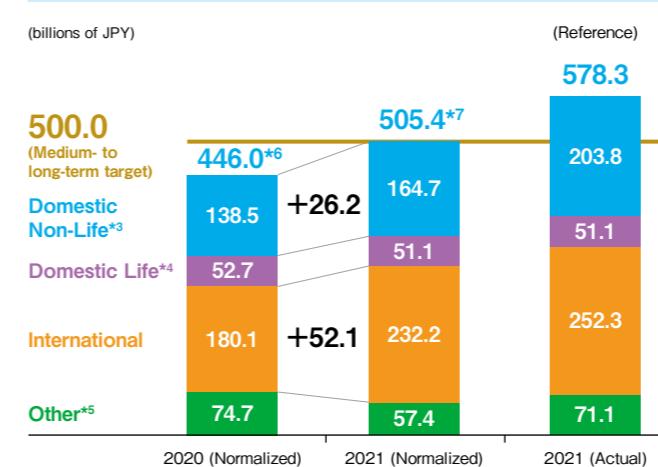
The characteristics of our portfolio are 1) a domestic market base that can generate stable and sustainable profits, 2) growth of overseas specialties in developed countries that have a competitive advantage and are less susceptible to market fluctuations, and 3) high growth in emerging economies such 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.

Adjusted Net Income*²



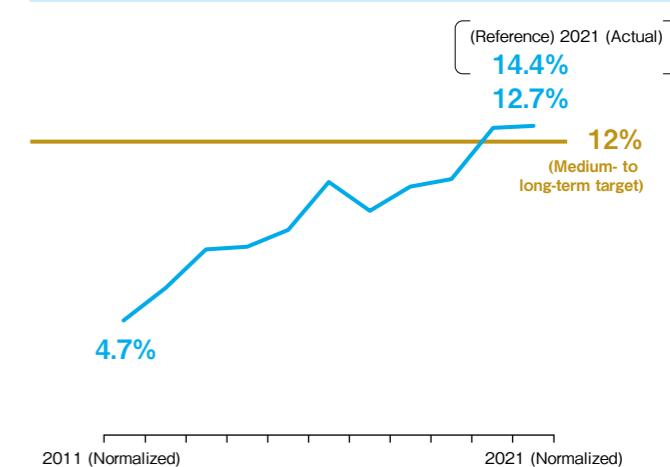
*2: The breakdown of adjusted net income is the profit of each business unit.

*3: Domestic non-life insurance = TMNL

*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

Adjusted ROE



*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, 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

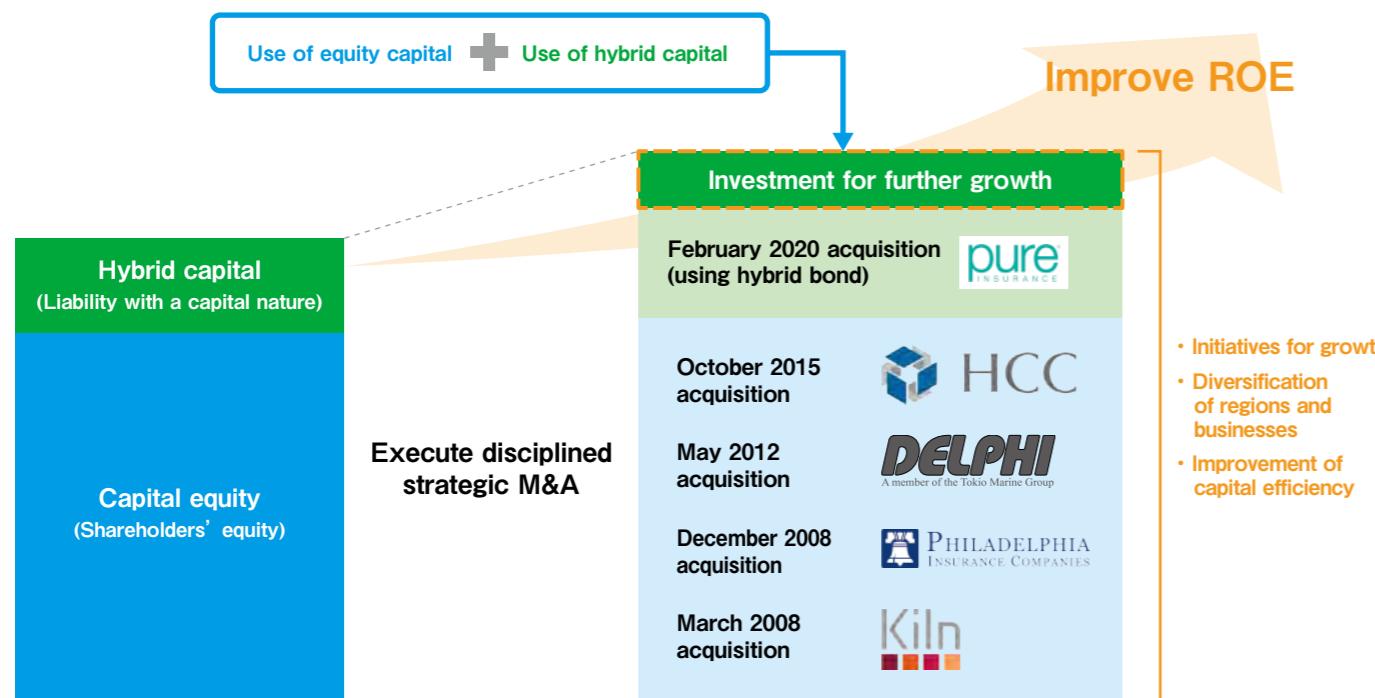
As an insurance company, we increase returns by taking risks in insurance underwriting and asset management. We have made Enterprise Risk Management (ERM) the cornerstone of Group management. ERM takes into consideration our risk appetite, to what extent we undertake risks, whether return on risk is 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



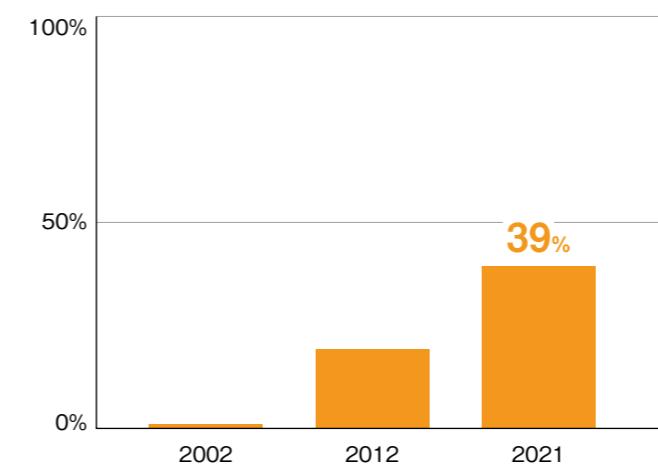
We have been selling more than 100 billion yen of business-related equities every year and have sold a cumulative total of more than 2.4 trillion yen of such stock since 2002. By replacing and reducing our risk portfolio, we have been able to improve corporate value while

reducing volatility in profits and capital.

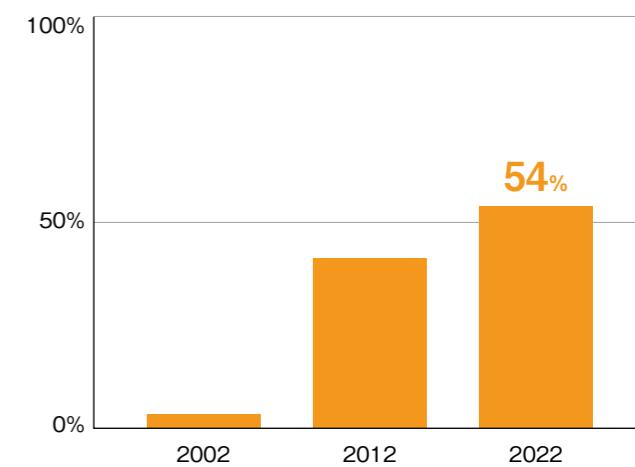
We will continue to accelerate our growth through global risk diversification and risk control. For details of our ERM management, please refer to pages 52–55.

Risk diversification through the expansion of our international business

Trends in the international business premiums ratio^{*1}

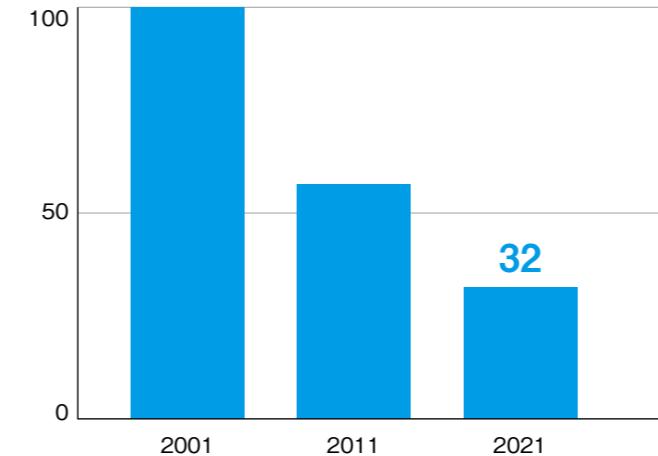


Trends in the international business profit ratio^{*2}

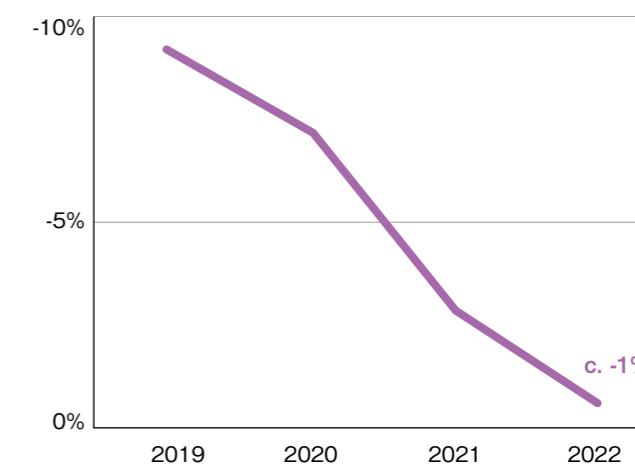


Reduction and control of risk

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)

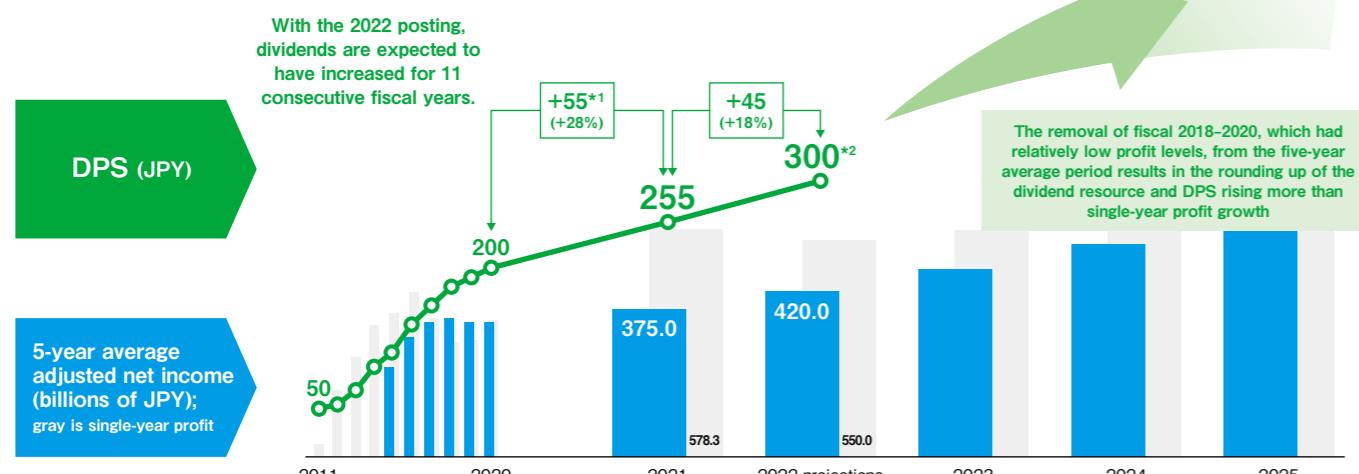
*3: 2001 = 100

*4: Percentage decrease in ESR (before excluding moving capital) if interest rates were -50 basis points

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

Dividend Growth

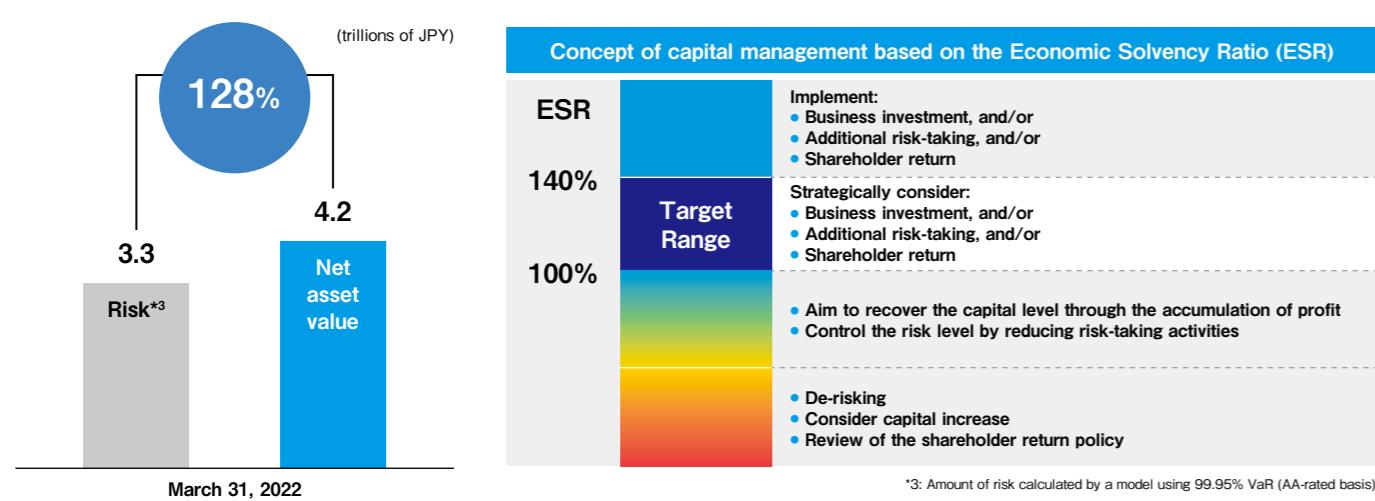


expansion of our dividend resources due to solid profit growth, combined with an increase in the payout ratio.

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.

Status of the Economic Solvency Ratio (ESR)



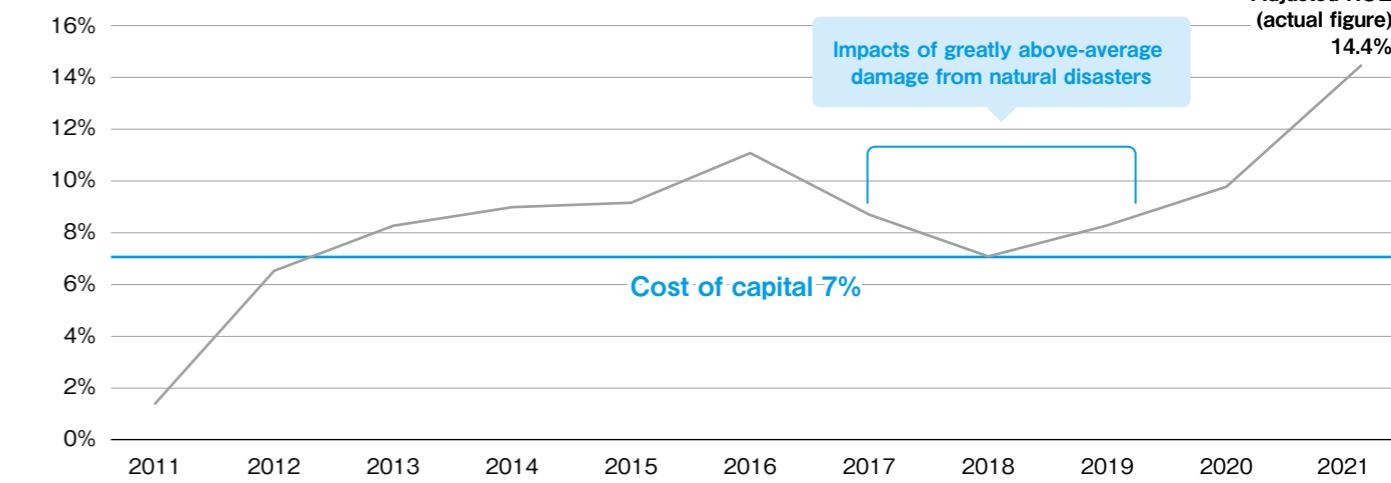
Trends in ROE

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

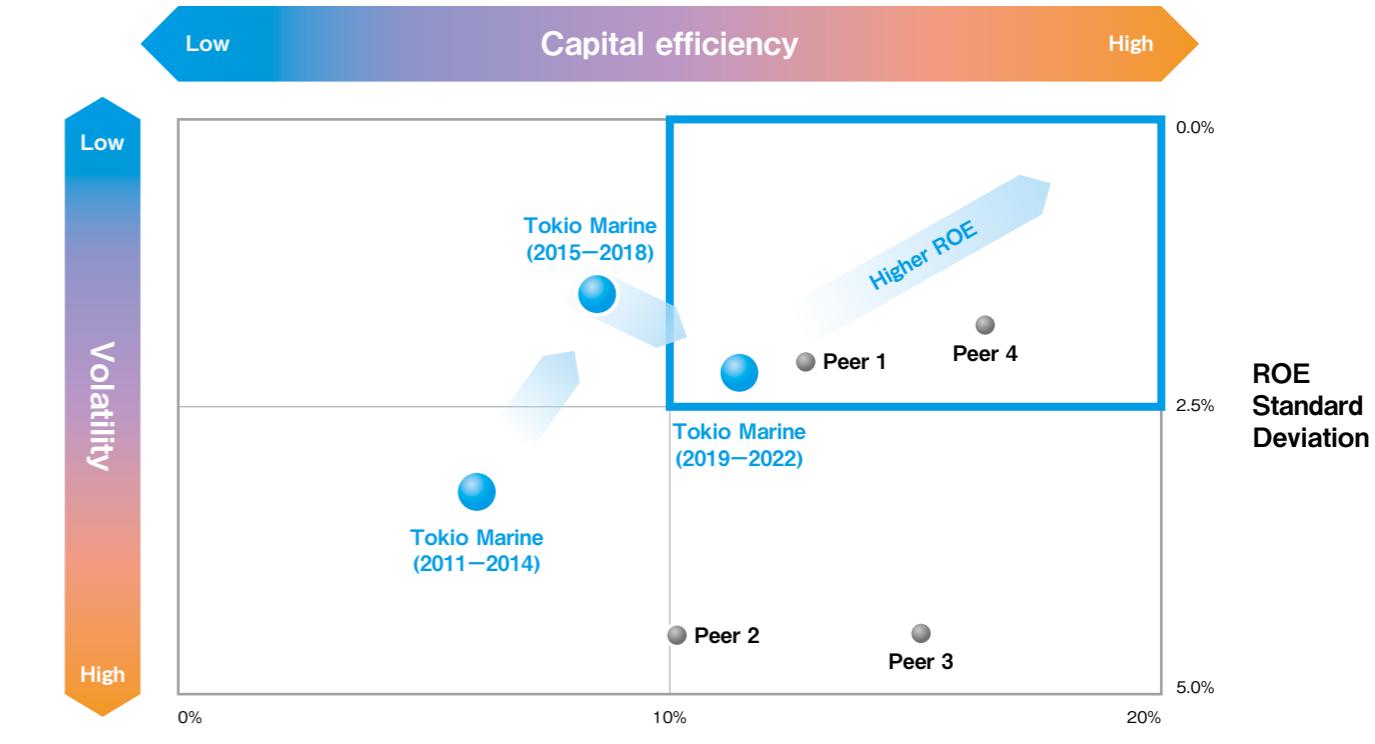
capital policy, we will continue to maintain capital soundness and improve capital efficiency in a stable manner.

*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



NOTE: 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

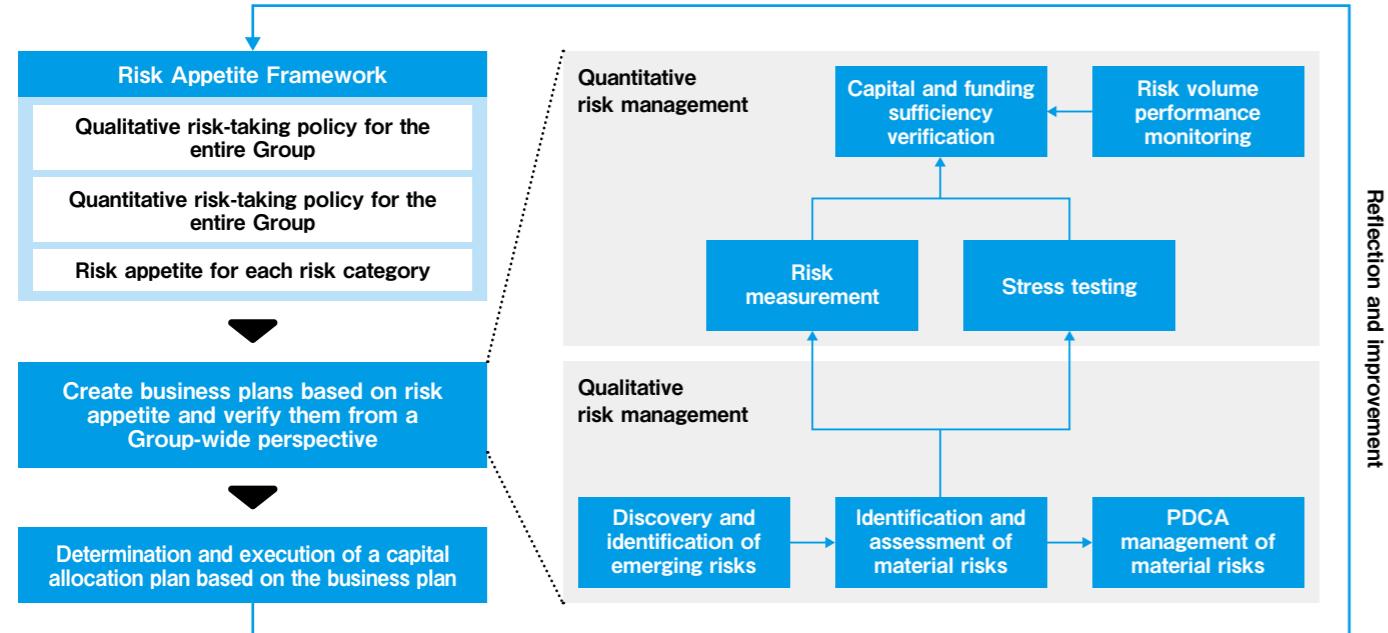
"risk," "capital," and "profit," and by achieving "sufficient capital" and "high profitability" in relation to risk, we will strive for the sustainable expansion of corporate value.

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

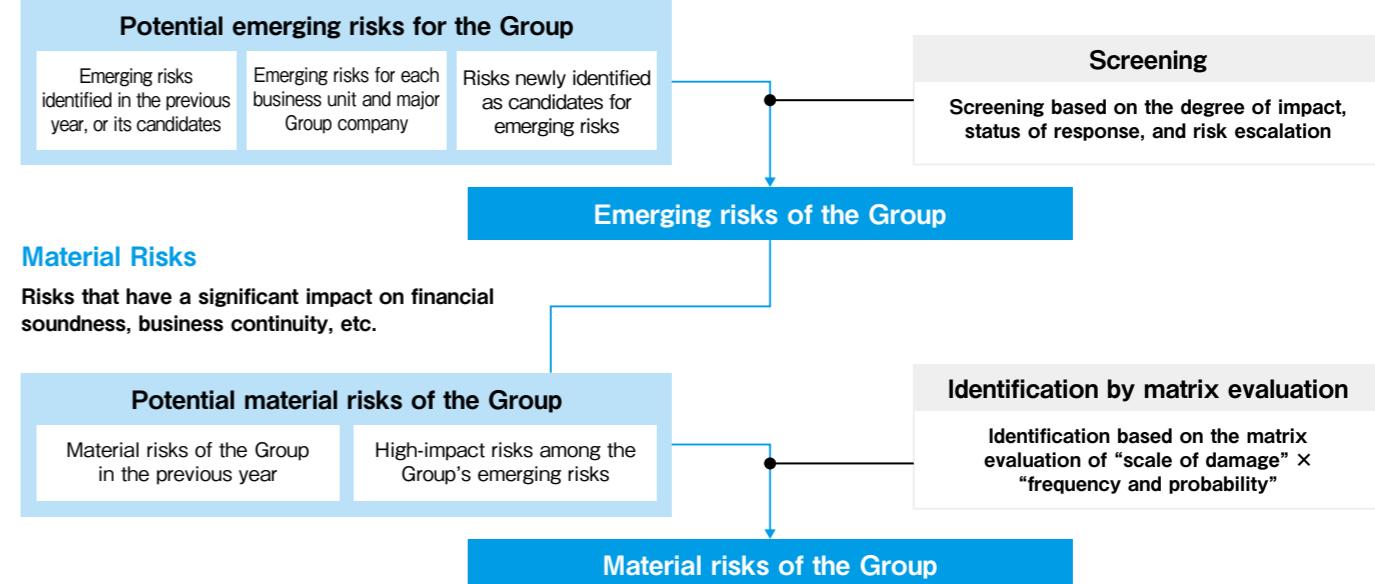
identified as "material risks." For identified material risks, we assess the sufficiency of capital through the quantitative risk management process described below, draw up control measures before the risks emerge and countermeasures* to be taken if the risks do emerge, and conduct PDCA management.

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

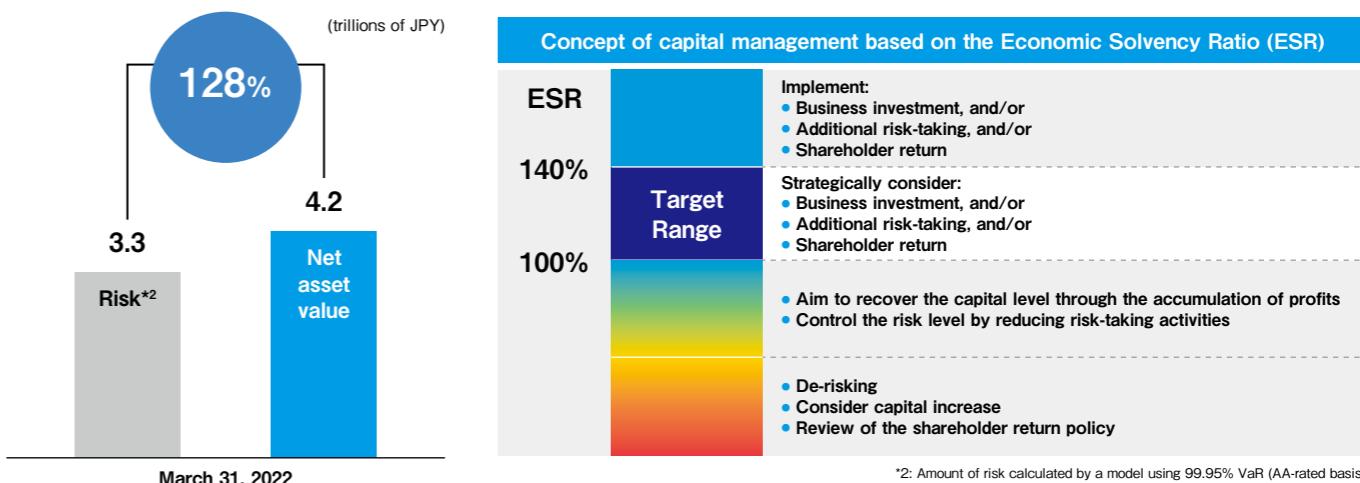
The target range of the Group's ESR is 100%-140%, and as of March 31, 2022, the Group's ESR was 128%, confirming that the

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)



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.

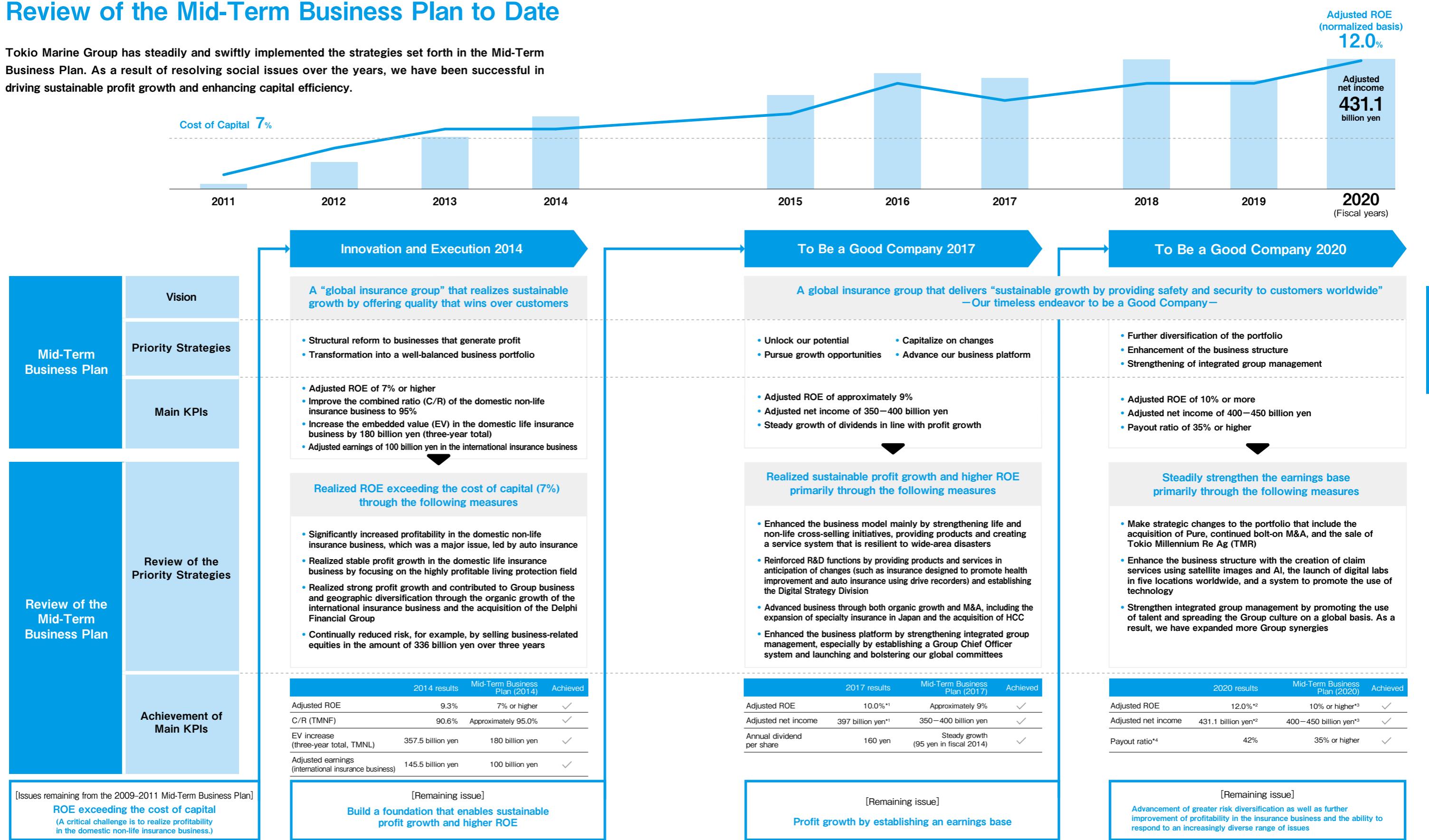
Specifically, we are working to establish methods and processes to evaluate the capital efficiency of Group companies and optimize the

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.



Adjusted ROE (normalized basis)
12.0%

Adjusted net income
431.1
billion yen

^{*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.

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



2+1 Growth Strategy



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	40% or higher ▼ 50% (Revised in Nov. 2021)	48.5%	43%	40%
Payout ratio*3	Flexible execution	100 billion yen	100 billion yen	50 billion yen
Capital level adjustment				

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

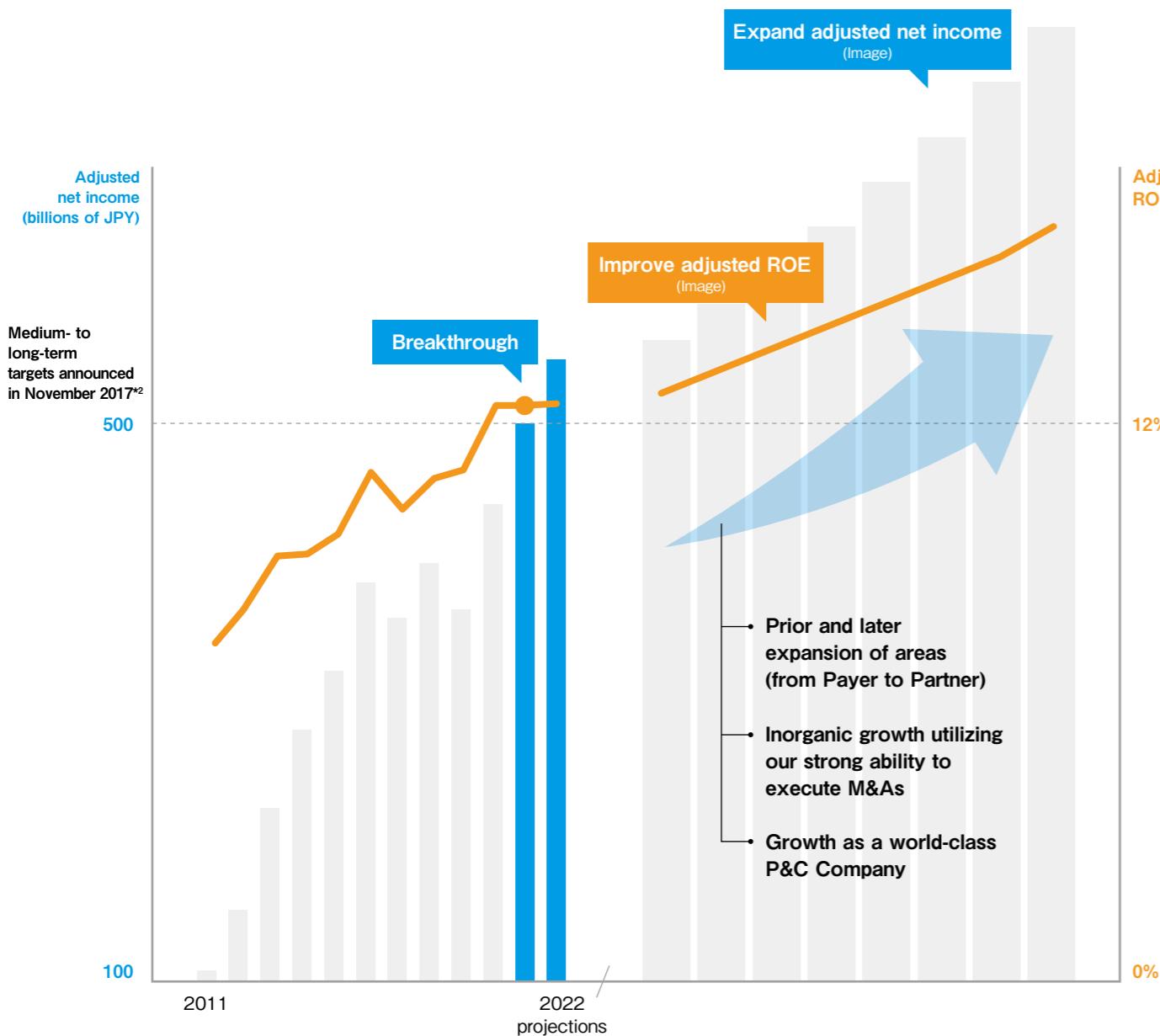
*6: Other domestic non-life insurance, financial and other businesses, and gains relating to sales of business related equities, etc., that are not included in business unit profits

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.

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.

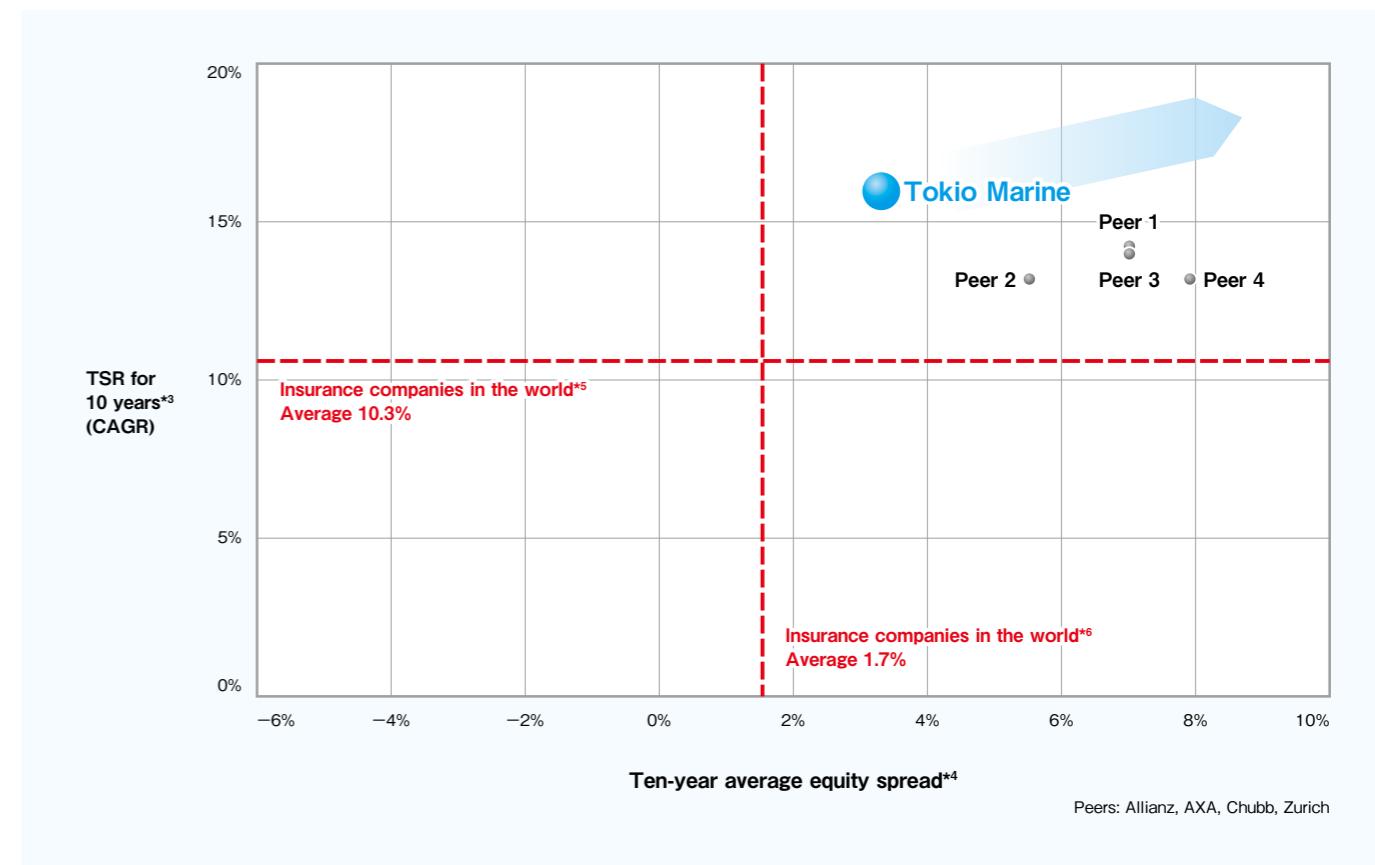
Adjusted Net Income/Adjusted ROE^{*1}



^{*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

Improvement of the Equity Spread



^{*3}: CAGR between April 1, 2012, and March 31, 2022. Source: Bloomberg
^{*4}: ROE is calculated with capital costs. We use adjusted ROE for our ROE. The capital costs of the five listed companies are calculated with CAPM (= risk free rate + $\beta \times$ 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	<ul style="list-style-type: none"> Established Sustainability Committee Reflected ESG performance in executive compensation Revised sustainability award system
Establishment of sustainability-related policies	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Developed sustainability strategies Used the sustainability report as one of the starting points for establishing PDCA cycle
Improvement of disclosures, strengthening of commitments	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Create new pillars allowing us to contribute to future generations
Response to current issues in light of changes in the external environment	<ul style="list-style-type: none"> 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.

<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.

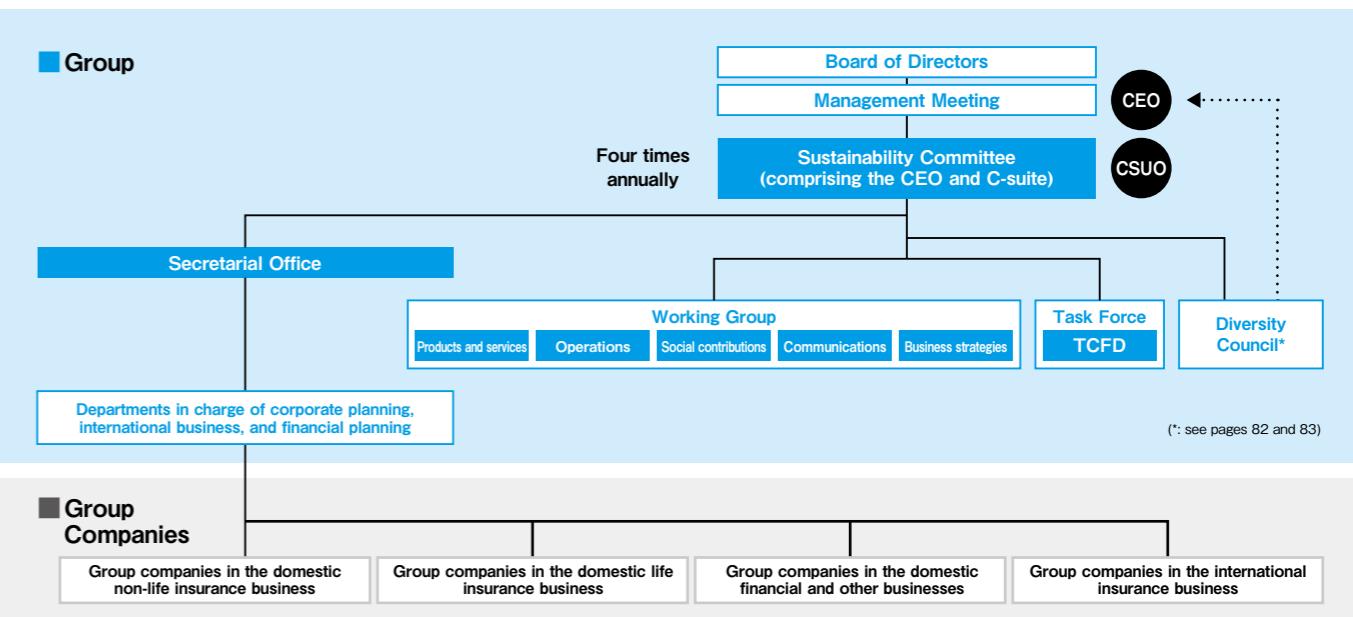
Under this organizational structure for promoting sustainability, Tokio Marine Group will continue its efforts to further instill sustainability strategies on a global basis while strengthening initiatives to solve issues with the intention of realizing a sustainable planet and society.

(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.

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



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

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'être* and the ideal we hope to realize.

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

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

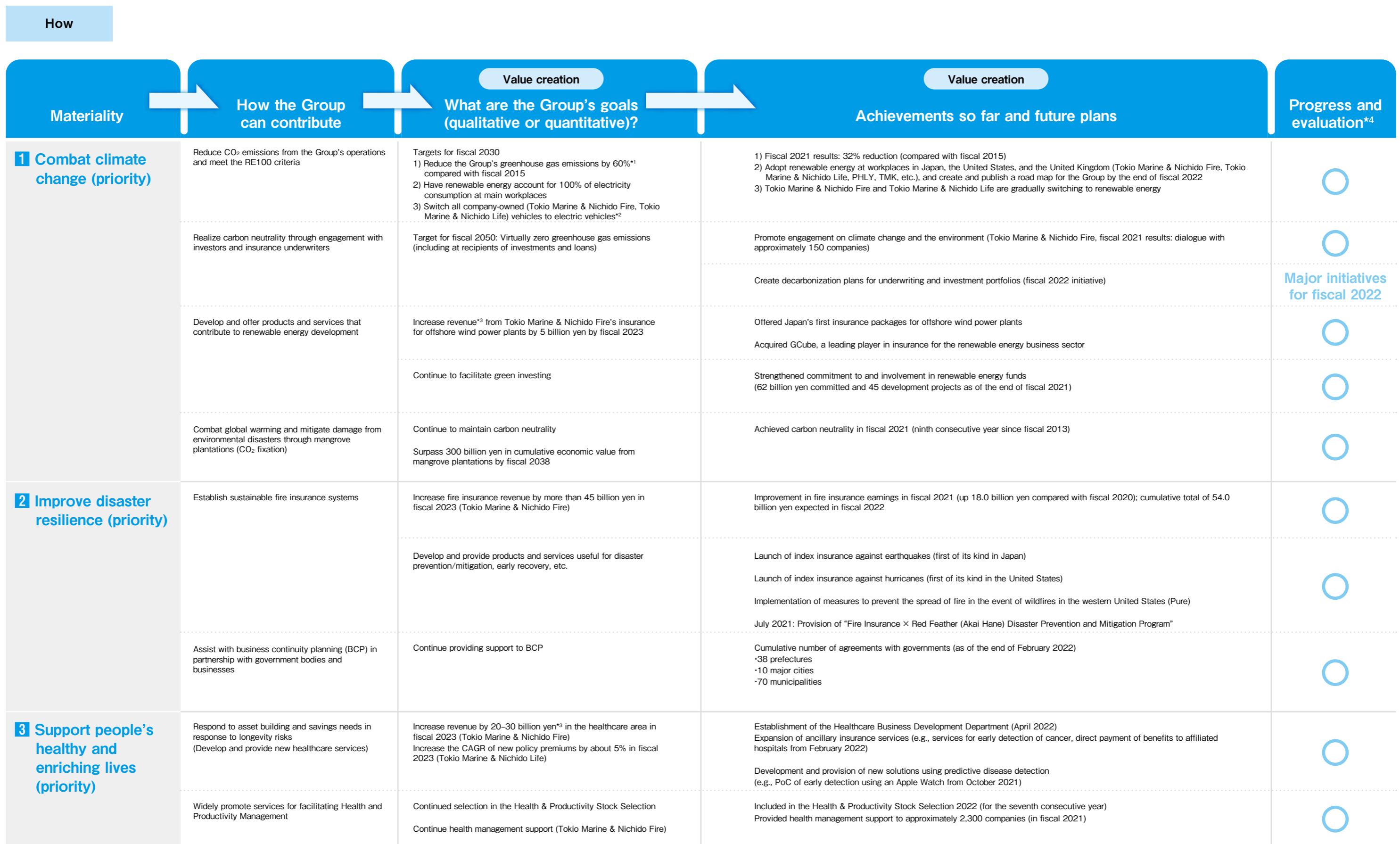
Assessment based on the content of a stakeholder survey while also taking into consideration such factors as social perceptions toward each issue and status of incorporation into various ratings.

(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)	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.
(2) Improve disaster resilience (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.
(3) Support people's healthy and enriching lives (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.
(4) Promote and support diversity and inclusion (priority)	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.
(5) Facilitate and foster innovation through digitalization	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.
(6) Protect the natural environment	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.
(7) Provide education to children	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.
(8) Disclose highly transparent and timely information	



*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%	
5 Supporting and driving innovation using digital technology	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            
6 Protecting the natural environment	Apply advancements in digitalization and data to increase security for customers in ways besides insurance payments Address increasing cyber risks amid digital advancements Use digitalization to support small and medium-sized enterprises (SMEs) Improve business efficiency with digital technology	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) Increase revenue by around 5 billion yen through cyber risk insurance by fiscal 2023 (Tokio Marine & Nichido Fire)*3 Increase revenue by 15–25 billion yen through insurance for small and medium-sized enterprises by fiscal 2023 (Tokio Marine & Nichido Fire)*3 Enhance the efficiency of operations with a one-percentage-point improvement in the combined ratio by fiscal 2023 (Tokio Marine & Nichido Fire)	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 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) Establishment of BUDDY+, a dedicated solution site for SMEs (from November 2021) Combined ratio of 90.6% (Tokio Marine & Nichido Fire, a 1.9-percentage-point improvement from fiscal 2020)	           
7 Providing education to children	Provide various educational programs	Continue providing green classes Continue providing classes on disaster prevention Continue providing classes on risk and the future Continue implementing StreetWise Finance, a financial insurance education program Create pillars other than those above	Green classes were held approximately 890 times and attended by 58,000 people (cumulative total as of March 31, 2022) 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) Risk and the future classes held 64 times and attended by approximately 1,700 people (same as above) Approximately 76,000 people participated in the StreetWise Finance financial insurance education program in South Africa (cumulative total as of June 30, 2022) 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.

Category	See pages
Governance	73
Strategies	73–79
Risk Management	80
Indicators and Targets	81

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.

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	· Reputational damage due to the Company's efforts being deemed inappropriate
	Reputation	Changing customer and societal awareness of initiatives surrounding the transition to a decarbonized society	

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.

① Physical 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.

[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

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.

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).

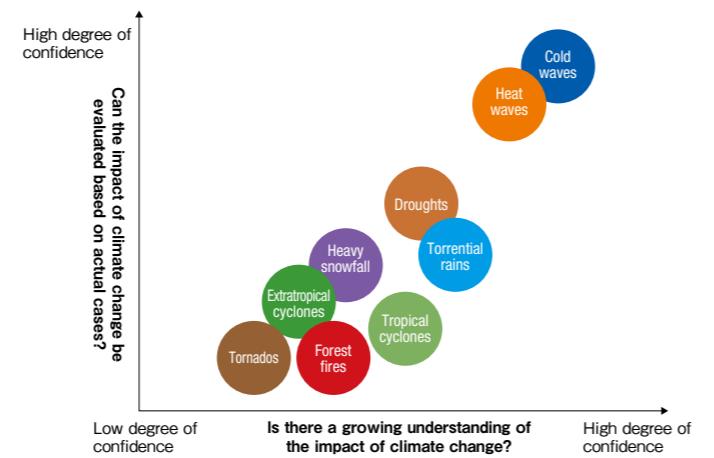


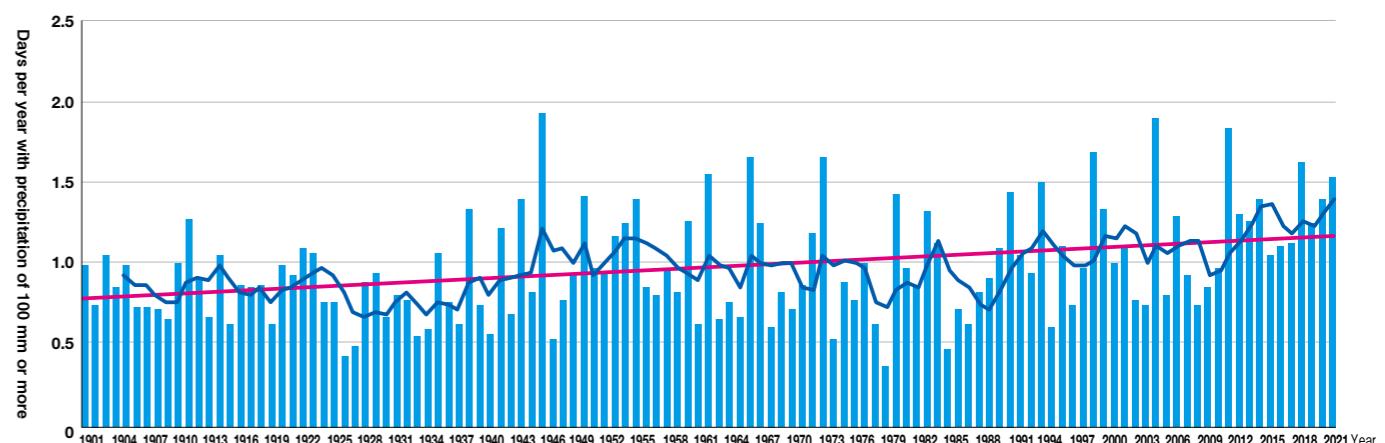
Figure 1: Confidence of impact forecasts of climate change
Source: Created by Tokio Marine Holdings based on material prepared by the U.S. National Oceanic and Atmospheric Administration*1

*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%.



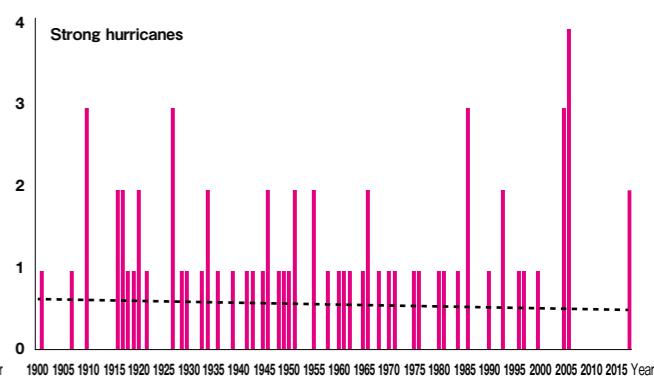
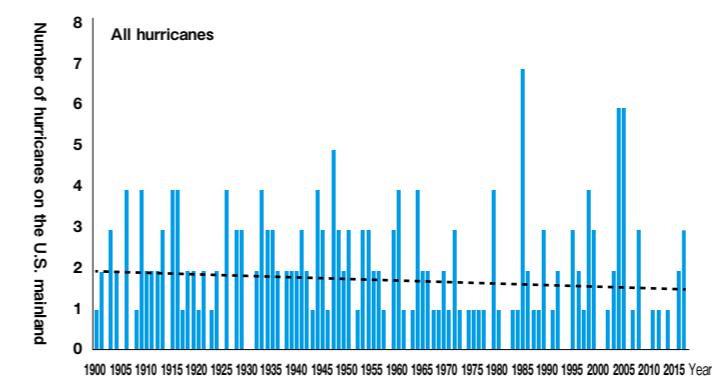
■ Impact of Climate Change on Tropical Cyclones

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).



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).

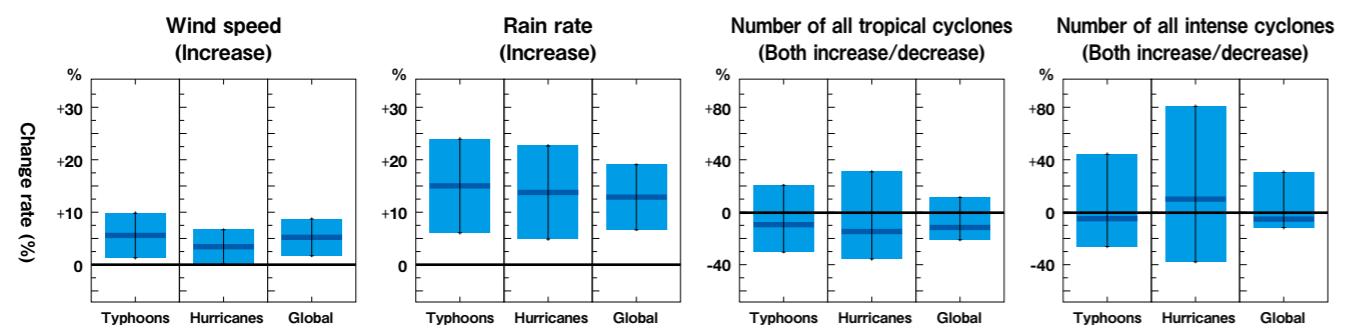


Figure 4: Changes in tropical cyclones due to a temperature change of +2°C Source: Created by Tokio Marine Holdings based on Knutson et al. 2020*4

*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.

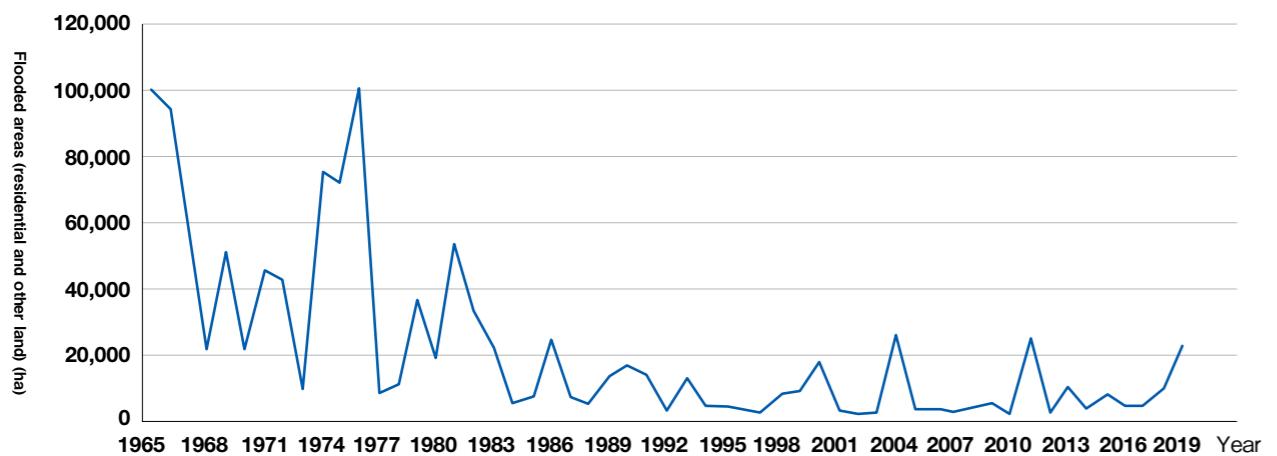


Figure 5: Areas inundated by floods (ha)
Source: Tokio Marine, based on materials from the Ministry of Land, Infrastructure, Transport and Tourism*5

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

*5: Ministry of Land, Infrastructure, Transport and Tourism (flood statistics)

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 Hurricane 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.

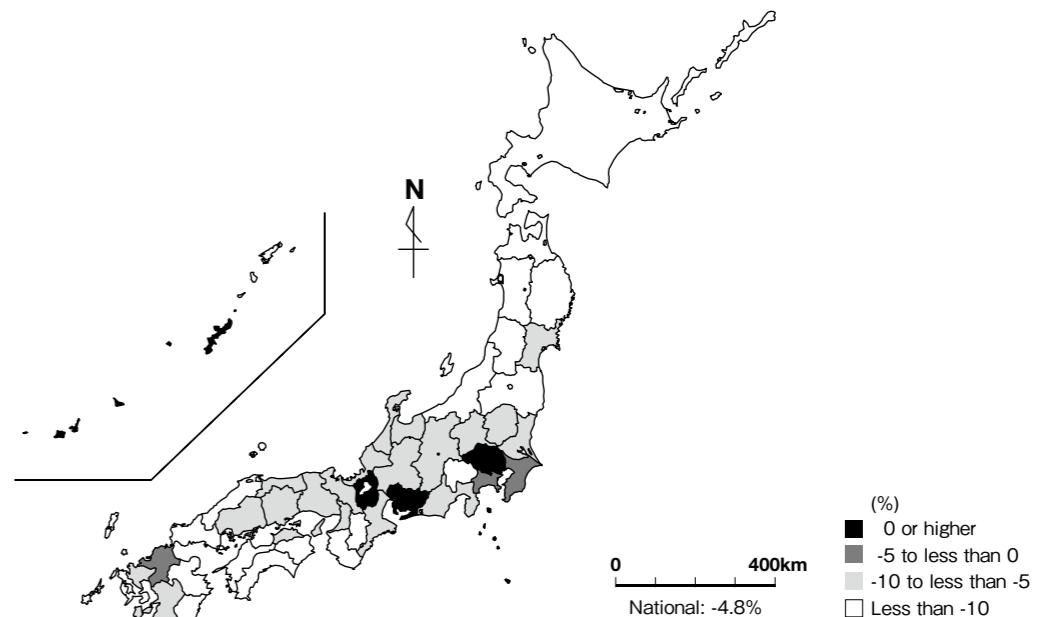


Figure 6: Changes in the number of households from 2015 to 2040
Source: National Institute of Population and Social Security Research*6

*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.

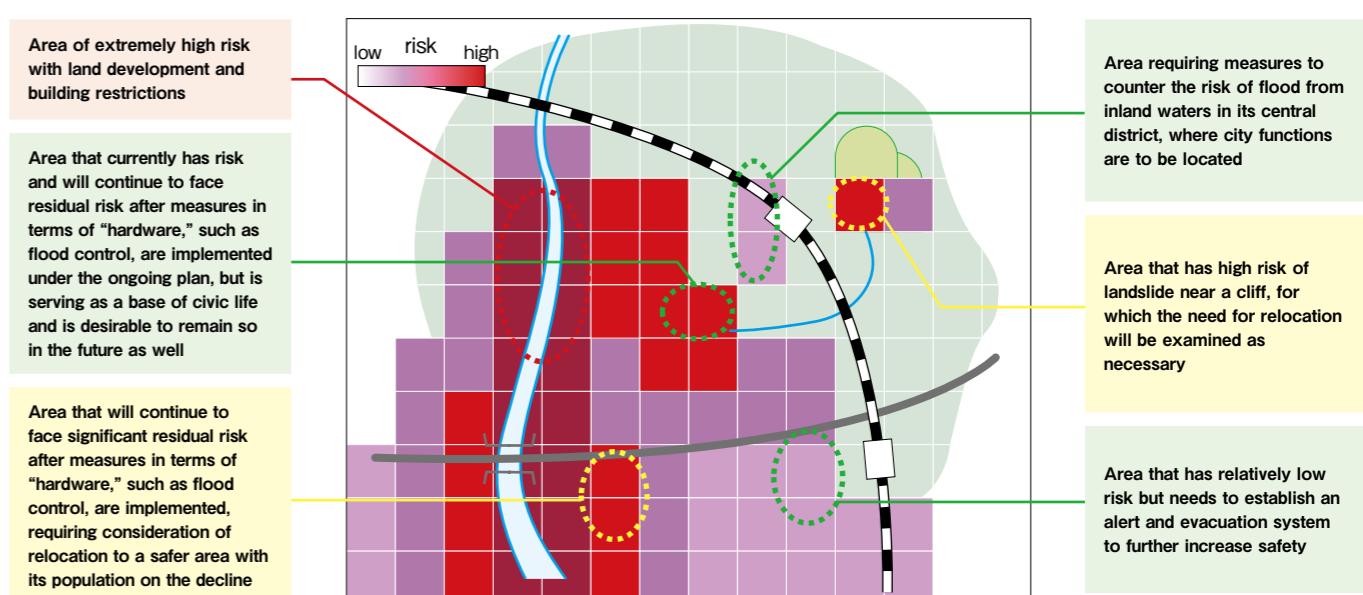


Figure 7: Directions in urban development based on the risk of water-related disasters
Source: Tokio Marine, based on materials from the Ministry of Land, Infrastructure, Transport and Tourism*7

*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.

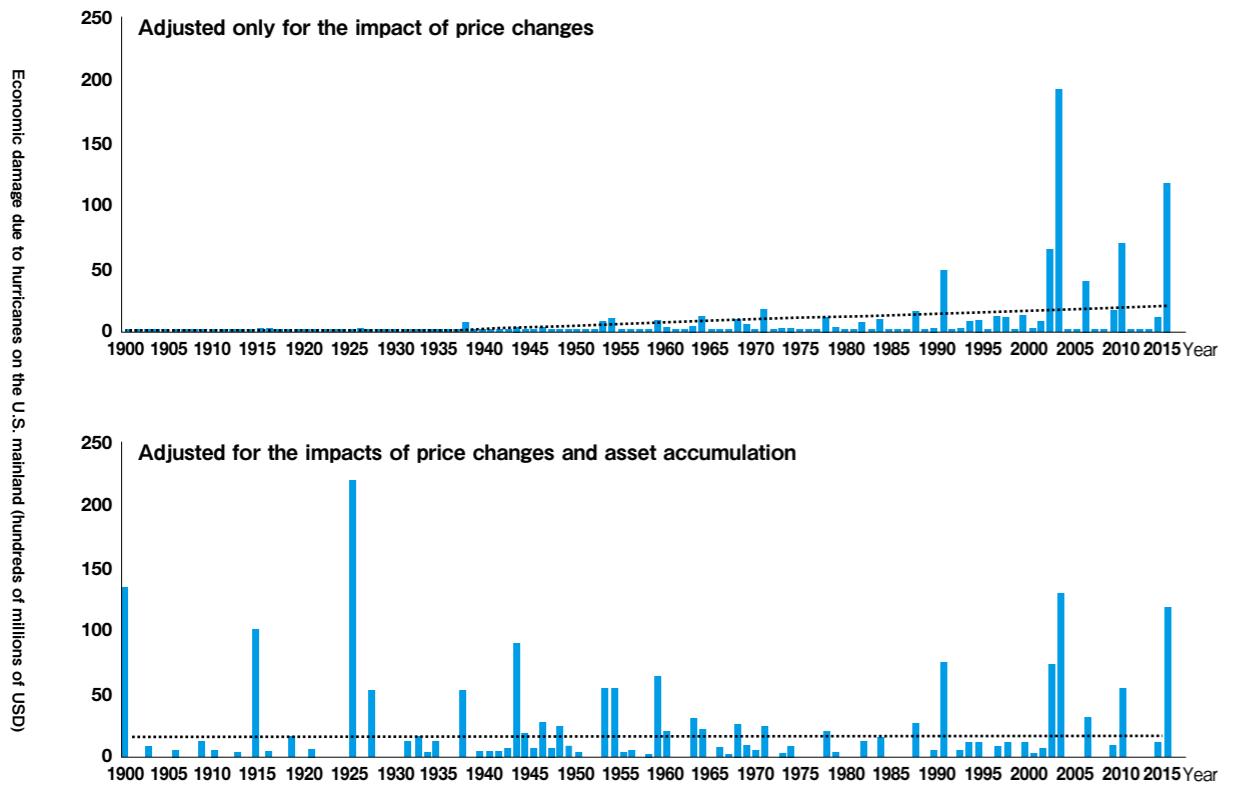


Figure 8: Economic Damage due to Hurricanes on the U.S. Mainland
Source: Created by Tokio Marine based on Klotzbach et al. 2018*

*8: 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.

② Transition Risks

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

Transition risks include 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

① The 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 CO₂ 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.

② Investment 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 Nissin Fire. We have also begun using data providers to conduct quantitative analyses of the greenhouse gas emissions of our portfolio companies.

③ Fund 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

④ Leading 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 (CO₂) 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 CO₂, 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 CO₂ emissions generated by the Group's overall business activities through CO₂ 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 (CO₂) 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 (CO₂) 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



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	<ul style="list-style-type: none"> Interview about the action plans of each company of the Group
Sharing messages	<ul style="list-style-type: none"> Sharing CDIO Nabeshima's video messages Distribution of the D&I booklet Delivery of the e-learning program
Reforming the corporate culture	<ul style="list-style-type: none"> 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

[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

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.

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.

Company



Established July 2021



Established November 2020

Capability

- Our Original Risk Data Platform
- Sophisticated Data Analysis System
- Providing Cutting-Edge Technologies and IoT Devices
- Adapting Agile Development and Implementation

Value Proposition

- Underwrite new risks that could not be conventionally undertaken
- Develop new solutions for the early detection and prevention domains

AI and Algorithm Technology Specialized in Risks

- Strengthen the resilience of customers and local communities through risk visualization and prediction



A lecture during the Data Science Hill Climb

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.

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

Increasing Employment Engagement

TMNF’s Employee Training (fiscal 2021)

Total training time: Around 314,000 hours

Total cost of training: Around 900 million yen

Promoting Highly Productive and Diverse Work Styles

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 Diversity & Inclusion

“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 Health and Productivity Management

See pages 82-83

See page 121

Directors and Audit & Supervisory Board Members

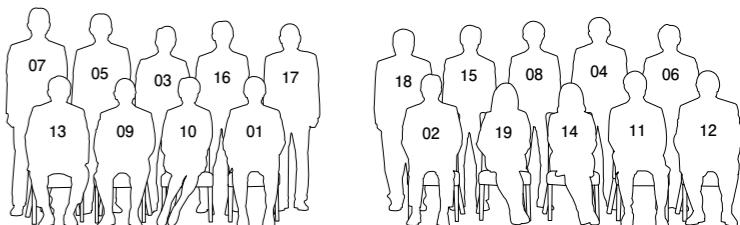


Directors

01 Chairman of the Board Tsuyoshi Nagano	03 Representative Director and Executive Vice President Akira Harashima	06 Managing Director Yoshinori Ishii	09 Outside Director Akio Mimura	12 Outside Director Nobuhiro Endo
02 Representative Director and President & Group CEO Satoru Komiya	04 Representative Director and Senior Managing Director Kenji Okada	07 Managing Director Kiyoshi Wada	10 Outside Director Masako Egawa	13 Outside Director Shinya Katanozaka
05 Senior Managing Director Yoichi Moriwaki	08 Director Shinichi Hirose	11 Outside Director Takashi Mitachi	14 Outside Director Emi Osono	

Audit & Supervisory Board Members

15 Audit & Supervisory Board Member (Full-Time) Hirokazu Fujita	18 Outside Audit & Supervisory Board Member Akihiro Wani
16 Audit & Supervisory Board Member (Full-Time) Takayuki Yuasa	19 Outside Audit & Supervisory Board Member Nana Otsuki
17 Outside Audit & Supervisory Board Member Akinari Horii	





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 Osuno) 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.

Osuno: 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.

Osuno: 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.

Osuno: 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. Osuno 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 (TCFD) 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



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.

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.

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

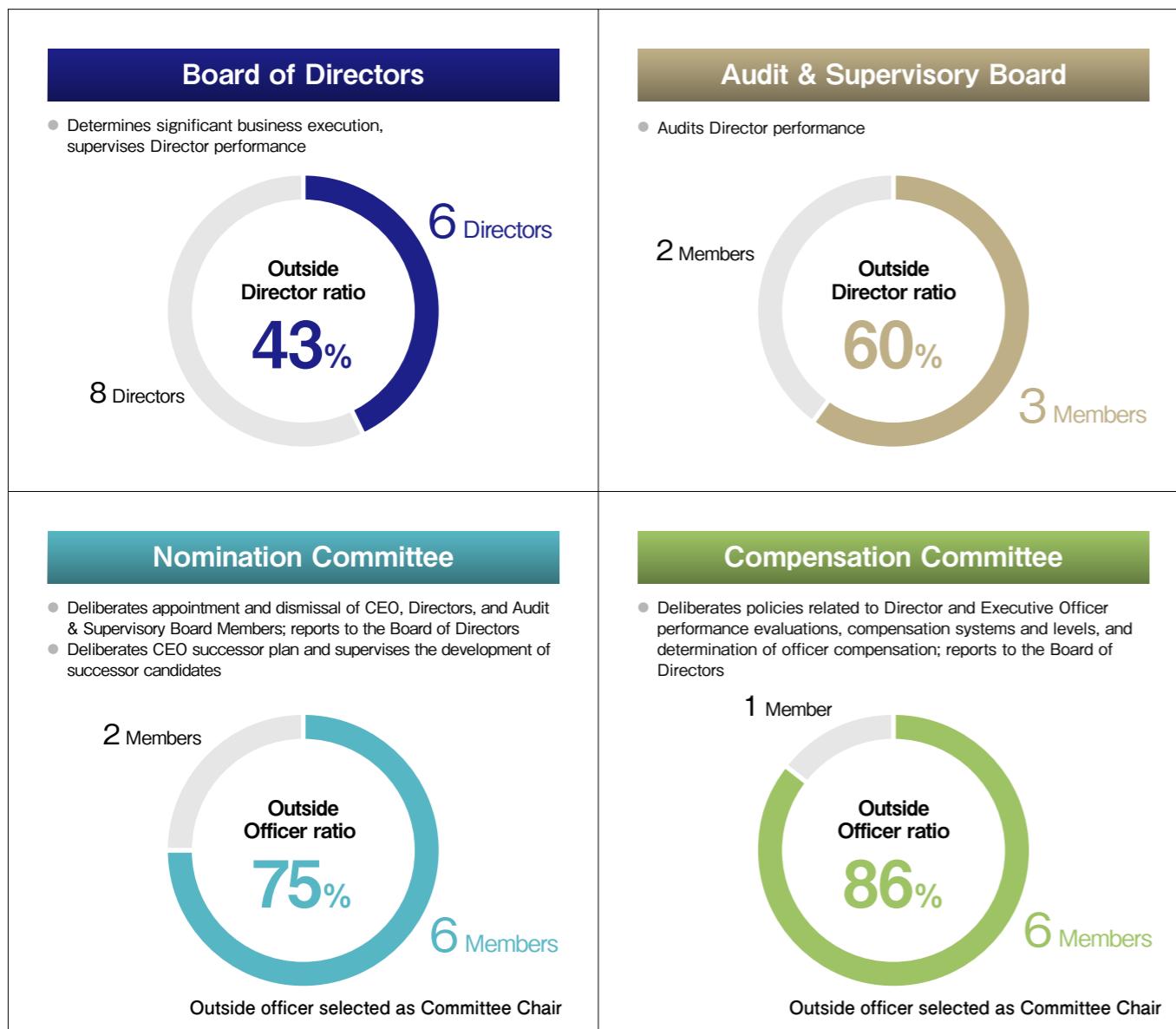
The corporate governance system of the Company is designed as a hybrid structure whereby the Nomination Committee and the Compensation Committee are established in addition to the structure of a company with an Audit & Supervisory Board.

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



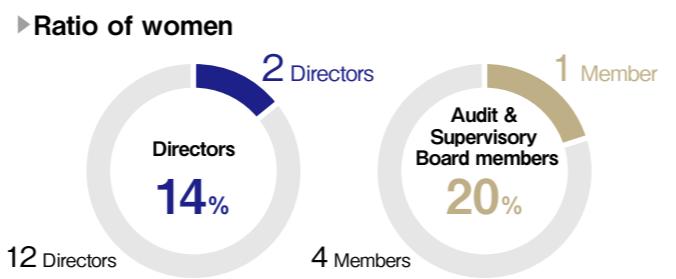
► Record of Measures to Strengthen Corporate Governance

	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								
Membership				November Evaluations of effectiveness of the Board of Directors (surveys administered to all Directors and Audit & Supervisory Board Members) commenced								
Policies												
Compensation												

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%.



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.

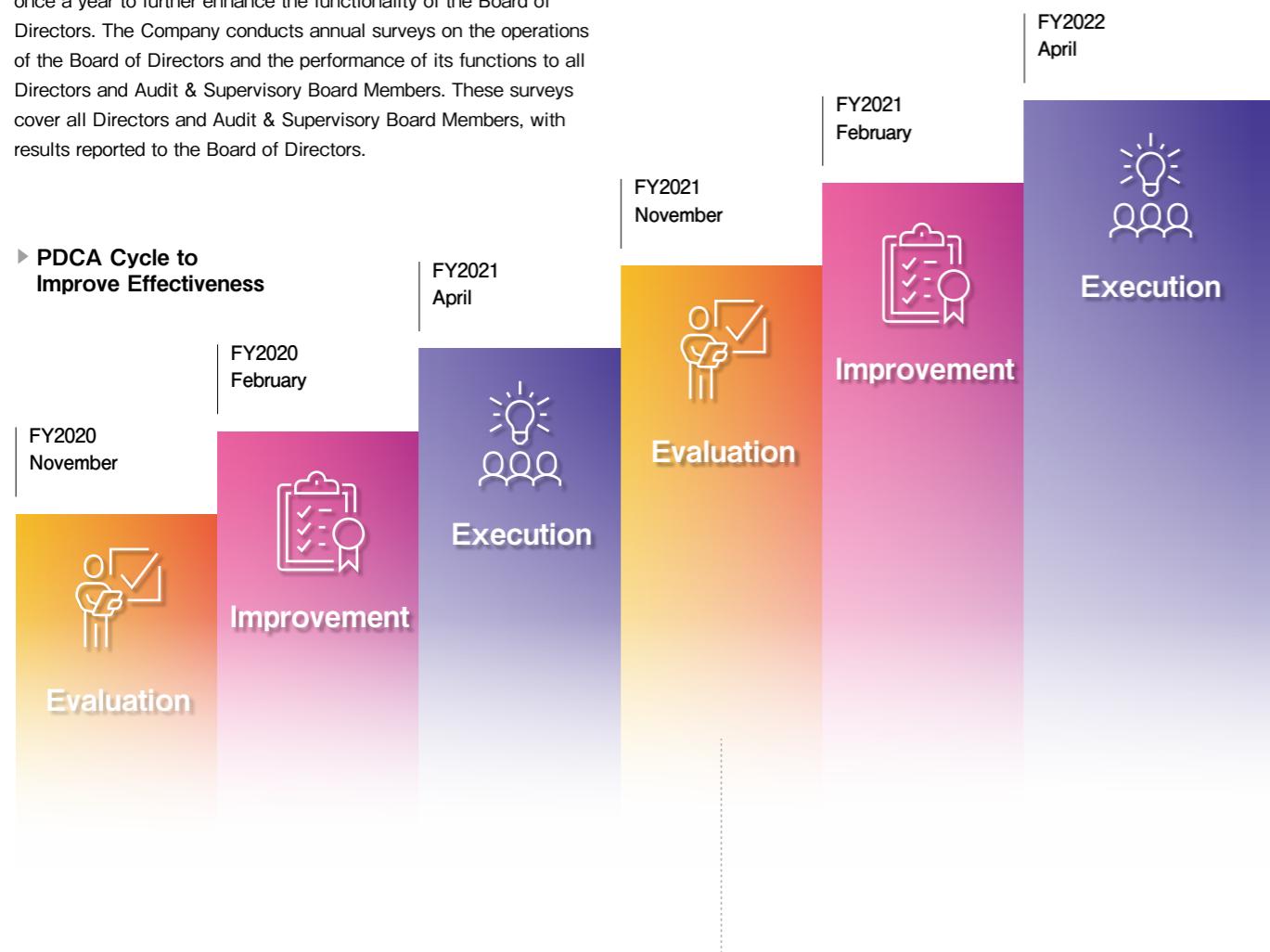
3: All 10 Board of Directors' meetings held during fiscal 2021 were ordinary meetings. All 10 Audit & Supervisory Board meetings held during fiscal 2021 were ordinary meetings.

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	<p>(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</p> <p>(2) Regarding the ease with which the proponents' explanations of agenda items can be understood, as well as the time set aside for this</p> <p>(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)</p> <p>(4) Whether the Board of Directors is sufficiently fulfilling its functions of determining significant business execution and supervising the work of directors</p> <p>(5) About the composition of the Board of Directors (e.g., number of members, inside/outside ratio, diversity)</p> <p>(6) About the themes of "Discussions on Corporate Strategy"</p> <p>(7) Other opinions on the management of the Board of Directors in general</p>

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.

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."

▶ "Discussions on Corporate Strategy" Themes

Fiscal Year	Themes
FY2021	<ul style="list-style-type: none"> (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	<ul style="list-style-type: none"> (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	<ul style="list-style-type: none"> (1) Tokio Marine Group CSR/Sustainability initiatives and SDGs; (2) exchanging opinions with overseas subsidiary heads; and (3) Tokio Marine Group digital strategies
FY2018	<ul style="list-style-type: none"> (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

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.

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
	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)	<ul style="list-style-type: none"> ● 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)	<ul style="list-style-type: none"> ● 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.

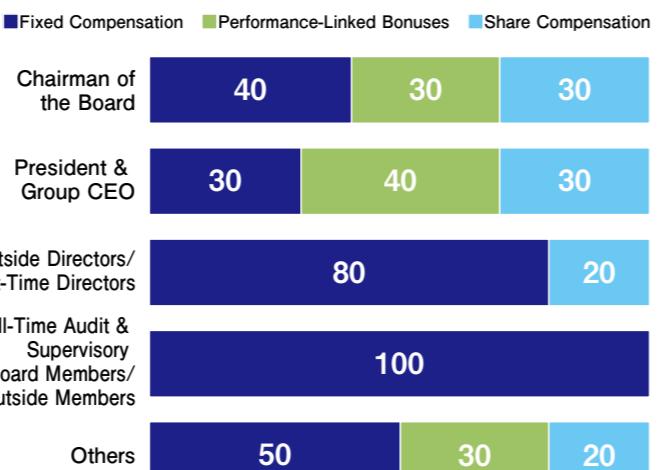
Overview of the Compensation Committee in Fiscal 2021

Fiscal Year	Theme
First meeting (May 20, 2021)	<ul style="list-style-type: none"> ● 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)	<ul style="list-style-type: none"> ● 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)	<ul style="list-style-type: none"> ● 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).

- Individual targets: Set according to the responsibilities of each director (including ESG and medium- to long-term strategic targets*).
- 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.

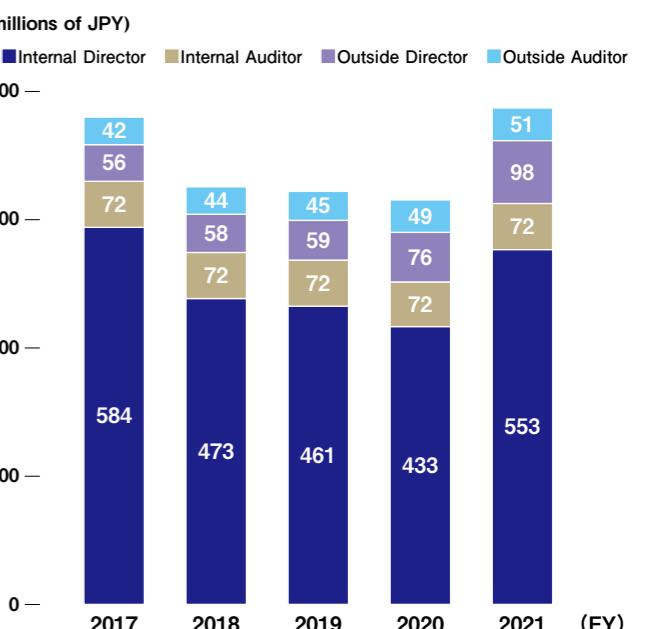
In the future, we will aim to continuously raise the level and realize high and consistent incentive accountability based on new developments in internal discussions about sustainability strategies and trends in the maturation and establishment of ways to evaluate non-financial indicators in the market.

(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 >



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



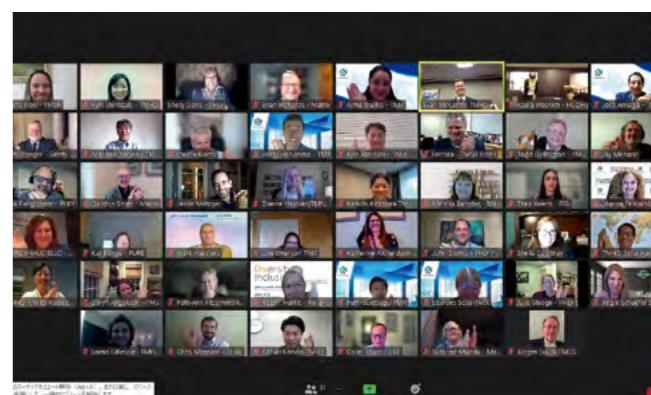
A town hall meeting (President Hirose, TMNF)



Tokio Marine In Focus

東京海上ホールディングス
グループデジタル戦略総括（CDO）
生田目 雅史

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



Tokio Marine Group Good Company Awards
(online awards ceremony)

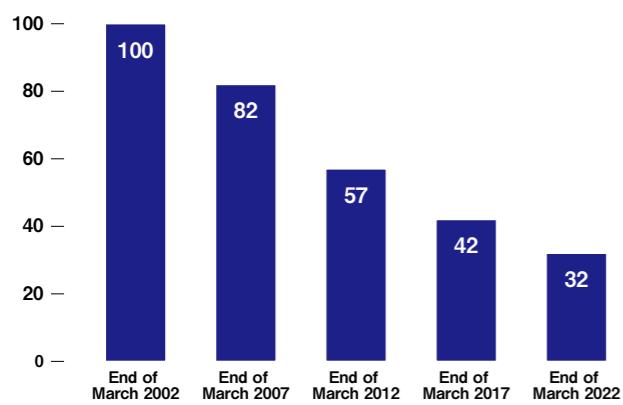
Reduction of Business-Related Equities

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



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."

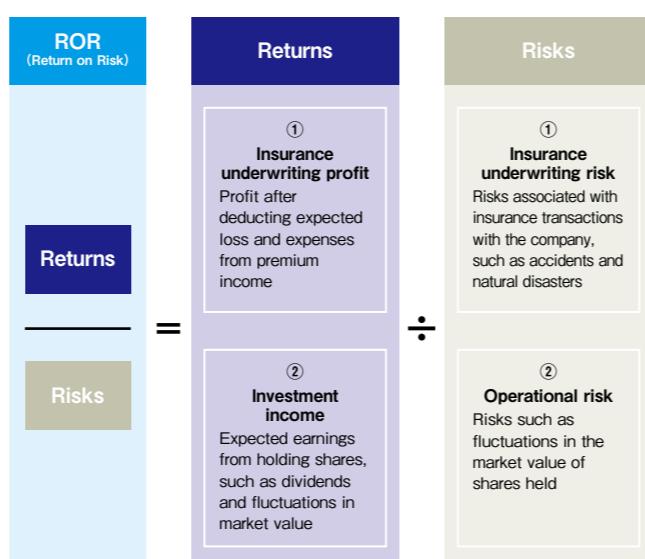
Content of Revisions to Fundamental Corporate Governance Policy

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.
	(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.
After Revision	

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.



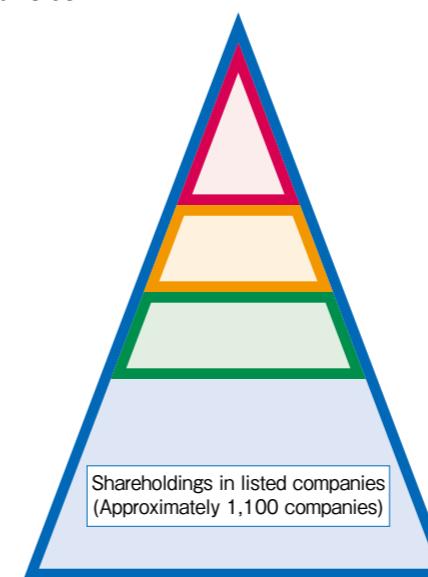
Dialogue Based on the Stewardship Code

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

Held Market Value



- ① Dialogue with companies with particularly large market values
Dialogue based on the impact on the market and the value of the Company's assets.
- ② Dialogue based on market value and financial conditions
The Company decides which investee to engage in a dialogue, by taking into account the financial conditions of the companies with the top market values.
- ③ Dialogue based on the status of consideration for ESG
The other party to the dialogue will be decided based on the company's consideration for ESG.
- ④ Dialogue based on voting rights exercise criteria
Regarding the proposals at the General Meeting of Shareholders of all listed companies, the Company will engage in a dialogue, if necessary, in accordance with the Company's voting criteria.

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.
S 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.
G 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.
	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



2021 Award for Excellence in Corporate Disclosure
— Industries —
SAAI The Securities Analysts Association of Japan



WITH GRADE AAA Corporate Websites 2021

Nikko Investor Relations Co., Ltd.

Ranking in all listed companies in Japan



Internet IR Excellence Award 2021
Tokio Marine Holdings

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

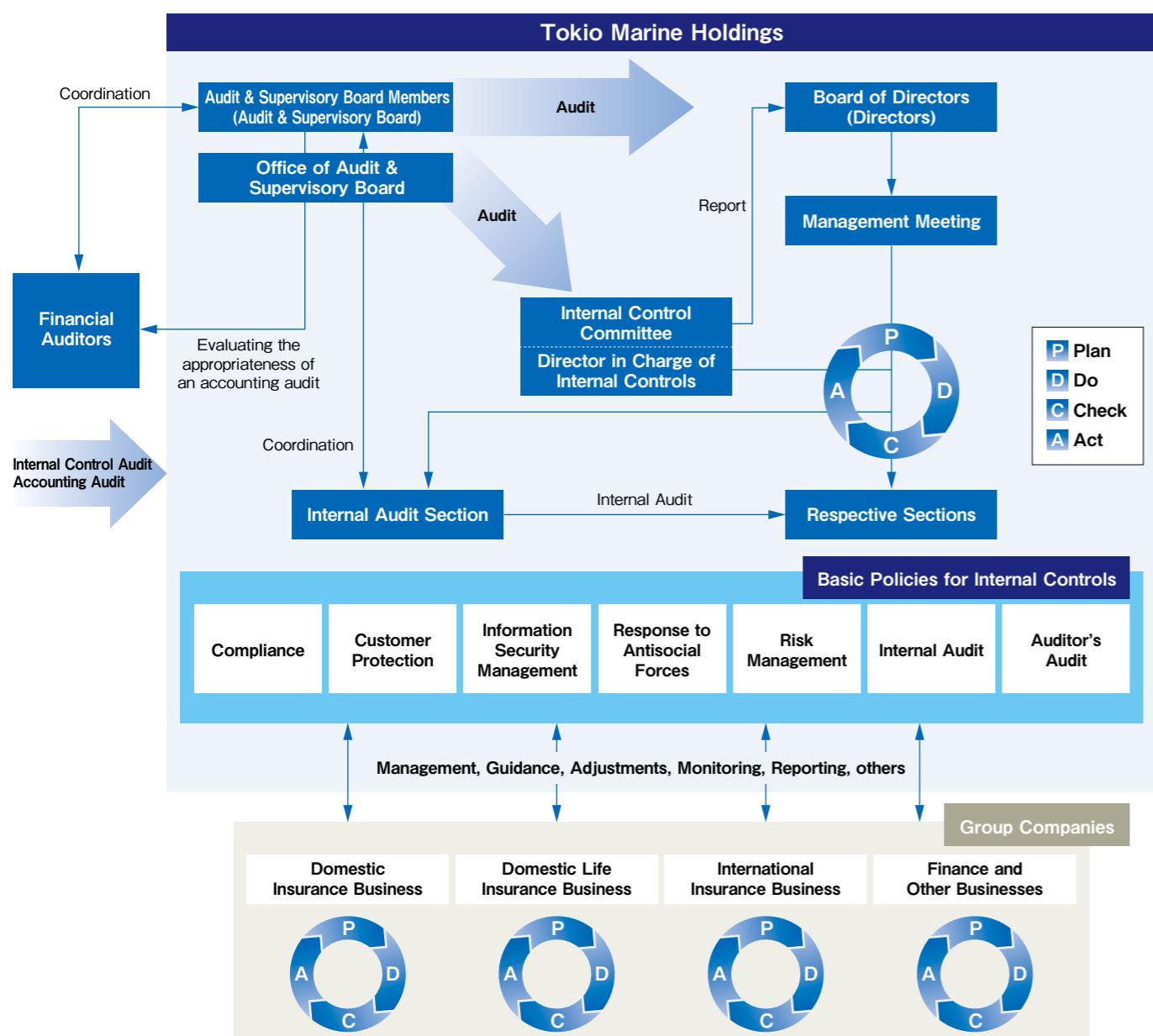
Internal Control System

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

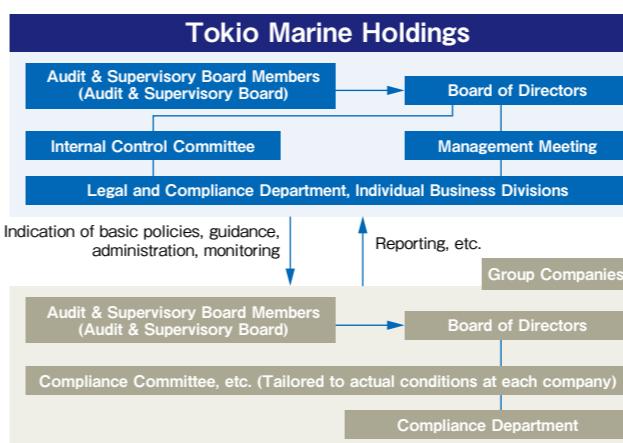
The Company has formulated the "Tokio Marine Group Basic Policies for Compliance" and the "Tokio Marine Group Code of Conduct," and a compliance system is in place Group-wide based on this framework. Also, the Company has built a structure to ensure Group-wide compliance by periodically monitoring the 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

Ranking	Country	Life premiums	Non-life premiums	Total premiums (millions of USD)		
				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

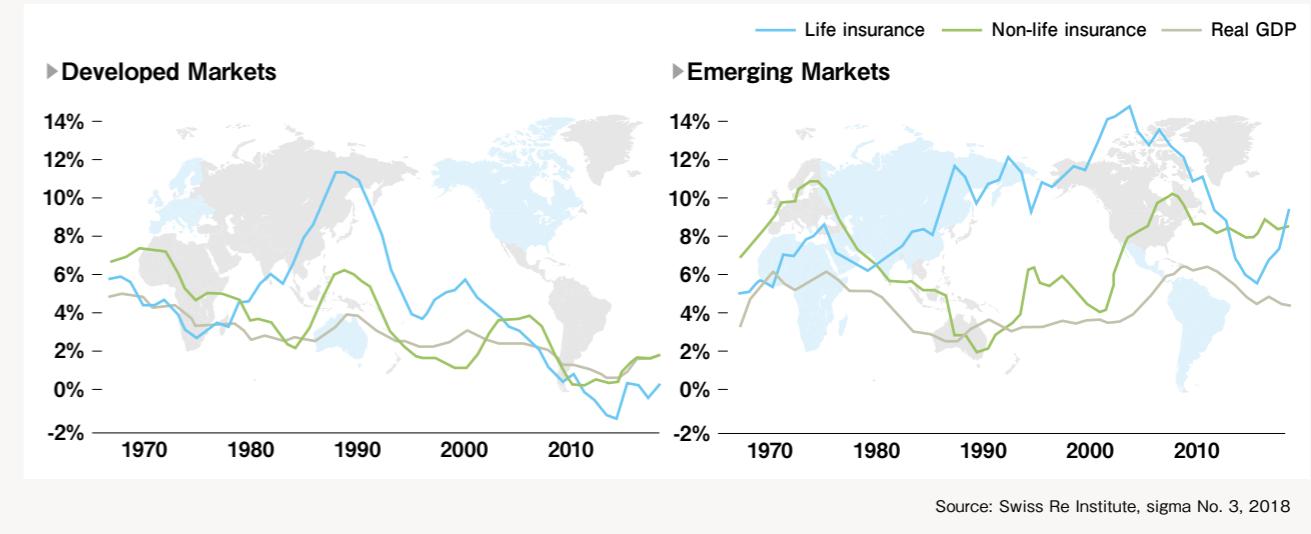
Source: Swiss Re Institute, sigma No. 3, 2021

For Reference

In addition to stable growth in developed markets, capturing booming emerging markets is the key.

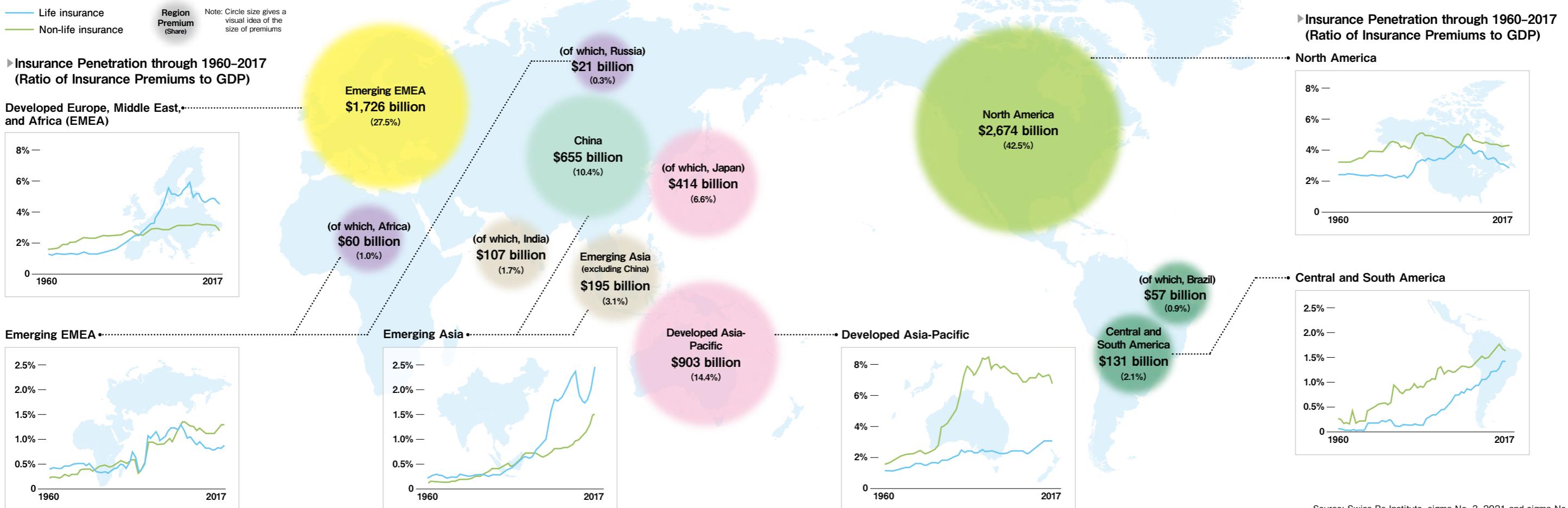
Non-life premiums grow in tandem with economic growth in developed markets. However, in emerging markets, which have low levels of insurance penetration and upward trends in populations, insurance premiums show growth that exceeds economic growth. Note that increases in life premiums are greatly impacted 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

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

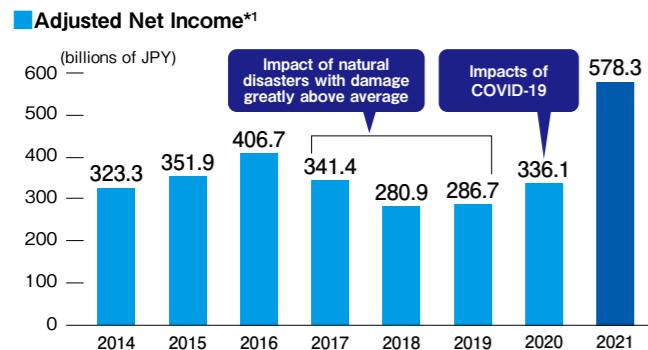


Source: Swiss Re Institute, sigma No. 3, 2021 and sigma No. 3, 2018

Financial Highlights

Promoting risk diversification and generating stable profits

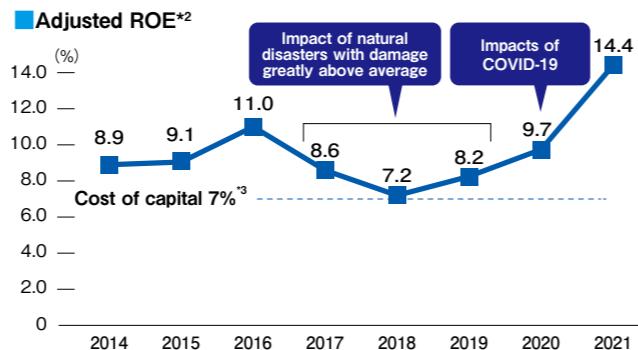
As a result of building a well-balanced business portfolio both geographically and in business terms, we have been able to generate stable profits even in the past few years that have seen a number of large natural disasters.



*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.

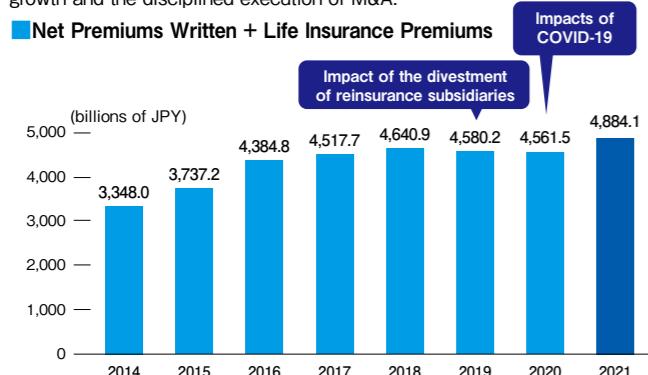


*2: Indicator used for business plans and shareholder return; please see page 136 for details.

*3: Return expected by investors; calculated using the capital asset pricing model (CAPM).

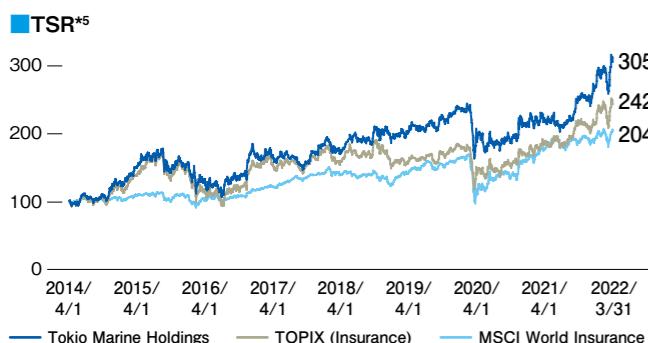
Steady expansion of Top-Line

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.



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.



Source: Bloomberg

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

Non-Financial Highlights

Combat climate change

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

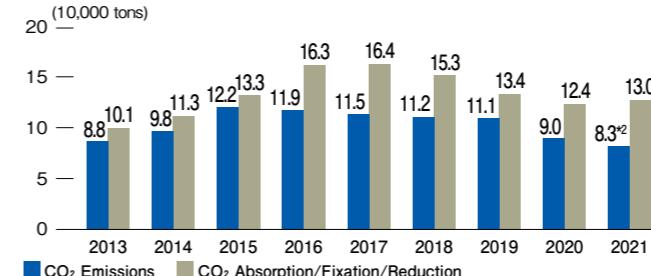
Tokio Marine Group has achieved carbon neutrality^{*1} in its business activities for nine years running since fiscal 2013 through its mangrove planting activities.

Targets toward fiscal 2030

① CO₂ 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 (10,000 tons)



*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: CO₂ emissions for FY2021 reflect a CO₂ reduction effect of 9,000 tons from buying green power

Protect the natural environment

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

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.

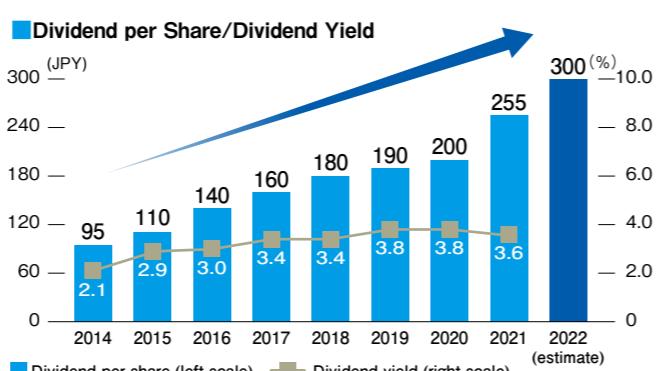
Cumulative Total of Collaboration Agreements with Local Governments^{*3}

Prefectures	38
Ordinance-designated cities	10
Other cities	70

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

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.

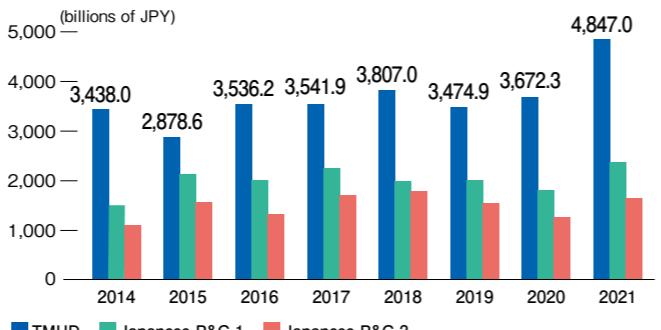


*4: Before consideration of stock split in October 2022

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



■ TMHD ■ Japanese P&C 1 ■ Japanese P&C 2

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."

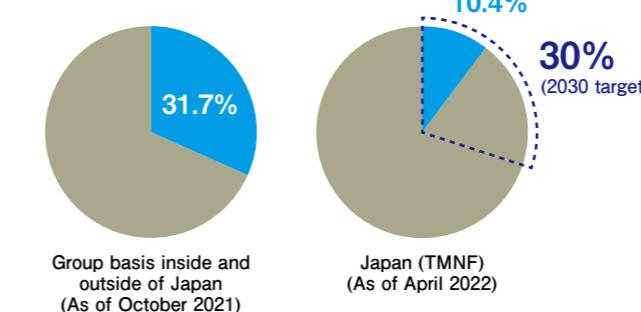


Promote and support diversity and inclusion

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

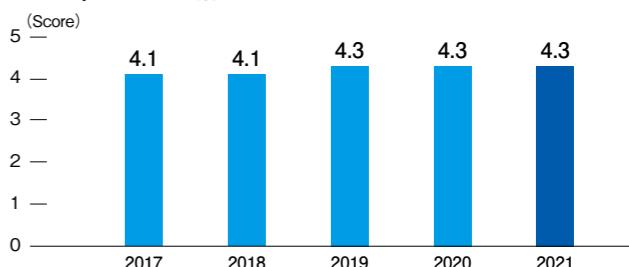


Promote and support diversity and inclusion

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.

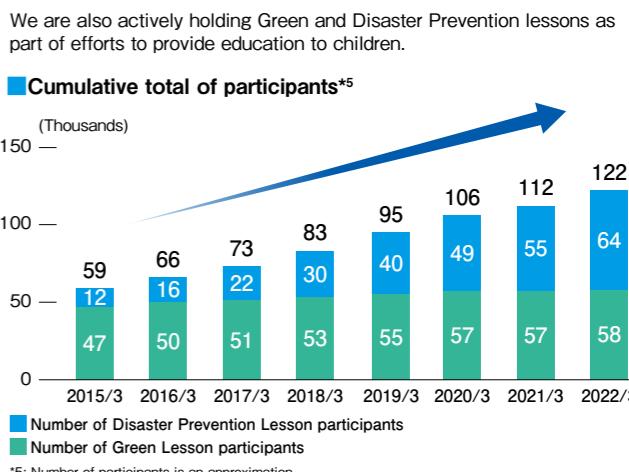
Group Attachment^{*4}



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

Improve disaster resilience Protect the natural environment Provide education to children

Active participation in social contribution activities



*5: Number of participants is an approximation.

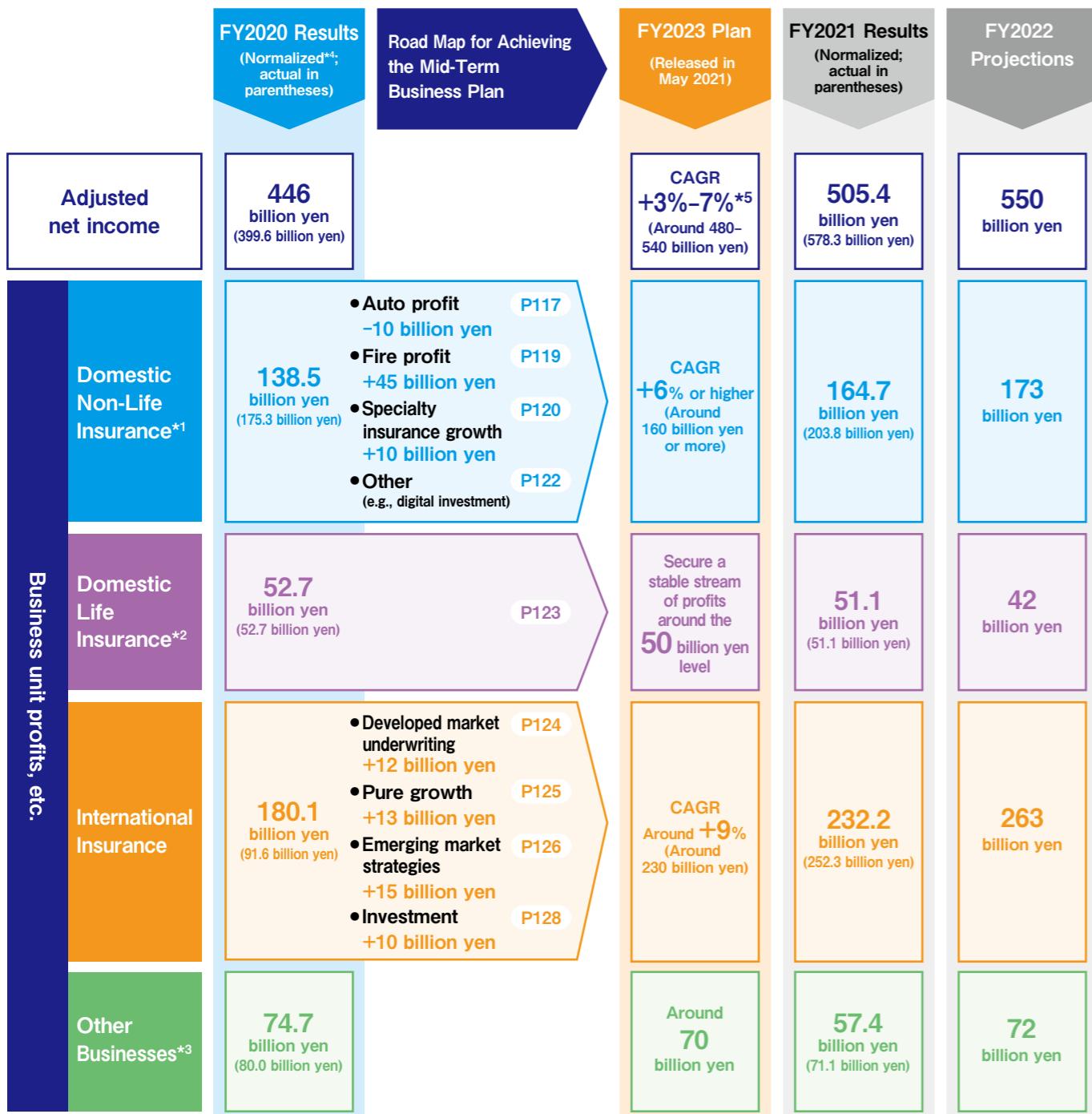
Progress of Current Mid-Term Business Plan by Business Unit

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.



^{*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.

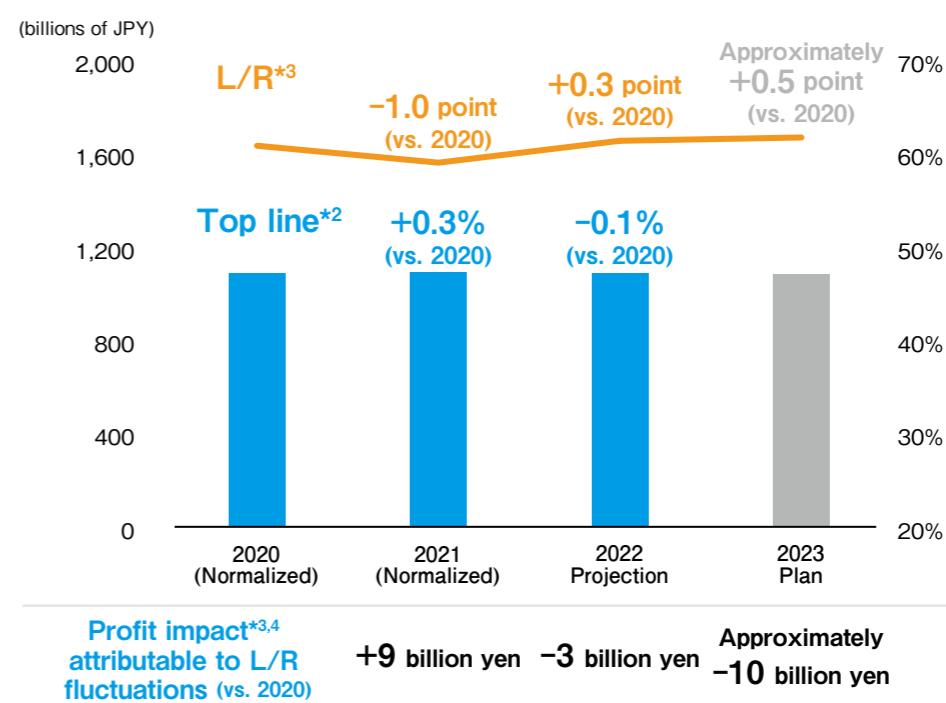
Key Measures

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



^{*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.

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.

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.

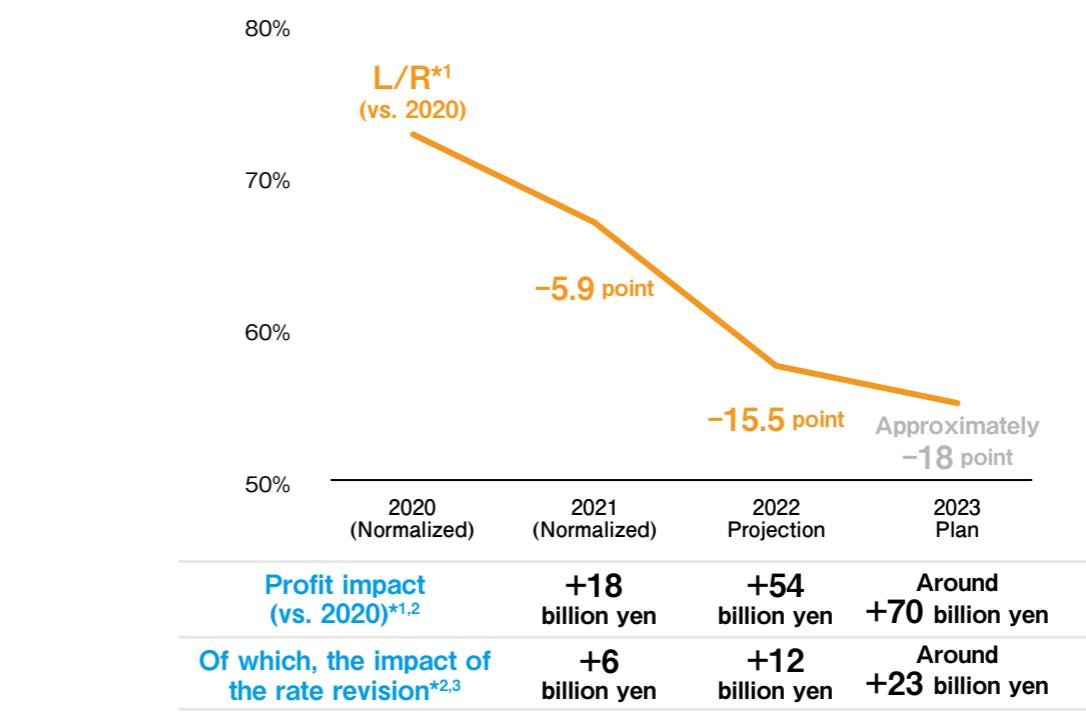
Key Measures

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.



^{*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.

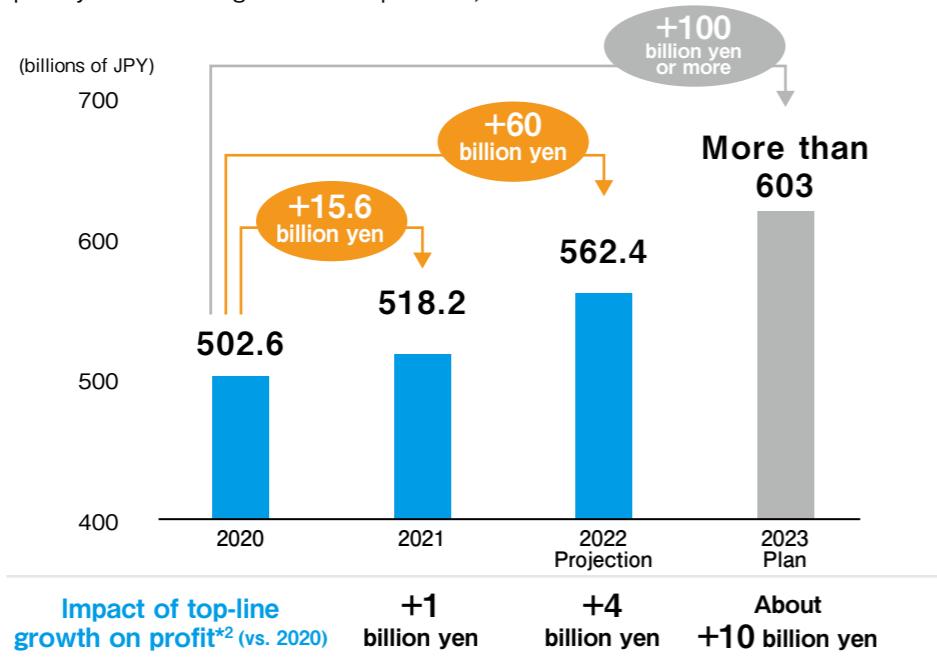
Key Measures

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

Healthcare	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Strengthen digital contact points with SME markets Increase revenue by strengthening alliances with commerce and industry associations and improving product appeal
Renewable energy	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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.



*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.

[Q Tokio Marine Sustainability](#) Search by clicking

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.

*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

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.



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



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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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)

Trends in the C/R^{*2}

2020 (Normalized)	2021 (Normalized)	2022 Projection	2023 Plan
93.2%	92.6%	Approximately 92%	

C/R improvement (vs. 2020)

-0.2 point	-0.8 point	More than -1.0 point	
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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)	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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)

2020	2021	2022 Projection	2023 Plan
43.3	51.9	56.0	

Bottom-Line
(billions of JPY)

2020	2021	2022 Projection	2023 Plan
52.7	51.1	42.0	42.0

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)

Return^{*2}

Risks^{*3}

Legend:

- Installment variable insurance
- Cancer treatment insurance (from Feb. 2022) 7% ROR (TMHD capital cost)
- Disability insurance
- Medical insurance with relaxed underwriting criteria
- Long-term care annuity insurance (from Aug. 2021)

*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)

*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)

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Tokio Marine Holdings, Inc. Integrated Annual Report 2022

3

Strategy & Business Platform Supporting Our Purpose Story

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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%.

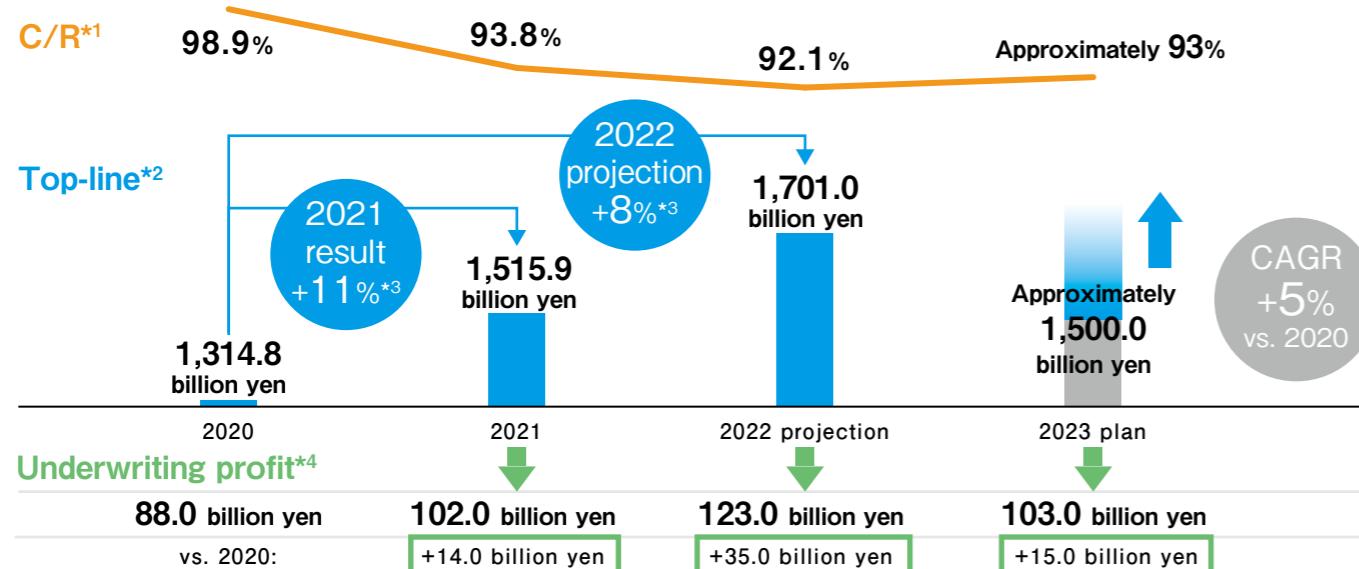
Key Measures

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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 \times (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

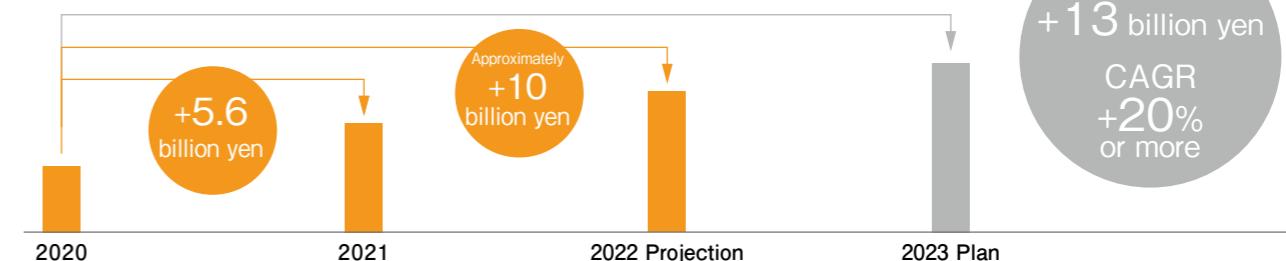
We will work to continuously expand our business scale, which is the base of our fee revenue, on the back of our strong competitiveness and achieve the MTP targets.

(1) Implement growth strategies	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

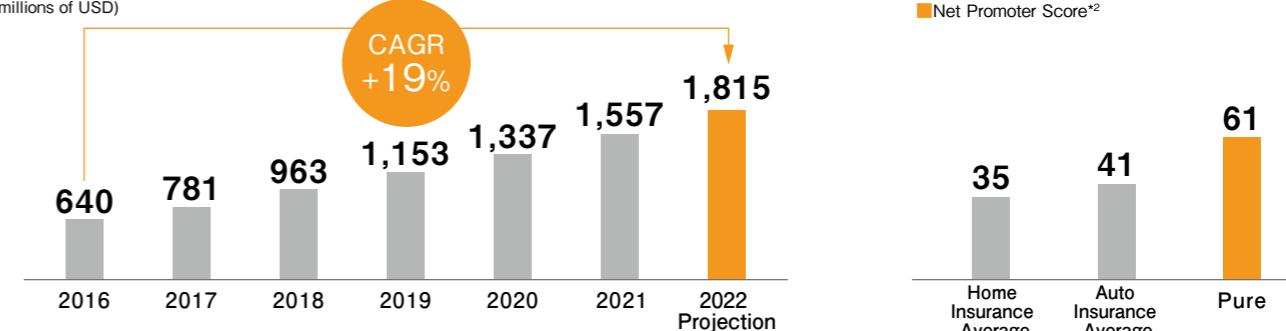
Progress Status

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.

Business unit profits*1

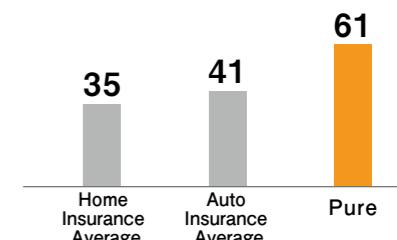


Premiums under management company (millions of USD)



vs. 2020
+13 billion yen
CAGR
+20%
or more

Strong customer loyalty
Net Promoter Score*2



*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.

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

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.

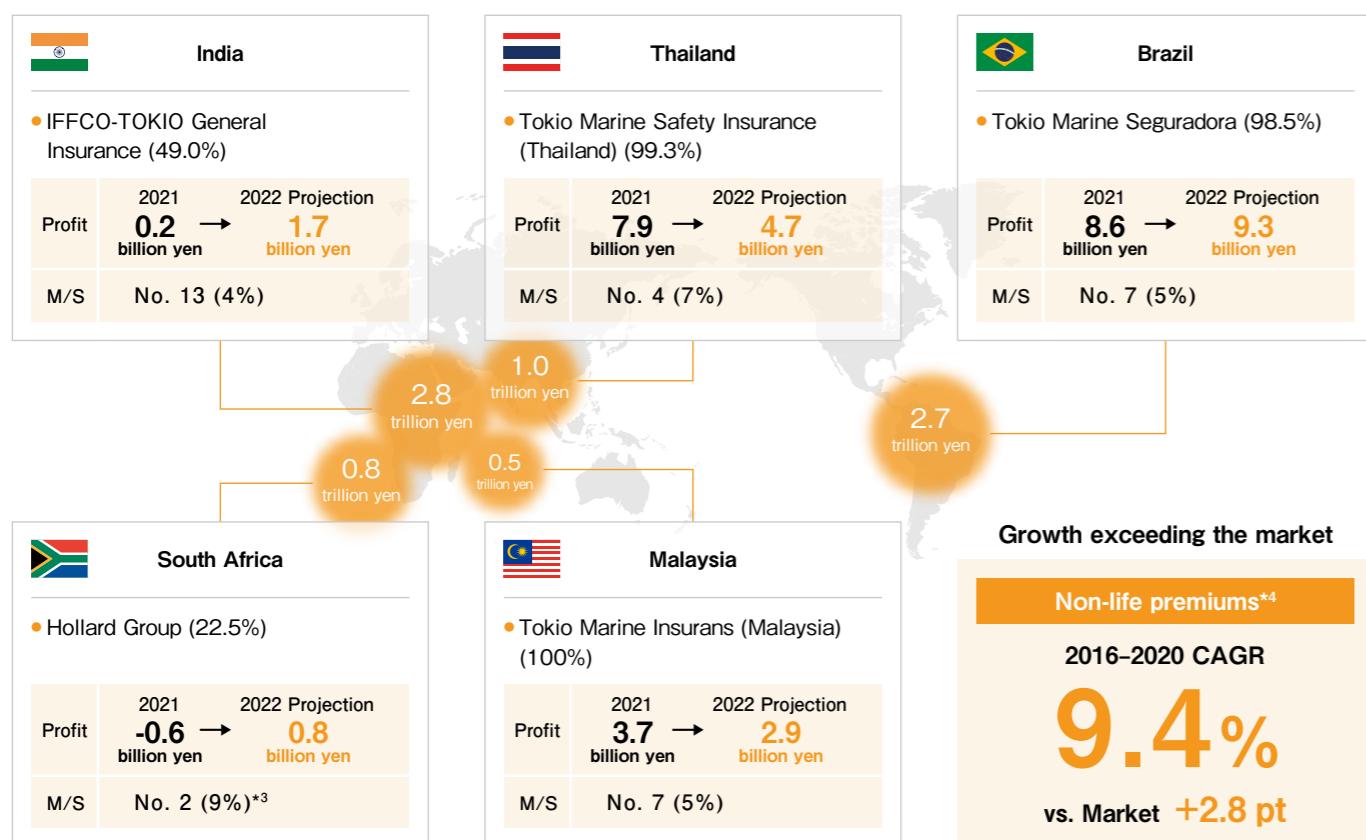
Strategic Business Development Based on Conditions in Each Country

- 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



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.

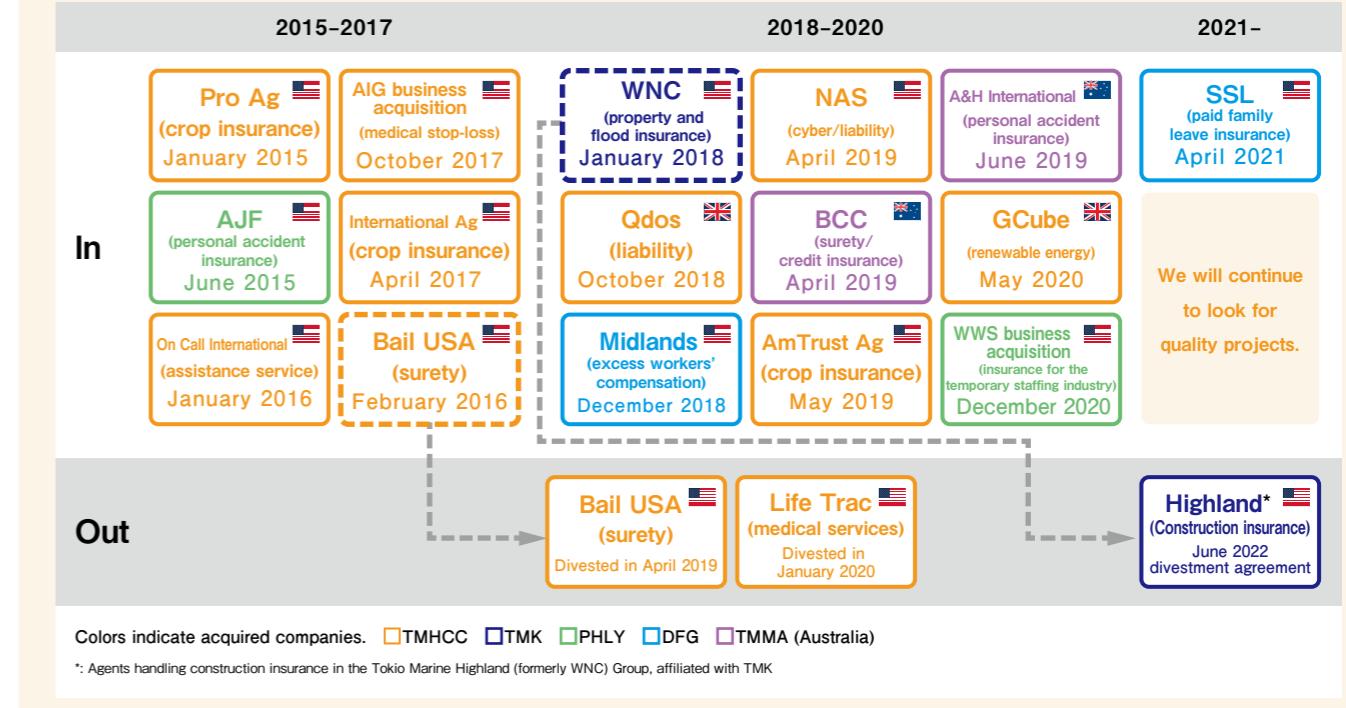
Under the proactive governance of Tokio Marine Holdings, we will further enhance the quality of our bolt-on M&A deals and accelerate growth by utilizing, within each Group company, TMHCC's know-how developed through more than 60 successful bolt-on M&A deals.

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



Latest M&A deals



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



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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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

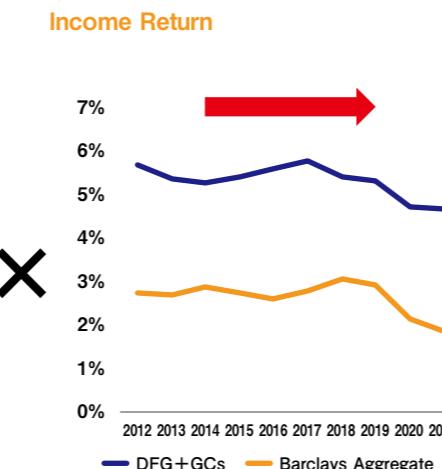
Although the current market environment is in a state of considerable flux, steady progress is being made with stable investment income growth through an integrated asset management style combining Japan and the United States based on investments held aligned with the characteristics of insurance liabilities. 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.



- Stable growth of investment income



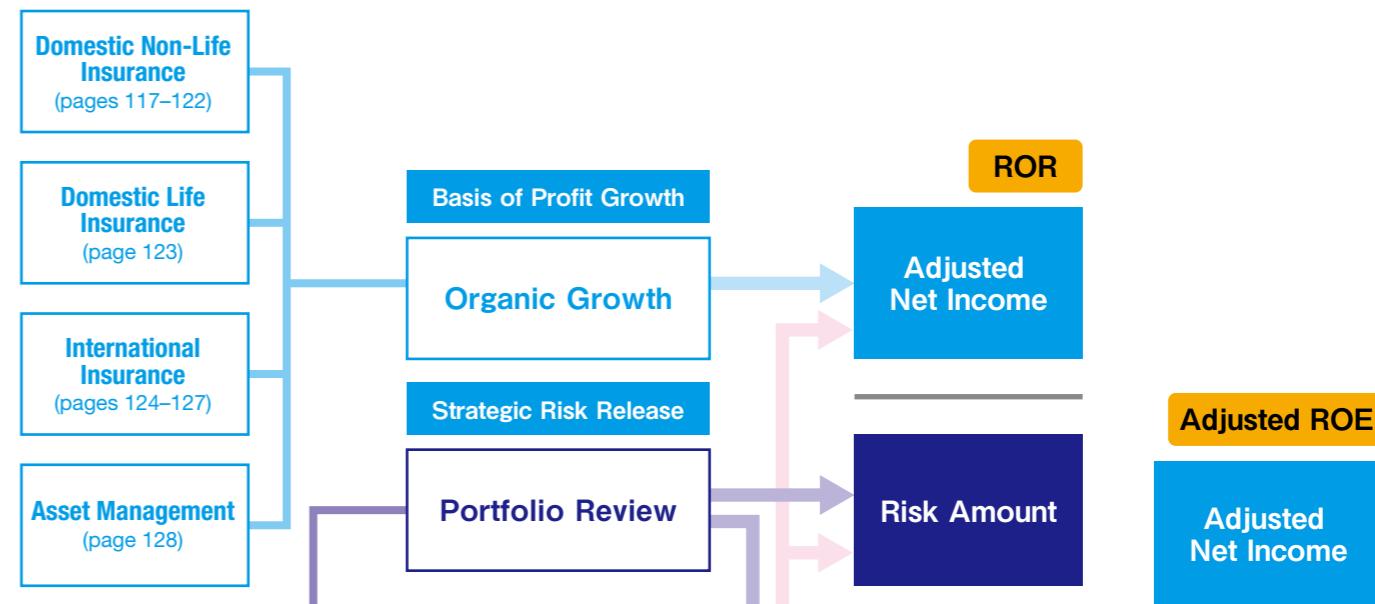
- Steady increase of AUM by business growth and by investment
- Increase in assets entrusted by GCs



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

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 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

Principles for Financial Action for the 21st Century



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



Sustainable Investment



United Nations Principles for Responsible Investment

- In Tokio Marine Group, 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

Net-Zero Insurance Alliance



The Geneva Association

Asia-Pacific Financial Forum

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



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



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.



Awards for ESG Initiatives



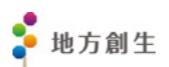
- Tokio Marine Group included in 2022 "Health & Productivity Stock Selection program" (seventh consecutive year)
- Tokio Marine Group selected as an Excellent Enterprise of Health & Productivity Management/Large Enterprise Category together with 12 Group companies, of which six were recognized as White 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	Relevant Sustainable Development Goals																	
			1 SDG 1 No Poverty	2 SDG 2 Zero Hunger	3 SDG 3 Good Health and Well-being	4 SDG 4 Quality Education	5 SDG 5 Gender Equality	6 SDG 6 Clean Water and Sanitation	7 SDG 7 Affordable and Clean Energy	8 SDG 8 Decent Work and Economic Growth	9 SDG 9 Industry, Innovation, and Infrastructure	10 SDG 10 Reduced Inequalities	11 SDG 11 Sustainable Cities and Communities	12 SDG 12 Responsible Consumption and Production	13 SDG 13 Climate Action	14 SDG 14 Life Below Water	15 SDG 15 Life on Land	16 SDG 16 Peace, Justice, and Strong Institutions	17 SDG 17 Partnerships for the Goals	
E Environmental	Promoting environmental management	Reduction of environmental impacts of business activities and achievement of a carbon neutral state																●	●	
	Preserving biodiversity through products and services	Promotion of web-based insurance contracts and omission of issuing issuance 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"				●	●										●	●	●	●
	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 (Chionori 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.							●	●								●	●	●
G Governance	Developing industrial foundations	Support for corporate health and productivity management efforts Partnership between local governments and businesses operators to advance regional revitalization initiatives Contribution to the development of society through sports		●					●											●
	Increasing employee motivation	Promotion of diversity and inclusion Promotion of work-style reforms, and health and productivity management Human resources development that leverages the Group's collective strengths				●	●										●	●	●	●
	Enhancing corporate governance	Appointment of outside directors with diverse expertise, and adoption of hybrid corporate governance structure Enhancement of governance through the execution of 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

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
(Yen in millions unless otherwise indicated)											
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 Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No.21), the former Net income is Net income attributable to owners of the parent from FY2015.

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.

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.

6. The main reason for the increase in CO₂ emissions from FY2015 was the expansion of coverage for calculation of Scope 3 (Other Indirect Emissions). The CO₂ emissions for the fiscal year ended March 31, 2022 reflects a CO₂ 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 Income¹	=	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 Assets¹	=	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 Profits¹	=	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 business⁶

Business Unit Profits¹	=	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 Value¹	=	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
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*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

	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

	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

	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

	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

	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

	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

	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

	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 sum 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

	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

	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

	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

	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)	(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	224,397	19.27	13.50
Hull and cargo	68,398	4.81	48,673	4.18	12.08
Personal accident	31,623	2.23	29,843	2.56	2.48
Voluntary automobile	278,296	19.59	241,229	20.71	(5.36)
Others	773,867	54.47	620,389	53.27	(3.89)
Total	1,420,648	100.00	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	115,818	19.75	14.05
Hull and cargo	26,385	3.95	19,507	3.33	(17.35)
Personal accident	15,065	2.25	12,813	2.18	(16.13)
Voluntary automobile	148,923	22.27	139,492	23.78	(6.40)
Others	328,448	49.11	298,860	50.96	(3.69)
Total	668,789	100.00	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	
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	
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 (%)	
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

	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

	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

	Notes No.	As of March 31, 2022	(Yen in millions)
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			
Underwriting income		5,863,770	5,461,195
Net premiums written		4,988,607	4,669,910
Deposit premiums from policyholders		3,887,821	3,606,548
Investment income on deposit premiums		63,091	65,122
Life insurance premiums		34,238	36,032
Other underwriting income		996,288	954,954
Investment income		7,167	7,251
Interest and dividends		738,186	661,414
Gains on money trusts		560,082	492,170
Gains on trading securities		44	277
Gains on sales of securities		22,553	5,670
Gains on redemption of securities		131,947	127,130
Investment gains on separate accounts		3,962	1,058
Other investment income		13,533	49,054
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

	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
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		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
Beginning balance	1,908,438	2,787	(149,098)	(13,661)	2,379
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)
Total changes during the year	(72,833)	(4,339)	259,433	(1,350)	(2,345)
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)					
	Share capital	Retained earnings	Treasury stock	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
Beginning balance	1,435,437	11,427	8,042	(9,840)	2,545	51,980
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
Total changes during the year	473,001	(8,639)	(157,140)	(3,820)	(166)	4,399
Ending balance	1,908,438	2,787	(149,098)	(13,661)	2,379	56,380
The accompanying notes are an integral part of the consolidated financial statements.						

(4) Consolidated Statement of Cash Flows

	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 Nissin 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:

	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:

	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:

	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:

	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 hypothecation is as follows:

They are wholly held by the Company.

	As of March 31, 2022	As of March 31, 2021
	3,999	999

*6. Securities lent under loan agreements are as follows:

	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:

	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:

	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.

	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:

	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:

	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)

Purpose of use	Category	Location	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

	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
Ordinary general meeting of shareholders held on June 28, 2021		Common stock	69,327	100.00	March 31, 2021
Meeting of the Board of Directors held on November 19, 2021		Common stock	82,334	120.00	September 30, 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
Ordinary general meeting of shareholders held on June 27, 2022		Common stock	91,611	Retained earnings	135.00
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:

	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)

	Reportable segments				Total	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			
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)

	Reportable segments						(Yen in millions)
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total	Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
Ordinary income							
Ordinary income from external customers	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)

	(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
Ordinary income from external customers	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	
Impairment losses	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
Ordinary income from external customers	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
Impairment losses	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

	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

	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

	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

	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

	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

	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

	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

	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

	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

	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

	Fair value				Carrying amount shown on the consolidated balance sheet	Difference	(Yen in millions)							
	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

	Carrying amount shown on the consolidated balance sheet			Fair value	Difference	(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

	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

	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

	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 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			
	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

	As of March 31, 2021			
	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					
	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

	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
	Foreign securities	47,956	50,663	2,706	51,750	56,600
	Subtotal	3,093,927	3,680,593	586,666	3,626,248	4,363,770
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
	Foreign securities	11,040	10,929	(111)	337	334
	Subtotal	2,018,954	1,848,383	(170,570)	1,487,968	1,403,437
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
	Subtotal	5,500	5,545	45	250,749	258,436
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
	Subtotal	2,215,003	1,976,934	(238,068)	1,944,149	1,823,872
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
	Domestic equity securities	2,477,828	466,979	2,010,849	2,441,399	493,762
	Foreign securities	4,098,931	3,703,787	395,144	4,266,561	3,847,323
	Others (Note2)	674,595	613,800	60,794	671,434	611,432
	Subtotal	9,695,654	6,970,529	2,725,125	10,428,689	7,661,481
Those with fair value not exceeding the cost	Domestic debt securities	707,264	715,626	(8,361)	366,370	369,809
	Domestic equity securities	24,462	27,949	(3,486)	21,241	24,017
	Foreign securities	1,223,458	1,270,490	(47,031)	434,855	444,221
	Others (Note3)	969,597	983,593	(13,996)	753,092	772,031
Total		2,924,783	2,997,659	(72,876)	1,575,560	1,610,080
						(34,520)

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

	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

	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

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
	Long	22,198	—	508	508	76,282	—	1,396
	Currency swaps	Pay foreign/Rec. yen	12,435	12,435	(1,075)	(1,075)	12,435	12,435
	Pay foreign/Rec. foreign		45,029	—	(5,092)	(5,092)	37,616	—
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
	Rec. float/Pay fix		1,052,312	1,028,614	(32,591)	(32,591)	1,116,136	1,023,715
	Rec. float/Pay float		4,696	4,696	(100)	(100)	4,992	4,992
	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	—
	Long	2,305	—	—	—	5,518	—	(711)
Over-the-counter transactions	Equity index options	Short	183,131	—	19,283	(10,989)	149,168	—
			[8,293]	[—]	—	—	[9,422]	[—]
	Long	251,533	—	35,450	17,189	[19,630]	197,602	1,500
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	—
	Long	14,121	—	(80)	(80)	15,251	—	121
Over-the-counter transactions	Bond over-the-counter options	Short	—	—	—	—	327,355	—
		[—]	[—]	—	—	[—]	[1,709]	[—]
	Long	—	—	—	—	—	327,355	—
		[—]	[—]	—	—	[—]	[1,390]	[—]
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
Weather derivatives	Long	22,450	15,000	—	—	21,070	4,000	1,267
		[641]	[331]	173	(468)	[888]	[65]	110
Others	Short	13	—	—	—	15	—	—
		[1]	[—]	0</				

Notes to Consolidated Financial Statements

2. Derivative transactions to which hedge accounting is applied

(1) Foreign currency-related instruments

			As of March 31, 2022		As of March 31, 2021		(Yen in millions)	
			Principal amount		Principal amount			
			Over 1 year	Fair value	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

			As of March 31, 2022		As of March 31, 2021		(Yen in millions)	
			Principal amount		Principal amount			
			Over 1 year	Fair value	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

			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

			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

			As of March 31, 2022	As of March 31, 2021
Funded retirement benefit obligations			299,676	307,237
Plan assets			(275,126)	(287,449)
Unfunded retirement benefit obligations			24,550	19,788
Asset ceiling adjustments			230,029	230,965
Net liabilities recognized on the balance sheet			94	129
Net defined benefit liabilities			254,674	250,883
Net defined benefit assets			259,198	254,274
Net liabilities recognized on the balance sheet			(4,523)	(3,391)
			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

	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)	(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: 4 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 30
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)	(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)	(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 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	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
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 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)	(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 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 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

	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

	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)	(Total number of shares authorized to be issued)
Article 6.	Article 6.
The total number of the shares authorized to be issued by the Company shall be 3,300,000,000.	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 171,373 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]	42 (USD 370 thousand) [42]	1.52	N/A	Jun. 13, 2022
Total			—	230,597 [42]	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)

	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 $\sqrt{(R_1^2 + R_2^2 + R_3^2 + R_4^2 + R_5^2 + R_6^2 + R_7^2)}$	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 $[(A)/(B) \times 1/2] \times 100$	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.

	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 $\sqrt{(R_1^2 + R_2^2 + R_3^2 + R_4^2 + R_5^2 + R_6^2 + R_7^2)}$	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 $[(A)/(B) \times 1/2] \times 100$	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 Nissin Fire & Marine Insurance Co., Ltd.

	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 $[(A)/(B) \times 1/2] \times 100$	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.

	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 $[(A)/(B) \times 1/2] \times 100$	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.

	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 $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$	114,913	114,658
Insurance risk (R_1)	16,652	16,673
Third sector insurance risk (R_2)	6,790	6,725
Assumed interest rate risk (R_3)	5,226	5,170
Minimum guarantee risk (R_7)	2,235	2,206
Asset management risk (R_4)	102,311	102,151
Business administration risk (R_5)	2,664	2,658
(C) Solvency margin ratio $[(A)/(B) \times 1/2] \times 100$	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.

	As of March 31, 2022	As of March 31, 2021
	(Yen in millions)	
(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 $\sqrt{R_1^2+R_2^2+R_3^2+R_4^2}$	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 $[(A)/(B) \times 1/2] \times 100$	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.

	As of March 31, 2022	As of March 31, 2021
	(Yen in millions)	
(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 $\sqrt{R_1^2+R_2^2+R_3^2+R_4^2}$	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 $[(A)/(B) \times 1/2] \times 100$	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.

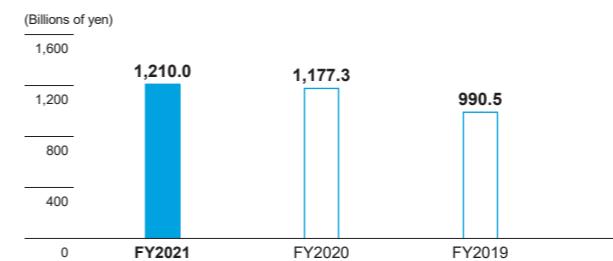
MCEV as of March 31, 2022

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.

	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".)

	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.

	MCEV (Billions of yen)
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

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.

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:

Term	JPY 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.
Surrender and lapse rates	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.
Renewal 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.
Operating expense 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.
Effective tax rate	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.
Consumption tax rate	The effective tax rate is set as follows: 28.0%
Inflation rate	The consumption tax rate is set as follows: 10%
Policyholder dividend	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%
Reinsurance	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.

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

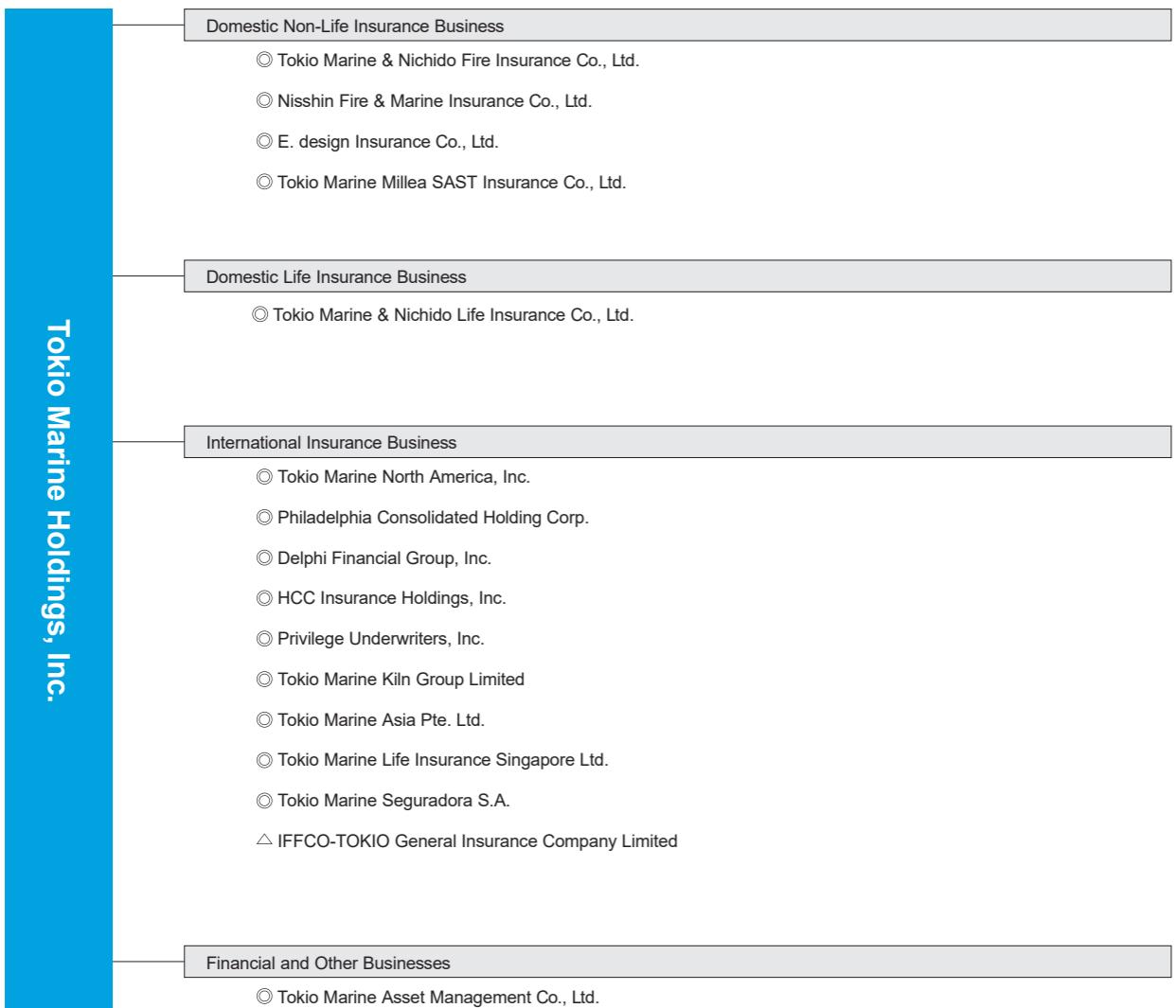
Tokio Marine Holdings and Its Subsidiaries

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



Major Subsidiaries

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.



Locations of overseas bases: 46 countries and regions

Number of Japanese employees positioned overseas: 301

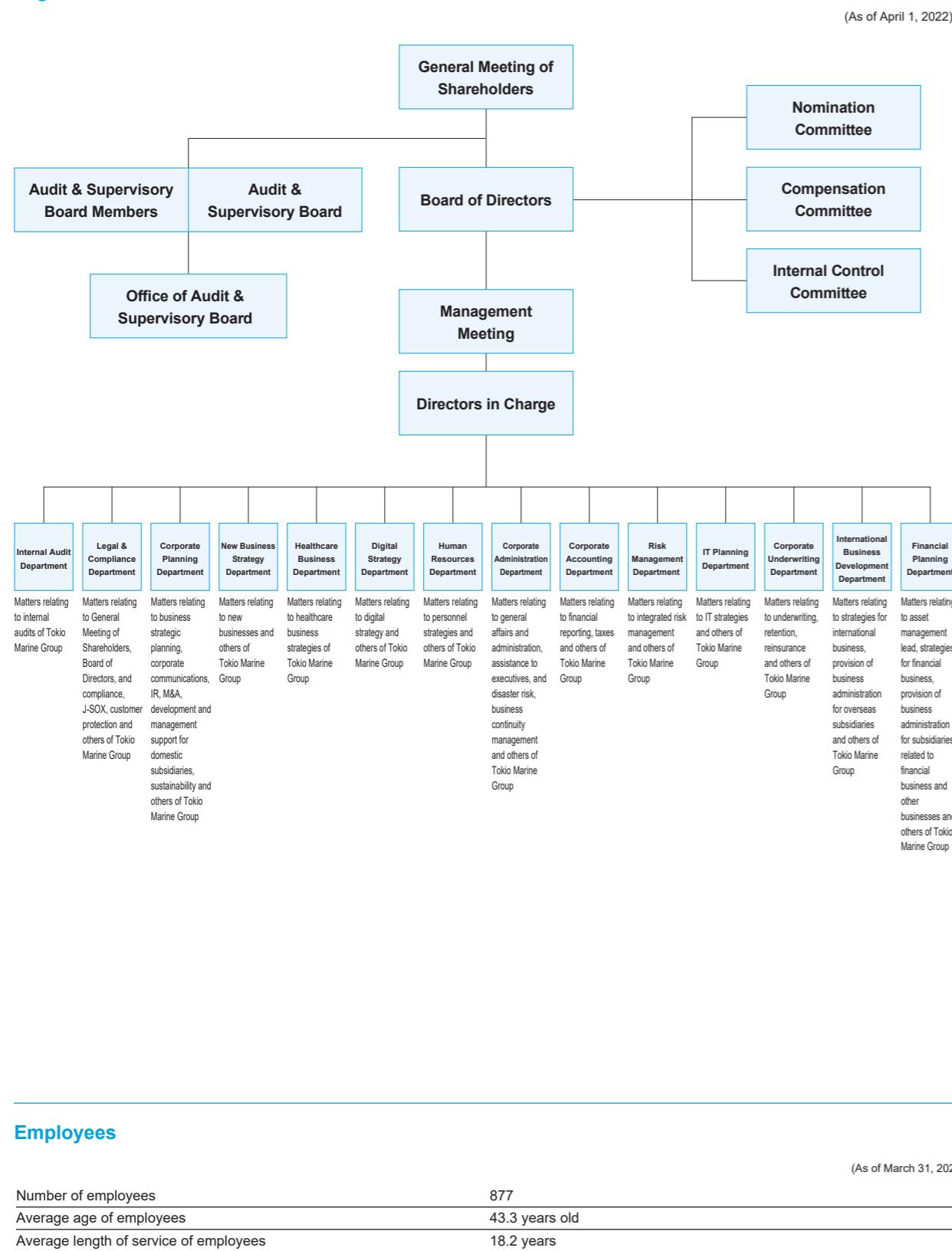
Number of locally hired employees: Approx. 33,000

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



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

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m ²)	Buildings	Movables	Software		
Tokio Marine Holdings	Headquarters (Chiyoda-ku, Tokyo)	Holding company	— (-)	18	76	1,295	877	—

Domestic subsidiaries

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m ²)	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		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

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m ²)	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

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m ²)	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 (m ²)	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 (m ²)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Shakujii 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.

- The Ordinary General Meeting of Shareholders is held within three months of the end of each fiscal year.
- Accounting period: Ends March 31
- Share registrar: The Mitsubishi UFJ Trust and Banking Corporation
- Record date: Ordinary General Meeting of Shareholders: March 31
Year-end dividend: March 31
Interim dividend: September 30
- 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*.
- Number of shares constituting one unit: 100
- 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

- 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)
- Non-consolidated financial statements for fiscal year 2021 (April 1, 2021 to March 31, 2022)

Proposals acted upon

- Appropriation of Surplus
- Partial Amendments to the Articles of Incorporation
- Election of 14 Directors
- 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

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

(As of March 31, 2022)

b. Breakdown by region

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

(As of March 31, 2022)

c. Breakdown by number of shares held

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

(As of March 31, 2022)

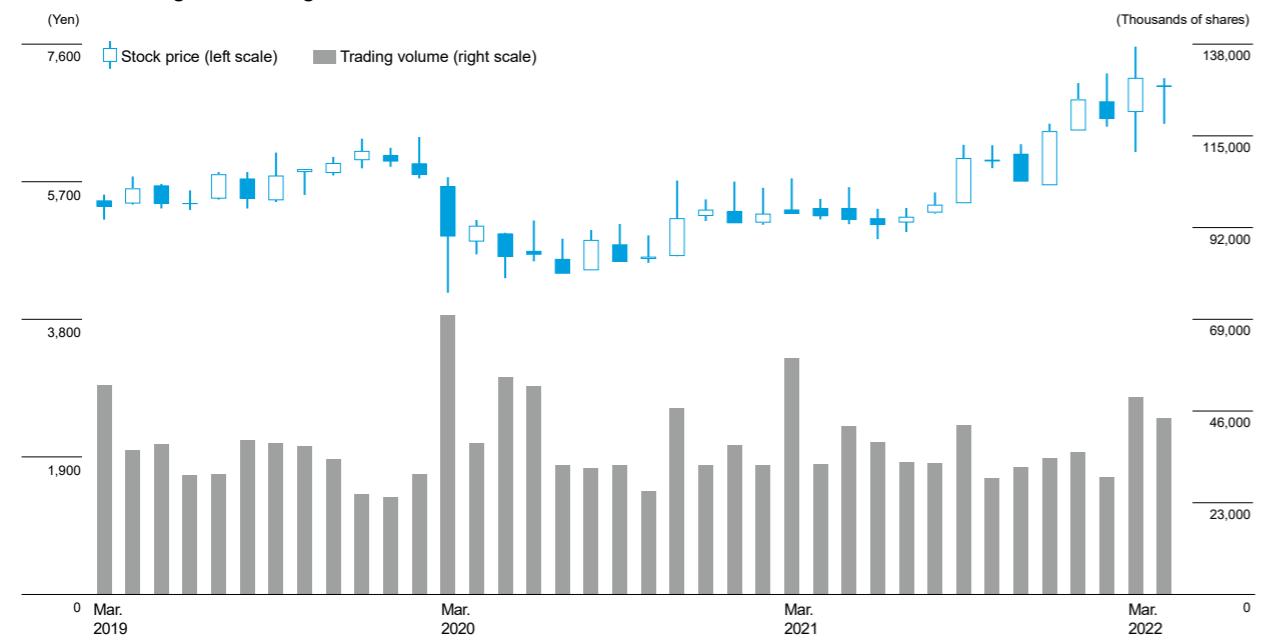
Stock Information

Top 10 Shareholders

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





TOKIO MARINE

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Tokio Marine Holdings

2021 Sustainability Report

[Revised in February 2022]



Purpose of Tokio Marine Group

Protecting Customers and Society in Times of Need

Our basic approach to being a “Good Company” is to be “a company trusted by all people and society by supporting customers and society in times of need.”

Tokio Marine Group has provided “safety and security” to society and contributed to its development by making the most of its abundant knowledge and experience accumulated over the years in the insurance industry. In the future as well, we will work to solve various social issues and continuously raise the Group’s corporate value while contributing to a safe, secure and sustainable future. By doing so, we aim to become a “Good Company” that is trusted by all people and society.

Tokio Marine Group 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 Group Sustainability Charter

Tokio Marine Group is committed to fulfilling its Corporate Social Responsibility (CSR) by implementing its Corporate Philosophy to achieve sustainable growth together with the development of society in accordance with the following principles:

- **Products and Services:** We aim to provide society with products and services to meet its needs for safety and security.
- **Respect for Human Rights and Dignity:** We respect and actively promote the recognition of human rights. We strive to ensure an energetic working environment that is both safe and healthy and to promote training and education of our employees. We respect the right to privacy and strive to enforce sound information management and control.
- **Protection of the Global Environment:** Acknowledging that the protection of the global environment is an important responsibility for all corporate entities, we respect the harmonization with and the improvement of the global environment in all of our activities.
- **Contribution to Local Communities and Societies:** As a member of various communities and societies, we respect the diversity of cultures and customs and we aim to contribute actively to the needs of the current era.
- **Compliance:** While striving to maintain high ethical standards at all times, we will pursue strict compliance in all aspects of our business activities.
- **Communication:** We intend to disclose information timely and appropriately and to promote dialogue with all our stakeholders to ensure effective corporate management.

Present Status of Tokio Marine Group

[Founding]

1879 Japan's first insurance company

142 years in business since the establishment of Tokio Marine Insurance

1914 Launch of Japan's first auto insurance

[Number of Group Companies]

Tokio Marine Holdings

Subsidiaries

267 companies

Affiliates

26 companies

[Number of Employees]

(as of March 31, 2021)

Approx. 43,000 persons

Domestic

Approx. 25,000

Overseas

Approx. 18,000

[Main Business]

- Non-life insurance business in Japan
- Life insurance business in Japan
- Insurance business overseas
- Financing and other businesses

[International Network]

JAPAN and **46** countries and regions

[Finance Rating]

(Tokio Marine & Nichido as of July 1, 2021)

S&P

A+

Moody's

Aa3

A.M. Best

A++

[ESG Assessment]

(as of August 31, 2021)

DJSI

Selected for
consecutive years

CDP

A-

Health & Productivity Stock

Selected for
6 consecutive years

Nadeshiko Brand

2013, 2015, 2017 and 2018

Semi-Nadeshiko Brand

2019 and 2020

[Performance Indicators]

Business performance*

Top line (net premiums written + life insurance premiums):

4,580 billion yen

Adjusted net income: **410.0 billion yen**

Adjusted ROE: **12.2%**

* Performance in FY2020 (normalized basis excluding the impact of COVID-19)

* Adjusted net income and adjusted ROE are our original performance indicators that exclude the effect of various reserves specific to the Japanese insurance business and the effect of goodwill.

Business portfolio*

Profit composition
by region

* Performance in FY2020 (normalized basis excluding the impact of COVID-19)

[Environmental Indicators]

Renewable energy funds

Amount committed: **Approx. 51.0 billion yen**

Units installed: **45** (total as of March 31, 2020)

Reduction in CO₂ emissions

Reduction of **21,000 tons**

in FY2020 (vs previous fiscal year)

Carbon neutral status*

8 consecutive years since FY2009

(12 consecutive years for Tokio Marine & Nichido)

* Scopes 1 + 2 + 3 (four items)

Economic value generated by mangrove planting

Total of **118.5 billion yen** (April 1999 – March 2019)

[Social Indicators]

Employee participation rate in social contribution activities

Attained total participation rate of more than **100%** for 7 consecutive years since FY2014 (domestic Group companies)

Expenditure for social contribution activities

Approx. 21 billion yen (Tokio Marine Holdings and main domestic subsidiaries)*¹

Culture and value survey for employees

4.3 on a scale of five*² (Response rate: 84%)

*¹ Including donations by employees and agents, miscellaneous expenses for social contribution programs, payments in kind, opened facilities and employee dispatching.

*² Combined total of Tokio Marine Holdings and Group companies in and outside Japan

[Governance Indicators]

Board of Directors:

Outside Directors comprise **43%** (6 of 14 Directors)

Audit & Supervisory Board:

Outside Audit & Supervisory Board Members comprise

60% (3 of 5 Directors)

Nomination Committee:

6 of 8 members are Outside Officers

Compensation Committee:

6 of 7 members are Outside Officers

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Tokio Marine Group's Sustainability

We introduce Tokio Marine Group's sustainability approach and strategies, sustainability promotion structure, stakeholder engagement, plans and results, external evaluations and participation in initiatives.

» 1.1 Top Message

A message from Satoru Komiya, President and Group CEO

» 1.2 Approach to Sustainability Strategies

Tokio Marine Group's history of growth achieved through promoting solutions for social issues since its founding.

» 1.3 Eight Material Issues and Four Priority Issues

We introduce risks and opportunities for each material issue, values created by Tokio Marine Group and goals for the future.

» 1.4 Tokio Marine Group's SDG Initiatives

We introduce our eight material issues and their relationship with the 17 SDGs, as well as Tokio Marine Group initiatives.

» 1.5 Initiatives to Promote Sustainability within the Group

We introduce sustainability initiatives promoted within Tokio Marine Group.

» 1.6 Organizational Structure for Promoting Sustainability

With the establishment of the Sustainability Committee chaired by the Group Chief Sustainability Officer (CSUO), we will step up our measures aimed at resolving social issues under the new promotion structure.

» 1.7 Stakeholder Engagement

We introduce our structure for stakeholder engagement and include specific examples.

» 1.8 External Evaluations and Participation in Initiatives

We introduce external evaluations as well as our participation in initiatives.

1.1 Top Message

Toward a Safe, Secure and Sustainable Future



Introduction (Our Purpose and Basic Stance)

The frequent occurrence and intensification of natural disasters and the impact of COVID-19 have fundamentally reshaped customer needs, while the environment surrounding Tokio Marine Group's business has also evolved profoundly. On top of this, rapid technological innovations as exemplified by AI have created unprecedented and completely different ways of providing business processes and services across all types of industries and business formats. These developments continually change and evolve day to day.

Meanwhile, since its founding, Tokio Marine Group's purpose (*raison d'être*) has been to protect customers and local communities in times of need by providing them with safety and security, with the trust of customers as the starting point of all our activities. This founding purpose will remain unchanged in the future. Although consistently providing all stakeholders with the kind of value demanded by each of them is no simple task amid this drastically evolving environment, we will continue searching for ways to do so. We will keep up our efforts to become an even better company without being content with the status quo. Tokio Marine Group's globally shared slogan "To Be a Good Company" incorporates this desire in the words "To Be."

Purpose of
Tokio Marine Group

Tokio Marine Group will continue to always pursue its purpose through initiatives involving the participation of all employees, with each and every employee acting with integrity and compassion as the starting point, while realizing sustainability by earning the trust of customers and society.

Formulating Our Mid- to Long-Term Sustainability Strategy and Strengthening the Implementation Structure

As social issues become increasingly complex and intensified, the extent to which companies can contribute to solving them is becoming an important indicator for measuring the social value of a company. In view of this, in May 2021 Tokio Marine Group formulated a new mid- to long-term sustainability

 Approach to Sustainability Strategies

 Organizational Structure for Promoting Sustainability

 Eight Material Issues and Four Priority Issues

 Eight Material Issues and Four Priority Issues

strategy. By working to solve social issues through our business activities, we will once again clearly demonstrate our determination to simultaneously increase our social value and economic value (profit growth). At the same time, we will continue to proactively undertake the social contribution activities we have carried out to date.

In April 2021, Tokio Marine Group newly established the Sustainability Committee, with the Group Chief Sustainability Officer (CSO) as the chief executive officer. The committee was established to reaffirm our origins, namely a growth strategy that places solving social issues as its starting point, and to advance and steadily implement the sustainability strategy. By rotating the PDCA cycle based on an annual plan formulated in accordance with the mid-to long-term sustainability strategy, we will position initiatives for realizing a sustainable society as the engine for driving the medium- to long-term growth of Tokio Marine Group. Also, in keeping with our strong awareness that "it is our responsibility to pass on the irreplaceable global environment to future generations in a sustainable condition," we have designated "future generations" as a key stakeholder alongside customers, society, employees and shareholders/investors. With a keen desire to be a top runner in solving social issues, Tokio Marine Group will make further efforts to resolve issues for realizing a sustainable earth and society based on our purpose of protecting customers and local communities in times of need.

Formulating New Material Areas and Key Issues

Based on its purpose, Tokio Marine Group has set eight material issues (materiality)* on which it will focus special attention to find solutions. Among these, we have identified four priority issues for which we believe the expectations and interests of our stakeholders are high and that also have high importance in our business. These key issues are: (1) combat climate change, (2) improve disaster resilience, (3) support people's healthy and enriching lives and (4) promote and support diversity and inclusion (D&I).

* Eight material issues:
Combat climate change;
Improve disaster resilience;
Support people's healthy and enriching lives;
Promote and support diversity and inclusion;
Facilitate and foster innovation through digitalization;
Protect the natural environment;
Provide education to children;
Disclose highly transparent and timely information



Combat Climate Change

Based on scientific knowledge, Tokio Marine Group promotes climate change countermeasures aimed at realizing a net-zero emissions society globally from the dual perspectives of mitigation and adaptation. At the end of September 2020, the Group released "Our Climate Strategy," which summarizes its views on climate change, and revised it at the end of September 2021. In this statement, Tokio Marine Group declared its commitment to making all-out efforts for

supporting the transition toward decarbonization and a low-carbon society throughout the world. To the present, Tokio Marine Group has continuously committed to various initiatives. These include promoting environmental, social and governance (ESG) initiatives; supporting the use of renewable energy by providing insurance products and services aimed at attaining the Sustainable Development Goals (SDGs) and achieving the 2°C target under the Paris Agreement; and becoming carbon neutral through the Mangrove Planting Project. In addition, through participation in international initiatives, we have proactively engaged in discussions on climate change issues as well as deliberations on ways to disclose financial information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), thereby leading efforts to address these global issues. Going forward, we will continue to incorporate "Our Climate Strategy" into all of our activities, including the provision of products and services, insurance underwriting as well as investment and financing.

Improve Disaster Resilience

Tokio Marine Group remains committed to providing safety and security throughout all its business activities to ensure it can properly support customers and society. These efforts include engaging in industry-academia collaborative research, creating value through a variety of products and services, participating in international initiatives, continuously supporting recovery efforts of disaster-stricken regions in collaboration with partners and conducting on-site Disaster Prevention Lessons for schoolchildren. Needless to say, the prompt payment of insurance claims in times of emergencies such as natural disasters is of paramount importance. With this in mind, we will step up efforts for sophisticating claims payments services that leverage technology and developing insurance products that reflect the needs of disaster survivors. We will also go beyond just paying insurance claims to provide information and services for disaster prevention and mitigation and offer early recovery services.

Support People's Healthy and Enriching Lives

Domestically, we see opportunities to address longevity risk, asset formation and other mounting needs of the world's most aged population. Globally, people's health concerns and awareness have been heightened by the COVID-19

pandemic. With our integrated business model for life and non-life, healthcare is a segment where we can demonstrate proven competence in protecting our customers throughout their lives and thereafter. Using digital technology and data analysis, we innovate products and services that cover the full range of customer risk, including pre-symptomatic illness and prevention, as well as promotion of fitness and wellness. Group-wide, we are committed to a future where everyone can confidently live their life to the fullest.

Promote and Support Diversity and Inclusion

The insurance business has been called a "people's business." For those of us who handle the intangible product of insurance, our employees and the trust built between people are everything. Tokio Marine Group supports and respects the Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, ILO Core Labour Standards, UN Guiding Principles on Business and Human Rights, as well as ISO 26000. Valuing and continually supporting people are essential for Tokio Marine Group to earn the trust of all people and society, achieve sustainable growth and continuously create value for society. For these reasons, Tokio Marine Group aims to be a company that respects diverse values and continuously achieves growth while every employee thrives and works with a sense of motivation. As such, we will work toward fostering a corporate culture aimed at permeating D&I.

Tokio Marine Group also aims to nurture a corporate culture where each employee works to solve social issues as their "own personal matter" and ensure this leads to an increase in corporate value and the creation of social value. As such commitment and action spread throughout organizations and the entire Group, we believe that it will create a virtuous cycle of developing innovative products and services and contributing to local communities and society, which in turn will promote the creation of a sustainable future and contribute to the attainment of the SDGs. My mission is none other than to make Tokio Marine Group a "Good Company" that works to resolve issues facing society and earns the widespread trust of its customers and society. This can only be achieved by harnessing the comprehensive power of the Group together with its employees in Japan and overseas and interacting and cooperating with its various stakeholders.

1.2 Approach to Sustainability Strategies

Aiming to Achieve Continuous Growth with Solutions for Social Issues Positioned as Medium- to Long-Term Growth Engine

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

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

to renewable energy with insurance. Through its mainstay insurance business, the Group has grown sustainably by promptly providing beneficial solutions for the changing challenges of every era.

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

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

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

Direct Net Premiums Written^{*1} (Bar Graph) and Total Dividends Paid (Line Graph)

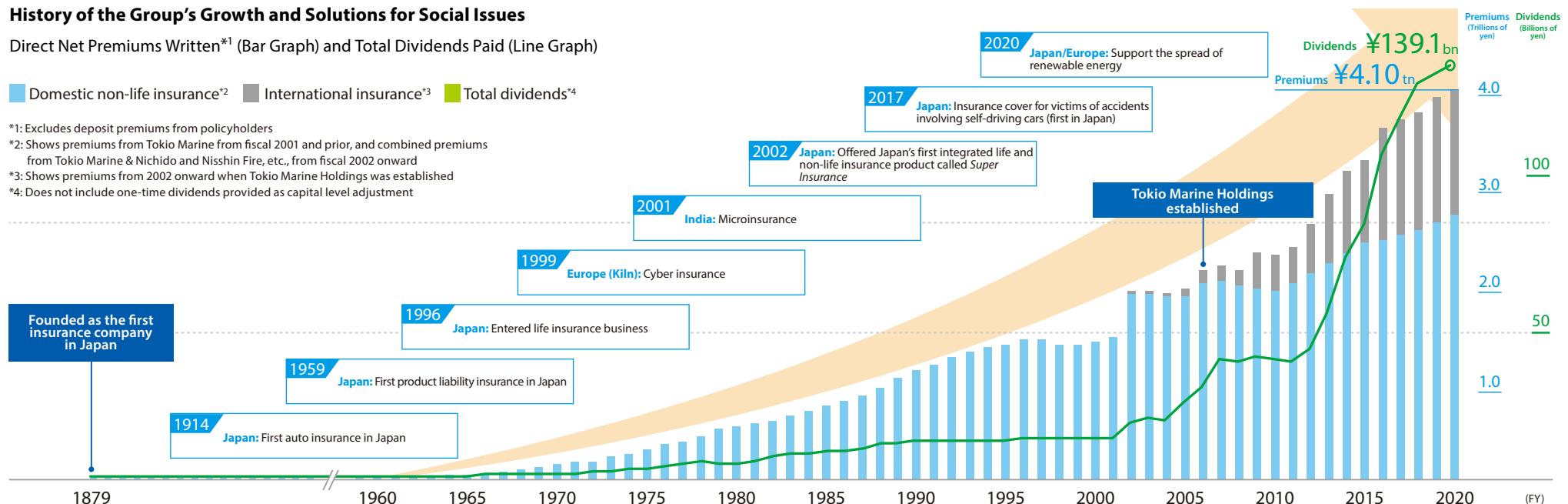
■ Domestic non-life insurance^{*2} ■ International insurance^{*3} ■ Total dividends^{*4}

*1: Excludes deposit premiums from policyholders

*2: Shows premiums from Tokio Marine from fiscal 2001 and prior, and combined premiums from Tokio Marine & Nichido and Nisshin Fire, etc., from fiscal 2002 onward

*3: Shows premiums from 2002 onward when Tokio Marine Holdings was established

*4: Does not include one-time dividends provided as capital level adjustment



1.3 Eight Material Issues and Four Priority Issues

Specifying Eight Material Issues (Materiality) and Four Priority Issues

Based on discussions of the Sustainability Committee established in April 2021 and advice from external experts, Tokio Marine Group has specified eight material issues and four priority issues that the Group should address as our purpose. We determined the materiality (material issues) in the following steps according to our mid- to long-term sustainability strategy.

STEP 1 Defining Value (Purposes) to Provide to Our Stakeholders

We have defined purposes to suit individual stakeholders as a starting point to simultaneously increase social value and economic value (profit growth), while creating a cycle of business activities and solutions to social issues as a leader in providing solutions to social issues.

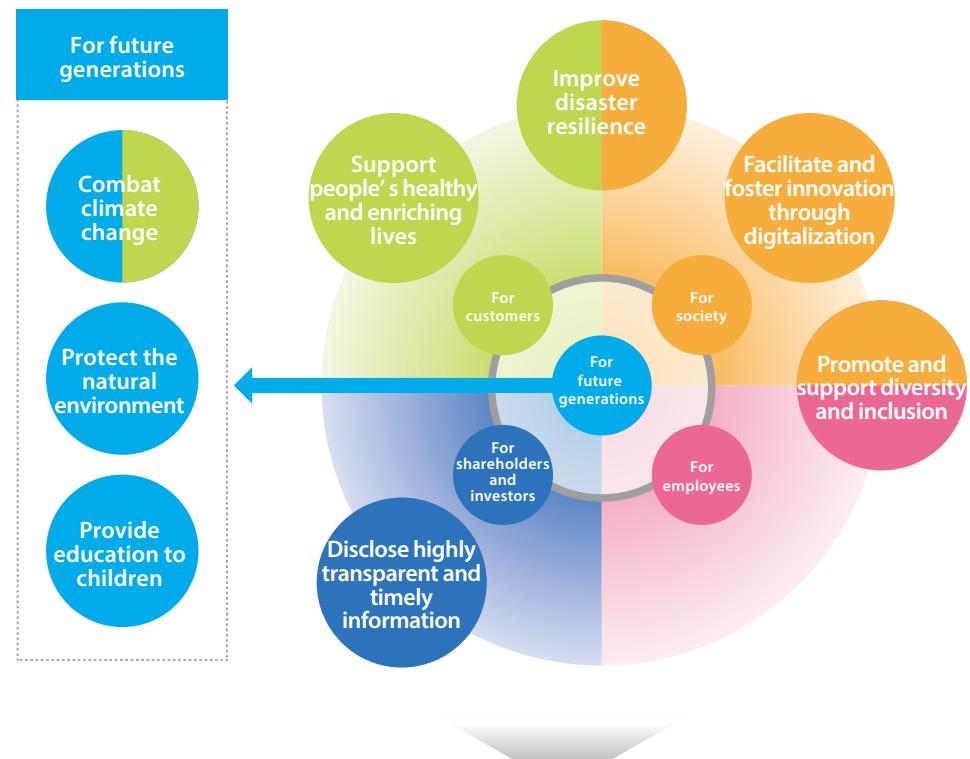
Stakeholders	Value provided
For customers	<ul style="list-style-type: none"> Contribute to making customers' lives healthy and enriching through products that provide security and assistance with future-oriented challenges
For society	<ul style="list-style-type: none"> Contribute to building a sustainable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

STEP 2 Identify Material Issues

To realize our purposes, we determined eight material issues after analyzing the Group's business contents, the particulars of our sustainability-related initiatives and the impacts of important social issues in the insurance industry.

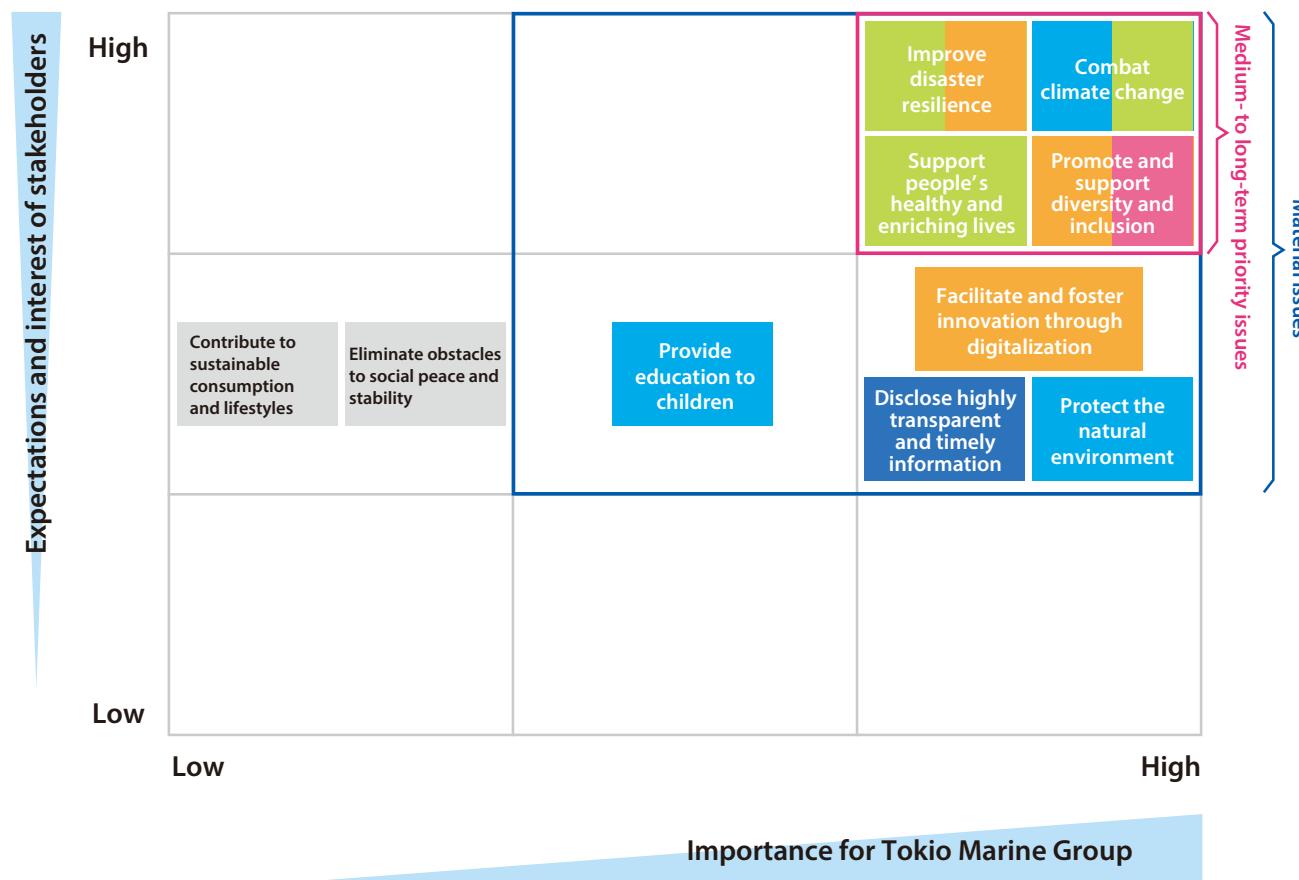
[Effects of Material Social Issues in the Insurance Industry]

We identified social issues by 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. We have identified material issues that should be addressed for each of the Group's stakeholders (customers, society, employees, shareholders/investors and future generations) with regard to all social issues.



STEP 3 Prioritizing Issues

We assessed the eight material issues along the two axes of "expectations and the interest of stakeholders" and "importance for Tokio Marine Group," and selected four priority issues. For "expectations and the interest of stakeholders," we assessed the effect of expectations and interests of stakeholders, including customers, society, employees, shareholders/investors and future generations, on the social perception and rating of the Group. For "importance for Tokio Marine Group," we assessed the relationships with contribution to our purpose, business strategy, sustainability strategy and social issues.



Reasons for Selection of Eight Material Issues

Material issues (★Four designated as priority issues)	Reasons for selection	Risks	Opportunities
1 Combat climate change ★	<p>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.</p>	<ul style="list-style-type: none"> •Revisions to energy policies in various countries based on the shift to a low-carbon society 	<ul style="list-style-type: none"> •Various negative impacts of global environmental destruction on society
2 Improve disaster resilience ★		<ul style="list-style-type: none"> •Rising insurance payouts resulting from increasingly serious natural disasters and abnormal weather 	<ul style="list-style-type: none"> •Growing public awareness and needs related to risks of natural disasters
3 Support people's healthy and enriching lives ★	<p>In an age in which many people live past 100 years old, 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.</p>	<ul style="list-style-type: none"> •Increasing cases of adverse selection in underwriting due to advancements in medical technologies 	<ul style="list-style-type: none"> •Increasing opportunities to facilitate health management at companies •Rising public awareness of health and growing needs related to longevity risks and asset management in old age •Creation and expansion of new markets due to advancements in medical technologies
4 Promote and support diversity and inclusion ★	<p>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 with this in mind, it intends to step up the initiatives it has been carrying out for this purpose.</p>	<ul style="list-style-type: none"> •Extent to which the capabilities of the Group's diverse members are utilized 	
5 Facilitate and foster innovation through digitalization	<p>Rapid progress in technological innovations are driving major societal and economic changes. To realize sustainable economic growth under those circumstances, all companies 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 customers before and after any events that may require insurance claims. In these ways, the Group will work to support corporate growth and economic development.</p>	<ul style="list-style-type: none"> •Increasing cyber risks accompanying advancements in digitalization 	<ul style="list-style-type: none"> •Loss of competitive edge following the entry of major competitors in the insurance market •Impact of the spread of innovative technologies on business optimization and the creation and growth of new markets
6 Protect the natural environment	<p>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.</p>	<ul style="list-style-type: none"> •Various negative impacts of environmental destruction on society 	<ul style="list-style-type: none"> •Growing opportunities from progress in environmental conservation
7 Provide education to children	<p>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 Prevention Lessons for children, which were initiated following the Great East Japan Earthquake in 2011.</p>	<ul style="list-style-type: none"> •Various negative impacts of environmental destruction and low awareness of risks on society 	<ul style="list-style-type: none"> •Growing need for educating children in society
8 Disclose highly transparent and timely information	<p>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.</p>	<ul style="list-style-type: none"> •Earned or lost trust in capital markets 	

Eight Material Issues and Four Priority Issues

Material issues	How the Group can contribute	Value created in fiscal 2020	Goals for fiscal 2021 and beyond
1 Combat climate change	Reduce CO ₂ emissions from the Group's operations and meet RE100 criteria	Tokio Marine & Nichido Fire, Philadelphia Insurance Companies and Tokio Marine Kiln Group adopted renewable energy at workplaces in Japan, the U.S. and the U.K., respectively	Fiscal 2030 targets (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 vehicles owned by Tokio Marine & Nichido Fire and Tokio Marine & Nichido Life to electric vehicles ^{*2}
	Realize carbon neutrality through engagement with investors and insurance underwriters	Sold off business-related equities of companies (including those involved in fossil fuels) totaling 106 billion yen in accordance with prior plans (Tokio Marine & Nichido) Promote engagement under the themes of climate change and the environment	Achieve net zero greenhouse gas emissions in fiscal 2050 (including recipients of investments and financing)
	Develop and offer products and services that contribute to renewable energy development	Offered Japan's first insurance packages for offshore wind power plants Acquired GCube, a leading insurance underwriter in the renewable energy industry Strengthened commitment and involvement in renewable energy funds (51 billion yen committed and 45 development projects as of March 31, 2021)	Increase revenue ^{*3} from Tokio Marine & Nichido Fire's insurance for offshore wind power plants by 5 billion yen by fiscal 2023 Continue facilitating green investing
	Carry out mangrove planting to combat global warming (through carbon fixation) and mitigate damage from environmental disasters	Achieved carbon neutrality ^{*1} for the eighth consecutive year since fiscal 2013	Achieve carbon neutrality for the ninth consecutive year in fiscal 2021 Aim to surpass 300 billion yen in cumulative economic value from mangrove planting by fiscal 2038
2 Improve disaster resilience	Establish sustainable fire insurance systems	Revised rates in January 2021 expected to improve pre-tax earnings by 20 billion yen in the future Net insurance payouts for natural disaster-related claims totaled ^{*4} 136.2 billion yen Tokio Marine & Nichido Fire increased revenue from fire insurance ^{*3} by 9.7% Offered Japan's first earthquake index insurance Offered first nationwide hurricane index insurance in the United States Implemented measures to prevent the spread of forest wildfires in the western U.S. (PURE)	Increase Tokio Marine & Nichido Fire's pre-tax earnings from fire insurance Have Tokio Marine & Nichido Fire support disaster preparedness, mitigation and recovery activities in customers' communities through an initiative in July 2021 to provide "Total assist fire insurance x Red Feather Disaster prevention/reduction program"
	Assist with business continuity planning (BCP) in partnership with government bodies and businesses	Concluded a cumulative total of BCP assistance agreements: • 38 prefectural governments • 10 major cities • 52 municipalities	Continue providing support for BCP

*1: Emissions from in-house operations falling under Scope 1, 2 and 3 (categories 1, 3, 5 and 6) emissions *2: Electric vehicles, hybrid vehicles and plug-in hybrid vehicles

*3: Net premiums written *4: Based on pre-tax business unit profit

Eight Material Issues and Four Priority Issues

Material issues	How the Group can contribute	Value created in fiscal 2020	Goals for fiscal 2021 and beyond
3 Support people's healthy and enriching lives	Address needs to manage assets and savings in response to longevity risks (Develop and provide new healthcare services)	Tokio Marine & Nichido Fire offered Japan's first insurance for supporting both medical treatment (nursing care) and job duties in the workplace Tokio Marine & Nichido Life increased revenue from new policies annualized premiums by 6.9% due to strong contributions from sales of healthcare insurance with relaxed underwriting standards and installment variable annuities designed for asset accumulation needs	Aim to increase Tokio Marine & Nichido Fire's revenue ^{*1} in the healthcare market to between 20 and 30 billion yen by fiscal 2023 Aim to increase Tokio Marine & Nichido Life's revenue from new policies annualized premiums by a compound average growth rate of 5% by fiscal 2023
	Widely promote services for facilitating their Health and Productivity Management	Included in the Health & Productivity Stock Selection for the sixth consecutive year Tokio Marine & Nichido Fire provided health management support to about 2,000 companies	Be included in the Health & Productivity Stock Selection for the seventh consecutive year Continue having Tokio Marine & Nichido Fire provide health management support
4 Promote and support diversity and inclusion	Promote diversity and foster an inclusive corporate culture	Created the Diversity Council and a group diversity and inclusion officer position Scored 4.3 out of 5 in a culture and value survey ^{*1} (84% response rate) Percent of female managers exceeded 30% overall at Group companies worldwide Percent of female corporate officers exceeded 10% (group-wide) Percent of female sub-leaders reached 54.9% at Tokio Marine & Nichido Non-Japanese employees comprised 40.9% of the Group's total workforce	Promote diversity and inclusion through the Diversity Council and other organizations Conduct the culture and value survey Raise the percent of female employees in managerial positions at Tokio Marine & Nichido to 30%
	Share best practices group-wide and carry out improvement initiatives	Analyzed and assessed possible risks and their potential impact	Carry out human rights due diligence and improvement initiatives based on the UN Guiding Principles on Business and Human Rights
5 Facilitate and foster innovation through digitalization	Apply advancements in digitalization and data to increase security for customers in ways besides insurance payouts	Tokio Marine & Nichido Fire developed and provided camera-equipped drive recorders	Accelerate data strategies through initiatives started by Tokio Marine dR in July 2021 (including initiatives to increase security before and after events)
	Address growing cyber risks amid the spread of digitalization	Tokio Marine & Nichido Fire has achieved a double-digit growth rate of revenue from cyber risk insurance every year	Increase Tokio Marine & Nichido Fire's revenue ^{*2} from cyber risk insurance by 5 billion yen by fiscal 2023
	Make use of digitalization to support small and medium-sized enterprises (SMEs)	Tokio Marine & Nichido Fire increased insurance premiums for cyber risk insurance packages targeting SMEs by four times over the past 10 fiscal years	Increase Tokio Marine & Nichido Fire's revenue from insurance that supports SMEs by 15 billion to 25 billion yen by fiscal 2023
	Apply digitalization to raise the efficiency of operations	Tokio Marine & Nichido Fire achieved a combined ratio of 92.5% for the insurance packages, above	Raise the efficiency of operations to reduce Tokio Marine & Nichido Fire's combined ratio by 1.0 percentage point by fiscal 2023

*1: Totals for Tokio Marine Holdings and its Group companies worldwide

Eight Material Issues and Four Priority Issues

Material issues	How the Group can contribute	Value created in fiscal 2020	Goals for fiscal 2021 and beyond
6 Protect the natural environment	Carry out mangrove planting to preserve biodiversity and wetlands	Achieved carbon neutrality ^{*1} for the eighth consecutive year since fiscal 2013	Achieve carbon neutrality ^{*1} for the ninth consecutive year in fiscal 2021 Aim to surpass 300 billion yen in cumulative economic value from mangrove planting by fiscal 2038
	Implement the Green Gift project and Planet Genki program	100% of employees participated in social contribution activities	Have 100% of employees participate in social contribution activities in fiscal 2021
7 Provide education to children	Provide Green Lessons	Green Lessons were held 870 times for approximately 57,000 people on a cumulative basis by fiscal 2020	Continue providing Green Lessons
	Implement Disaster Prevention Lessons	Disaster Prevention Lessons were held 810 times for approximately 55,000 people on a cumulative basis by fiscal 2020 In China, Disaster Prevention Lessons were held 21 times for approximately 1,600 people on a cumulative basis by fiscal 2020	Continue providing Disaster Prevention Lessons
	Offer Group Work on Managing Risks and Opportunities	Group Work on Managing Risks and Opportunities were held 54 times for approximately 1,800 people on a cumulative basis by fiscal 2020	Continue offering Group Work on Managing Risks and Opportunities
	Implement StreetWise Finance, a financial literacy education program in South Africa	Approximately 27,000 people participated in the StreetWise Finance financial literacy education program in South Africa on a cumulative basis by fiscal 2020	Continue implementing the StreetWise Finance financial literacy education program in South Africa
8 Disclose highly transparent and timely information	Properly disclose information by strengthening compliance with the Task Force on Climate-related Financial Disclosures (TCFD) and other guidelines	More information is available in the news release, " Tokio Marine: Our Climate Strategy ," published on the Company's website on September 28, 2020 Information based on TCFD-related proposals are available in the Company's integrated reports, sustainability reports and other publications The presentations, " Digital Strategy " (June 2020) and " Our Climate Strategy & TCFD " (January 2021) are available on the Presentation page of the Company's website	Information based on TCFD-related proposals is available in the Company's integrated reports, sustainability reports and other publications The presentation, " Tokio Marine Group's Contribution to and Growth Strategies for the Renewables Market " (June 2021) is available on the Presentation page of the Company's website

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

1 Combat Climate Change

The world adopted the Paris Agreement at the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) (COP21) in December 2015, with the goals of keeping the rise in average temperatures well below 2°C compared with pre-industrial levels as well as of pursuing efforts to limit the temperature increase to 1.5°C. Now that COP26 is over, the global community must accelerate initiatives toward achieving carbon neutrality by 2050.

Based on our scientific knowledge as well as the SDG concept of "leaving no one behind," Tokio Marine Group has been promoting climate change countermeasures in cooperation with various stakeholders from the dual aspects of mitigation and adaptation.

FY2020 results	SDGs contributing to solutions
[Products and services]	
<ul style="list-style-type: none"> Provided insurance products that contribute to the promotion of renewable energy (offshore wind power, mega-solar power, etc.) Suspended in principle the underwriting of new insurance policies and reduced investments and financing for coal-fired thermal power plants 	
[Operations and social contributions]	
<ul style="list-style-type: none"> Reduced CO₂ emissions by 19% compared with fiscal 2019 Achieved carbon neutrality of business activities through mangrove planting and green power purchases for eight consecutive years (fiscal 2013–2020) 	

Comprehensive Compensation for the Risks of Offshore Wind and Solar Power Generation Facilities

Tokio Marine Group has supported 47 offshore wind power generation projects in 10 countries and regions, including Japan. We offer an insurance package for offshore wind power generation that seamlessly covers risks from completion of construction to operation.

We also offer the Mega-Solar Package Program, a hybrid product of risk consulting and insurance, for solar power generation operators.



Revision of "Tokio Marine: Our Climate Strategy"

In September 2020, Tokio Marine Group announced "Tokio Marine: Our Climate Strategy" and clarified its policy of not underwriting new insurance policies or providing financing for coal-fired power plants, which emit more greenhouse gases than other power generation methods. In September 2021, we have updated the "Tokio Marine: Our Climate Strategy," revised our policies regarding insurance underwriting and investment and lending and added thermal coal mining projects as restricted transactions. We will make more careful consideration for granting coal exclusion exceptions on insurance underwriting and investment and lending by limiting the scope of the projects to those with innovative technologies and approaches aiming to achieve the goals of the Paris Agreement.

In order to achieve the goals set by the Paris Agreement, Tokio Marine Group will continue to contribute to promoting the transition to a decarbonized society through such measures as the reduction of greenhouse gas emissions.

Contributing to a Decarbonized Society by Reducing CO₂ Emissions, Planting Mangroves and Introducing Renewable Energy

8 consecutive years of carbon neutrality achieved

Tokio Marine Group has been working to reduce CO₂ emissions generated by its business activities and reduced emissions by 19% in fiscal 2020 from the fiscal 2019 level. In addition, we have continued to promote mangrove planting (CO₂ fixation) and the introduction of renewable energy in the Asia-Pacific region, achieving carbon neutral status for eight consecutive years since fiscal 2013.



Taking a Lead in Climate Change Countermeasures in the Insurance Industry through Participation in International Initiatives

Tokio Marine Group collaborates with such organizations as United Nations agencies and international industry groups and promotes various initiatives by taking a lead in climate change countermeasures in the insurance industry.

2 Improve Disaster Resilience

Disasters such as earthquakes, tsunamis and typhoons have a profound impact on society and the economy. In addition, there are concerns about the increased risk of climate change-induced weather disasters. As such, resolving disaster issues and mitigating damage are globally common and urgent issues.

Tokio Marine Group has been working together with various stakeholders to develop and provide insurance products to customers and society, while promoting various initiatives aimed at creating a safe, secure and resilient society.

FY2020 results	SDGs contributing to solutions
<p>[Products and services]</p> <ul style="list-style-type: none"> Promoted industry-academia collaboration in disaster risk research Products and services that contribute to disaster prevention and mitigation: Launched index insurance to prepare for earthquakes and helped customers formulate business continuity plans (BCP) Enhanced claims services using AI, etc. 	
<p>[Operations and social contributions]</p> <ul style="list-style-type: none"> Promoted initiatives to prepare for an ISO standard certifying disaster preparedness Approximately 55,000 participants in Disaster Prevention Lessons (total as of March 31, 2021) 	

Promoting Industry-Academia Collaborative Research on Disaster Risk as well as Disaster Prevention Education and Awareness-Raising Activities

Since 2006, Tokio Marine Group has been working with The University of Tokyo, Nagoya University and Kyoto University to conduct joint research on climate change and disaster risk based on scientific knowledge. Moreover, following the Great East Japan Earthquake, we have been promoting research on earthquake and tsunami risk, including research on the effects of disaster mitigation in the Tohoku coastal forests and mangrove forests in collaboration with Tohoku University's International Research Institute of Disaster Science (IRIDeS). We have also been developing disaster prevention education and carrying out awareness-raising activities.

Developing and Providing Products and Services Useful for Disaster Prevention and Mitigation

Tokio Marine Group has been strengthening the development and provision of products and services for protecting customers in times of need. They include insurance products covering disaster risks, services that provide support for formulating BCP, support for the early recovery of business activities and establishment of a claims payment structure that utilizes satellites and AI.

Tokio Marine & Nichido launched the industry's first magnitude index-based earthquake insurance (*EQuick Insurance for Earthquake Preparation*) in March 2021, which enables prompt payment of a fixed amount of insurance claims according to the earthquake magnitude observed in the area where customers reside. Moreover, in collaboration with the Central Community Chest of Japan, the company has developed the "Total assist fire insurance x Red Feather Disaster prevention/reduction program," which aims to mitigate disaster damage and provide support for early recovery, and started offering the product to customers in July 2021. The company is supporting disaster prevention and mitigation initiatives by making donations to the Red Feather Community Chest corresponding to a predetermined percentage of the costs reduced when customers choose web-based insurance contracts (clauses).

Developing International Standards for Disaster Prevention and Mitigation

Tokio Marine Group has been working with IRIDeS of Tohoku University to develop an ISO standard certifying disaster preparedness (TC268/SC1 WG6). The standard is related to infrastructure and systems necessary for disaster prevention and mitigation in smart communities in line with the goals of the Sendai Framework for Disaster Risk Reduction 2015-2030.

Holding Disaster Prevention Lessons to Raise Disaster Prevention Awareness among Elementary School Children

Cumulative total of
50,000
participants in Disaster Prevention Lessons
(As of March 31, 2021)

Aiming to pass down a resilient society to future generations, Tokio Marine Group holds Disaster Prevention Lessons ("Earthquake and Tsunami" and "Water and Landslide Disasters" editions) at elementary schools and special needs schools around Japan. The total number of participants

in these lessons has exceeded 50,000 between fiscal 2012 and March 31, 2021.



Disaster Prevention Lesson
(center: Tokio Marine & Nichido President Shinichi Hirose)

3 Support People's Healthy and Enriching Lives

In Japan, the birthrate has been declining and the population aging at an accelerated pace. In step with this trend, it has become increasingly important to solve health-related issues and address needs in nursing care and healthcare of the elderly.

Tokio Marine Group simultaneously aims to contribute to solving social issues, such as lengthening healthy life and asset life, by delivering innovative products through its integrated business model for life and non-life insurance, as well as to achieve profit growth. As Hokenbito

(True Insurance Professionals), we support people's healthy and enriching lives by developing and providing life and medical insurance products that meet more diversified and complex customer needs.

FY2020 results

SDGs contributing to solutions

[Products and services]

- Launched *Medical Kit Yell* and *Medical Kit Yell R*, medical insurance products with relaxed underwriting criteria in August 2020: 50,000 contracts in eight months after launch
- Launched *Anshin Disability Insurance* and revised *Household Income Term Insurance NEO* in January 2021
- Supported customers' health and productivity management



[Operations and social contributions]

- Selected as a "Health & Productivity Stock" for six consecutive years
- Implemented a program to enhance health literacy



Meeting a Variety of Health Needs

Focusing on growth areas such as the elderly, healthcare and asset formation, Tokio Marine Group launched *Medical Kit Yell* and *Medical Kit Yell R*, which are medical insurance products with relaxed underwriting criteria, in August 2020 for customers with health concerns and chronic illnesses. We reached approximately 50,000 contracts in eight months after launch. Moreover, in order to meet the need for incapacity coverage of many more customers, we launched *Anshin Disability Insurance* and revised *Household Income Term Insurance NEO* in January 2021.

We also rolled out an initiative called Life Insurance Revolution in 2012. Since November 2017, we have been engaged in Life Insurance Revolution Nextage, a new initiative that combines "life insurance" and "health support" and aims to provide optimum safeguards by protecting customers in all domains. These safeguards encompass "new protection," "asset building" and "prevention and pre-symptomatic health" in anticipation of advances in medical technology.



Medical Kit Yell pamphlet

Promoting Health and Productivity Management throughout the Group and Supporting Health and Productivity Management of Corporate Customers

6 consecutive years
selected as a "Health & Productivity Stock"

Managing the health of employees and creating a comfortable workplaces have become major issues in corporate management. Tokio Marine Group was selected as a "Health & Productivity Stock" for six consecutive years for its promotion of health and productivity management. Moreover, we provide support for health and productivity management of our corporate customers by leveraging the know-how cultivated through our own health and productivity management.

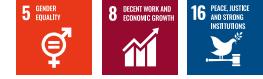
Enhancing the Health Literacy of Employees and Agents

Tokio Marine Group supports employees and agents in enhancing their health literacy in its capacity as a special partner of the Japan Healthcare Master Certification, which aims to improve the knowledge and skills necessary to lead a healthy life.

4 Promote and Support Diversity and Inclusion

As the economy and society becomes more sophisticated and globalized, we need to create a society where everyone, including disadvantaged people and people with disabilities, can live with peace of mind and to accept, promote and utilize diversity. Globally, widening income inequalities, rising youth unemployment rates, unequal educational opportunities due to poverty, gender or other factors are major issues to be solved.

Tokio Marine Group promotes diversity and inclusion (D&I) group-wide. We have been sharing best practices and working to promote diversity and ingrain the D&I culture throughout the Group. With regard to human rights issues, we have been implementing improvement activities while conducting human rights due diligence.

FY2020 results	SDGs contributing to solutions
<p>[D&I promotion]</p> <ul style="list-style-type: none"> Ratio of female employees in sub-manager positions: 54.9% (Tokio Marine & Nichido, as of April 2021) Ratio of female directors: 11.5% (Tokio Marine & Nichido, as of April 2021) 	
<p>[Operations and social contributions]</p> <ul style="list-style-type: none"> Conducted Group culture and value survey (response rate 84%): scored 4.3 out of 5 (Group Attachment) Supported the elderly and people with disabilities 	

Developing a System to Establish D&I into Corporate Culture

Tokio Marine Group promotes D&I in Japan and overseas, and human resources acquired through overseas M&A have been thriving as collaborative group leaders and global committee leaders. In 2019, Tokio Marine Group Women's Career College was established to promote female employees' voluntary career building and encourage active participation. We have been proactively working to eliminate the gender gap as a top priority in our D&I promotion.



Tokio Marine Group Women's Career College (fiscal 2019)

We are also focusing on promoting internal venture programs that support the endeavors of mainly young employees to explore new innovations, as well as on relaxing side-job rules.

Ingraining a Shared Core Identity

We have been working to ingrain a shared Tokio Marine Group core identity among all Group employees through various measures, such as President and Group CEO Satoru Komiya's remote world tour during the COVID-19 pandemic. Moreover, through the internalization of this corporate culture, we aim to establish our purpose at the heart of all activities encompassing from individual actions to management decisions (the essence of governance) and to create workplaces where every employee can thrive.

Realizing a Symbiotic Society by Supporting the Elderly and Persons with Disabilities

Tokio Marine Group supports the elderly and people with disabilities in cooperation with NGOs with the aim of realizing a symbiotic society where people can play an active role regardless of age or gender. In addition to encouraging the participation of Group employees in Courses to Foster Support for Dementia Care, we are working with the Japan Deafblind Association (JDBA), the Japanese Para-Sports Association (JPSA) and the Japan Inclusive Football Federation (JIFF) to support persons with disabilities and promote understanding of sports for persons with disabilities.



Group employees watching para-sports
(February 2019)

5 Facilitate and Foster Innovation through Digitalization

With the advance of digital innovation, we have entered an era in which anyone in the world can connect globally through their smartphones.

Tokio Marine Group's mission is to provide safety and security through insurance products and services by utilizing digital tools. We will continue to contribute to anticipating traffic risks and preventing traffic accidents by providing insurance products and services ahead of traffic technology innovation and other advances.

FY2020 results	SDGs contributing to solutions
[Products and services] <ul style="list-style-type: none"> Continued to provide <i>Cyber Risk Insurance</i> Developed <i>Drive Agent Personal</i> with dual-camera driving recorder (launched in April 2021) Insurance procedures using smartphones 	
[Operations and social contributions] <ul style="list-style-type: none"> Continued support for the "Daijoubu Campaign" for crime and disaster prevention and traffic safety 	 

Responding to Increasingly Sophisticated and Elaborate Cyber Risks

In step with the advance of digital innovation, new risks are emerging, such as increasingly sophisticated and elaborate cyberattacks targeting companies and other organizations.

Tokio Marine & Nichido has been providing *Cyber Risk Insurance* since 2015. In 2020, we opened the Tokio Cyber Port, an online information lounge on cybersecurity countermeasures, raising awareness among companies and other customers about cybersecurity and encouraging them to strengthen countermeasures.



Tokio Cyber Port website

Providing Insurance Products and Services in Response to Traffic Technology Innovation

In light of the advances in autonomous driving technology and the launch of full-scale demonstration tests of autonomous vehicles on public roads, we need to respond to new risks in road safety.

Tokio Marine Group provides insurance products that respond to traffic innovation and offers accident support and safe driving support services leveraging telematics and Internet of Things (IoT) technologies. For the first time as a major insurance company in Japan, we started providing *Drive Agent Personal*, an advanced service for individual customers utilizing its original driving recorder, as a rider for auto insurance in April 2017, providing advanced accident response, safe driving support and safe driving diagnosis. From April 2021, we have also been offering a dual-camera driving recorder that captures video of both the front and rear directions from inside the car.



Dual-camera driving recorder

Insurance Procedures Using Smartphones

Lifestyles and society have changed, and we now live in an era where everyone has access to smartphones. Tokio Marine Group has developed a smartphone app called *Mobile Agent* that allows customers anytime and anywhere to check points of contact, send insurance-related inquiries, view details of their insurance policies and make an accident report by identifying the location of an accident via GPS. Since January 2019, we have started providing discounts to customers who choose web-based policies (auto insurance and *Super Insurance*) during the contracting process and have been improving the app's operability. Additional efforts that have been made to increase the functionality include reinforcement of its feature to provide disaster and evacuation information and the sharing of policy details among family members.

In December 2020, we rolled out *Remote Raku Raku Tetsuzuki*, a one-stop online service for customers to view a proposed insurance product and its description and apply for it on their smartphones and other devices. Through this service, we have realized seamless and paperless procedures that also make customers feel at ease.

6 Protect the Natural Environment



Since our lives are supported by a safe and secure supply of food and water, the preservation of the ecosystems, biodiversity and wetlands that produce them is a global priority.

Tokio Marine Group started planting mangroves in 1999 as a project to commemorate the 120th anniversary of Tokio Marine & Nichido. Since then, we have been engaging in the project for more than 20 years as an "insurance for the future of the earth" to pass down a safe and secure environment to future generations (total of 11,618 ha as of March 31, 2021). We announced the Mangrove Planting 100-Year Declaration in 2007 and the Mangrove-Based Value Co-creation 100-Year Declaration in 2019, which aims to create value by providing mangrove-based services together with forestry NGOs and other organizations. We also participate in the United Nations Communities of Ocean Actions to Achieve Goal 14 of the SDGs and are working to preserve biodiversity and wetlands through international cooperation.

Moreover, we promote nature conservation activities that are aligned with local needs in various countries and regions around the world. For example, in the United States, where forest wildfires are a serious concern, Philadelphia Insurance Companies (PHLY) has implemented the PHLY 80K Trees Campaign, while in Japan, where forest maintenance is a challenge, we are promoting forest conservation activities through tree thinning in partnership with Aki City in Kochi Prefecture.



7 Provide Education to Children



One of our major responsibilities is providing education to children, who will lead the future. As various social issues become increasingly complex and diverse, our responsibility for future generations is likewise increasing.

Tokio Marine Group hosts programs to consider solutions to environmental and social issues with children and provides other opportunities for education in order to pass down a better natural environment and society to future generations. In Japan, we support economically disadvantaged students with opportunities for learning and advancing to higher education by engaging in initiatives through foundations such as providing them with scholarships and administering assistance programs for children orphaned by traffic accidents.

In addition, Tokio Marine Group has been working to raise children's environmental awareness through Green Lessons and disaster prevention awareness through Disaster Prevention Lessons. We have also provided the career education program Group Work on Managing Risks and Opportunities. More than 100,000 students have participated in these programs as of March 31, 2021. Overseas, Tokio Marine & Nichido Fire Insurance Company (China) Limited has been carrying out a disaster awareness-raising program while Hollard Group in South Africa has been providing the StreetWise Finance financial literacy education program.

These programs are carried out mainly by employee volunteers. Tokio Marine Group promotes initiatives to solve social issues with the participation of all employees by setting the target of a 100% participation rate (total) in social contribution activities.



Green Lessons



8 Disclose Highly Transparent and Timely Information



In recent years, there has been an increase in ESG investment that utilizes non-financial information such as environmental, social and governance (ESG) factors in addition to corporate financial information for investment decisions. Tokio Marine Group has been working to further enhance its contributions to solving social issues through its core business while enhancing the trust of shareholders and investors through the disclosure of highly transparent and timely ESG information.

We began disclosing sustainability information in the 2000s, and since fiscal 2017 we have been working on climate-related information disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) through the publication of integrated annual reports and sustainability reports.

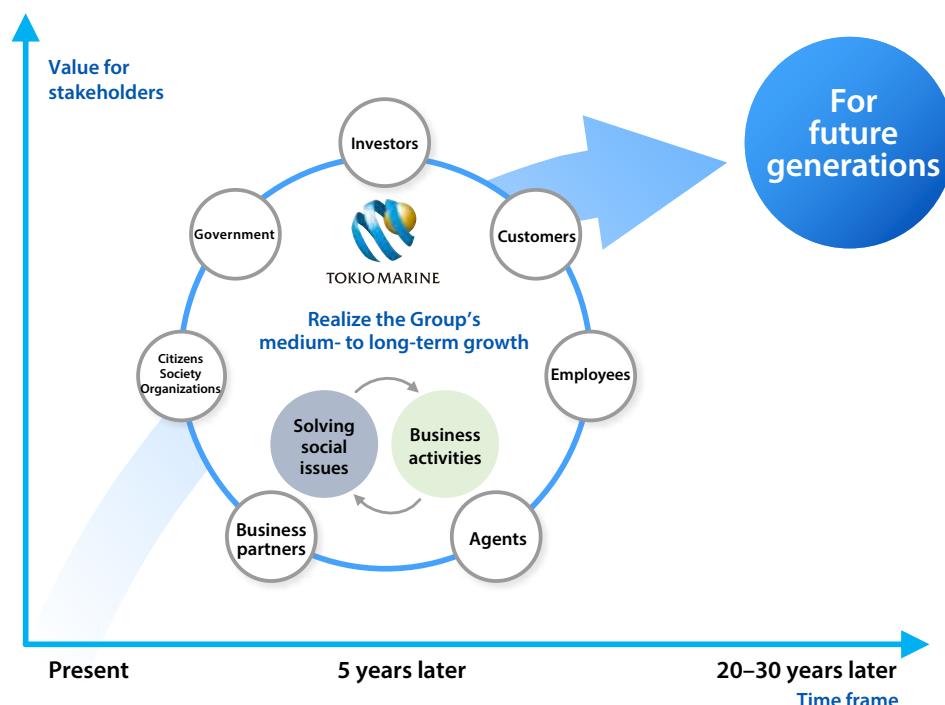
As a result, our Integrated Annual Report 2020 received the Award of Excellence at the 23rd Nikkei Annual Report Awards.

Special Feature: Tokio Marine Group's Sustainability Management—For Future Generations

Looking a step ahead into the future for various stakeholders, Tokio Marine Group has clearly designated "future generations" as one of its key stakeholders.

It is our responsibility to sustainably pass on the environment to future generations by implementing climate change countermeasures and preserving biodiversity while supporting these generations in taking on challenges through children's education.

In order to hand down a sustainable environment and society to all people who could be our stakeholders in the future, we will promote measures to combat climate change, work to protect the abundance of nature and provide education to children through business activities and social contributions.



Efforts to date			
	Social value	Business value	
1 Combat climate change	Mangrove planting	Disaster Prevention Lessons ("Earthquake and Tsunami" and "Water and Landslide Disasters" editions)	Restoration projects of the coastal forests of the Tohoku region
2 Improve disaster resilience	Industry-academia collaborative research on disaster risks	Support for acquisition of the Japan Healthcare Master Certification	Insurance for renewable energy power generation projects
3 Support people's healthy and enriching lives	Support for the JOC Junior Olympic Cup Swimming Tournament	N Program (supporting young physicians to gain clinical experience)	Support for the formulation of BCPs
4 Promote and support diversity and inclusion	Support for paraports	Fostering supporters of persons with dementia	Services to support health and productivity management
5 Facilitate and foster innovation through digitalization	Universal consulting services using an eye tracking device	Disaster Experience AR app	Microinsurance
6 Protect the natural environment	Collaborative afforestation efforts with Kochi Prefecture	Green Lessons	Prediction-based multi-hazard solutions using digital twin technology
7 Provide education to children	Financial assistance for children orphaned through traffic accidents and scholarships for children whose parents died from illness	Planet GENKI Program	Cyber Risk Insurance
	Scholarships for students at Japanese universities and exchange students from ASEAN nations and financial assistance for research	Green Gift Project	Literacy education and education for girls
	Group Work on Managing Risks and Opportunities		

Special Feature: Tokio Marine Group's Sustainability Management—Global

In order to continue delivering safety and security even 100 years from now, Tokio Marine Group works with stakeholders to promote efforts to solve social issues globally and create a positive growth cycle in various parts of the world.

Tokio Marine Group also promotes efforts to resolve social issues through participation in international initiatives and has been contributing to the achievement of global goals, including the United Nations SDGs as well as those specified under the Paris Agreement and the Sendai Framework for Disaster Risk Reduction 2015-2030.

Region	Efforts to resolve global issues	Material issues	Efforts through international initiatives
Global	<ul style="list-style-type: none"> • Developing and providing insurance package for offshore wind power generation projects • Acquiring GCube, a leading player in the renewable energy business field • Supporting the widespread use of renewable energy globally such as by operating a renewable energy fund 	Combat climate change – Transition to a decarbonized society	<ul style="list-style-type: none"> • As a co-chair of The Geneva Association's Climate Change and Emerging Environmental Topics (CC+EET) Working Group, Tokio Marine Group is leading surveys, research and dissemination of information on climate-related issues • Promoting the creation of a framework for disclosure of climate-related information and working to instill it in Japan and overseas for more widespread use as a member of the TCFD • Promoting research and impact assessment of climate change using global weather model data and disseminating findings in collaboration with The University of Tokyo, Nagoya University and Kyoto University
Asia Pacific (including Japan)	<ul style="list-style-type: none"> • Working with the tree-planting NGOs ACTMANG, OISCA and IMSE since 1999 to promote the Mangrove Planting Project in nine countries in the Asia-Pacific region (Tokio Marine & Nichido) • Promoting mangrove planting in Guam and Thailand in collaboration with NGOs • Providing Disaster Prevention Lessons, which started after the Great East Japan Earthquake, for 10 years and promoting disaster prevention education on earthquakes and tsunamis as well as water and landslide disasters • Expanding the scope of the activity to China and Indonesia and promoting disaster prevention education worldwide 	Improve disaster resilience – Promoting disaster prevention and mitigation	<ul style="list-style-type: none"> • Promoting disaster prevention globally through participation in the UNDRR Private Sector Alliance for Disaster Resilient Societies (ARISE) • Participating in the Asia-Pacific Financial Forum (APFF) as a Sherpa and leading discussions on disaster risk financing and insurance, which were identified as a priority issue by the Finance Ministers Process (FMP) of the Asia-Pacific Economic Cooperation (APEC) • Promoting efforts toward the issuance of an international standard originating from Japan (ISO standard certifying disaster preparedness) through industry-academia collaboration with Tohoku University
Americas	<ul style="list-style-type: none"> • Working with the Arbor Day Foundation since 2015 to promote the tree planting project PHLY 80K Trees Campaign in the United States, where forests are suffering serious damage from wildfires and storms (Philadelphia Insurance Companies) 	Protect the natural environment – Passing on the irreplaceable global environment	<ul style="list-style-type: none"> • Announcing the Mangrove-based Value Co-creation 100-Year Declaration and joining the United Nations Communities of Ocean Action for supporting the implementation of SDG 14 in 2019 to contribute to the preservation of biodiversity and wetlands through the creation of mangrove forests
Europe and Africa	<ul style="list-style-type: none"> • Providing the financial literacy education program StreetWise Finance (Hollard Group) 		

1.4 Tokio Marine Group's SDG Initiatives

Tokio Marine Group's Eight Material Issues and 17 SDG Goals

Tokio Marine Group provides various products and services and is undertaking initiatives to realize a sustainable society.

The eight material issues the Group has defined are closely aligned with the 17 SDG goals. We will strive to contribute to the attainment of the SDGs by resolving these material issues.

Perspectives	Eight material issues	17 SDG goals	SDGs targets	Tokio Marine Group's initiatives	
				Providing value through products and services	Providing value through other means
For the Environment	Combat climate change	7. Affordable and clean energy (Ensure access to affordable, reliable, sustainable and modern energy for all)	7.1,2,3,a	<ul style="list-style-type: none"> Package insurance for offshore wind power generation Impairment Liability Coverage for Geothermal Power Generation Operators Insurance products for renewable energy (solar, wind, biomass, geothermal, hydraulic power) operators Renewable Energy Fund, green bond investments 	<ul style="list-style-type: none"> Auto insurance eco mark certification Promoting the use of recycled automobile parts
		13. Climate action (Take urgent action to combat climate change and its impacts)	13.1,3	<ul style="list-style-type: none"> Green Gift Project, Mangrove Planting Project 	<ul style="list-style-type: none"> Green Lessons, Disaster Prevention Lessons Natural disaster risk seminar
		13. Climate action (Take urgent action to combat climate change and its impacts)	13.1	<ul style="list-style-type: none"> Insurance products for renewable energy (solar, wind, biomass, geothermal, hydraulic power) operators Package insurance for offshore wind power generation Renewable Energy Fund, green bond investments Web-based insurance policies and contracts, <i>Mobile Agent Personal, Raku Raku Tetsuzuki</i> (Quick and Easy Online Procedures) Promoting the use of recycled automobile parts Insurance for environmental liabilities and soil purification 	<ul style="list-style-type: none"> Achieving carbon neutral status Reduction in CO₂ emissions Purchase of green power
	Improve disaster resilience	11. Sustainable cities and communities (Make cities and human settlements inclusive, safe, resilient and sustainable)	11.5,b	<ul style="list-style-type: none"> Supporting the formulation of business continuity plans (BCP) Accident response services during large-scale disasters using digital technologies (AI to analyze images taken by satellites; WebRTC; and reservation of on-site investigations via smartphones) BELFOR's Early Disaster Recovery Support Service NADIAct disaster prevention and mitigation alert system for companies Flooding risk projection system EQuick Insurance to prepare for earthquakes Total assist fire insurance x Red Feather Disaster prevention/reduction program Disaster Experience AR app Natural disaster risk consulting 	<ul style="list-style-type: none"> Promoting initiatives to prepare for an ISO standard certifying disaster preparedness Disaster Prevention Lessons Research on climate change and natural disaster risk through industry-academia collaborative research Local information network during a disaster
		11. Sustainable cities and communities (Make cities and human settlements inclusive, safe, resilient and sustainable)	11.6		<ul style="list-style-type: none"> Obtaining ISO 14001 environmental management system Reduction in CO₂ emissions Purchase of green power
	Protect the natural environment	6. Clean water and sanitation (Ensure availability and sustainable management of water and sanitation for all)	6.6,b	<ul style="list-style-type: none"> Green Gift Planet GENKI Program, Mangrove Planting Project Insurance for environmental liabilities and soil purification 	<ul style="list-style-type: none"> Green Lessons
		14. Life below water (Conserve and sustainably use the oceans, seas and marine resources for sustainable development)	14.1,2	<ul style="list-style-type: none"> Green Gift Project 	<ul style="list-style-type: none"> Mangrove Planting Project Planet GENKI Program
		15. Life on land (Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss)	15.1,2	<ul style="list-style-type: none"> Green Gift Project Insurance for environmental liabilities and soil purification 	<ul style="list-style-type: none"> Mangrove Planting Project Planet GENKI Program Ten-Year Restoration Project of the Coastal Forests of Tohoku Region affected by the Great East Japan Earthquake Green Lessons (delivery classes)

Perspectives	Eight material issues	17 SDG goals	SDGs targets	Tokio Marine Group's initiatives	
				Providing value through products and services	Providing value through other means
For Society	Facilitate and foster innovation through digitalization	8. Decent work and economic growth (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)	8.6		<ul style="list-style-type: none"> Group Work on Managing Risks and Opportunities Room to Read's educational support program in developing countries
			8.5,8	<ul style="list-style-type: none"> Promoting health and productivity management PRODOR career matching service 	<ul style="list-style-type: none"> Work style reform
		9. Industry, innovation and infrastructure (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation)	9.5,a	<ul style="list-style-type: none"> Digital strategy Providing support for establishing Mobility as a Service (MaaS) (Insurance for the MaaS field, providing risk consulting) 	<ul style="list-style-type: none"> Research on climate change and natural disaster risk through industry-academia collaborative research, research on natural disaster risk
			9.3	<ul style="list-style-type: none"> Cyber Risk Insurance Tokio Cyber Port Response to the Act for Facilitating New Business Activities of Small and Medium-sized Enterprises (formulation of BCP), awareness-raising activity for risk financing, providing insurance 	
			1.5	<ul style="list-style-type: none"> Development of weather insurance and microinsurance jointly with IFFCO-TOKIO Efforts to increase prevalence of medical insurance for low-income earners 	<ul style="list-style-type: none"> Research on climate change and natural disaster risk through industry-academia collaborative research, research on natural disaster risk Initiative to support low incomes in the United States
	Support people's healthy and enriching lives	1. No poverty (End poverty in all its forms everywhere)	2.3	<ul style="list-style-type: none"> Development of weather insurance and microinsurance jointly with IFFCO-TOKIO Efforts to increase prevalence of medical insurance for low-income earners 	
			3.6	<ul style="list-style-type: none"> Mobile Agent Drive Agent Personal (DAP) Drive Agent for Corporate Policyholders One Day Auto Insurance 	<ul style="list-style-type: none"> Participation in demonstration tests on public roads for autonomous vehicles
		3. Good health and well-being (Ensure healthy lives and promote well-being for all at all ages)	3.8,d	<ul style="list-style-type: none"> Promoting health and productivity management Initiatives for living benefits Medical Kit Yell, Medical Kit Yell R Anshin Disability Insurance Household Income Term Insurance NEO Anshin Nenkin Kaigo, Anshin Nenkin Kaigo R Medical Assist consultation service "Medical Note for Tokio Marine Group" online service Calomama health guidance app "NouKNOW™" digital tool for checking brain health "Train Your Brain" program to enhance brain functionality Insurance products for regenerative medicine Dementia Support Plan Pension-Type Nursing Care Coverage Plan with Additional Coverage for Dementia Liability insurance for nursing care service providers Investment Trust to Fight Cancer 	<ul style="list-style-type: none"> Supporting the Center for iPS Cell Research and Application (CiRA), Kyoto University Supporting the provision of Japanese-language medical services (U.S.) Industry-academia collaborative research with The University of Tokyo and Tohoku University
			10.2	<ul style="list-style-type: none"> Products corresponding to LGBT Insurance for supporting initiatives for reducing human rights risk in building supply chains 	<ul style="list-style-type: none"> Support for dementia care Seminar on caregiving skills Activities associated with an elderly watch support network project Support for sports by persons with disabilities and Special Olympics Gold Partner of the Tokyo 2020 Olympic and Paralympic Games Support for NPO Sawayaka Welfare Foundation Support for Japan Deafblind Association

Perspectives	Eight material issues	17 SDG goals		SDGs targets	Tokio Marine Group's initiatives	
					Providing value through products and services	Providing value through other means
For Society	Support people's healthy and enriching lives		12. Responsible consumption and production (Ensure sustainable consumption and production patterns)	12.2,5,8	<ul style="list-style-type: none"> Web-based insurance policies and contracts (clauses), <i>Mobile Agent Personal, Raku Raku Tetsuzuki</i> Promoting the use of recycled automobile parts <i>Drive Agent Personal (DAP)</i> Smart Insurance Claims navi (web-based response service during automobile accident) 	
					<ul style="list-style-type: none"> <i>Home Choice Assist</i> <i>Home Cyber Risk Rider</i> <i>Designated Equipment Water Disaster Rider</i> (no conditions for flooding) <i>Cyber Risk Insurance</i> <i>Recall Insurance</i> 	
	16. Peace, justice and strong institutions		16. Peace, justice and strong institutions (Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels)	16.5	<ul style="list-style-type: none"> Legal expenses cover 	<ul style="list-style-type: none"> Policy for response to customer feedback Managing prevention of transactions involving conflicts of interest
	Promote and support diversity and inclusion		5. Gender equality (Achieve gender equality and empower all women and girls)	5.1,5		<ul style="list-style-type: none"> Eliminating gender gap (Tokio Marine Group Women's Career College (TWCC), etc.) Promoting active roles for older employees Promoting global human resources strategy Promoting the employment of persons with disabilities
For Governance	Provide education to children		4. Quality education (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all)	4.1,3,6	<ul style="list-style-type: none"> Green Gift Project Room to Read's educational support program in developing countries Streaming "Let's Learn about SDGs" series of videos 	<ul style="list-style-type: none"> Group Work on Managing Risks and Opportunities Tokio Marine Kagami Memorial Foundation, Educational Development Fund, Sports Foundation N Program to support young physicians to gain clinical experience
	Disclose highly transparent and timely information		17. Partnerships for the goals (Strengthen the means of implementation and revitalize the global partnership for sustainable development)	17.17		<ul style="list-style-type: none"> Appropriately disclosing information by strengthening intelligence related to information disclosure, including the Task Force on Climate-related Financial Disclosures (TCFD)
					<ul style="list-style-type: none"> Providing products and services for resolving social issues in collaboration with agents Launching Maritime Technology Innovation Consortium (MTIC) Overseas Investment Insurance 	<ul style="list-style-type: none"> United Nations Global Compact Principles for Responsible Investment United Nations Environment Programme Finance Initiative (UNEP FI) TCFD pilot group of Principles for Sustainable Insurance (PSI) advocated by UNEP FI The Geneva Association's Climate Change and Emerging Environmental Topics (CC+EET) working group ClimateWise Private Sector Alliance for Disaster Resilient Societies (ARISE) of United Nations Office for Disaster Risk Reduction (UNDRR) Principles for Financial Action for the 21st Century Eco-First Program by the Ministry of the Environment

Tokio Marine Group's SDG Initiatives

The Sustainable Development Goals (SDGs) are goals for the world to develop sustainably through joint efforts by all governments, companies and citizens to eradicate poverty, give all persons equal opportunities, protect the planet's environment and make better living possible. Tokio Marine Group has been working to contribute to achieving the SDGs not only by offering products and services but also by engaging in a variety of social contribution activities with the participation of all employees through our core businesses.



Won the SDGs Strategy/Economic Value Award at the 2nd Annual Nikkei SDGs Management Grand Prix

Tokio Marine Holdings won the SDGs Strategy/Economic Value Award at the 2nd Nikkei SDGs Management Grand Prix, which recognizes advanced companies that contribute to the achievement of the SDGs advocated by the United Nations.



The award recognizes companies that work toward solving social, economic and environmental issues through their businesses and improve corporate value. Based on the results of a survey conducted by Nikkei Inc., an external review committee comprehensively reviews 731 listed companies in Japan. Tokio Marine Holdings received the award for the development of casualty insurance for offshore wind power operators as part of its efforts to promote the spread of renewable energy.

Initiatives in Various Locations

Tokio Marine Group strives to help solve social issues through business activities. Accordingly, its employees have been engaging in initiatives all around Japan that contribute to achieving the SDGs from the perspective that is closely aligned with needs in each region.

Hokkaido

Contributing to the Local Economy by Resolving Regionally Specific Issues



Tokio Marine & Nichido considers problem-solving in respective locations leads to helping achieve the SDGs through regional revitalization. In Hokkaido, we have developed a scheme for compensating purchases of replacement feed when a natural disaster or an unforeseen and sudden event has prevented the harvesting of the necessary amounts of rough feed, including grass and dent corn, which is indispensable in dairy farming as cow feed. By helping to reduce the risks of dairy farming, we are improving disaster resilience in the area as well as contributing to a more stable local economy.



Kobe (Kobe Automobile Industry Production Department)

Activities to Promote the SDGs among Partner Companies through the Initiatives of Individual Employees



Tokio Marine & Nichido is supporting the agents, who are our business partners, by presenting concrete measures for achieving the SDGs and formulating action statements. The company's Kobe Automobile Industry Production Department has made the "No Plastic Bag Declaration" poster with the participation of all employees and implemented an initiative to encourage employees to bring their own reusable bags. The department has been engaging in activities to achieve the SDGs together with agents through the practices of individual employees, including the use of reusable bags to replace the disposable paper bags previously used for sales activities. It will continue its climate change action and other activities by raising the awareness and changing the behavior of each employee.



Tokai-Hokuriku (Business Support Department, Aichi Government Sector & Financial Institutions Department, Aichi North and South Branches)

Promoting the SDG-Related Activities of Regional Companies through Collaboration with Local Governments



As part of efforts to build momentum for attaining the SDGs in the Tokai-Hokuriku area, Tokio Marine & Nichido collaborated with Aichi Prefecture, the city of Nagoya and The Juroku Bank, Ltd. to hold the SDGs Festival in Nagoya Marunouchi, where the company set up the "SDGs Terrace" information-sharing section as the festival's main feature. Aiming at introducing the activities of companies working to achieve the SDGs and at fostering exchange between companies, the terrace was set up at the company's Nagoya Building from November 2020 to January 2021 and visited by not only representatives of companies and local governments but also many members of the public. Tokio Marine & Nichido also signed a memorandum with Nagoya City and Nagoya Credit Guarantee Corporation in May 2021 to create the Nagoya City SDGs Promotion Platform. In its capacity as a collaborative partner, the company is working to promote the SDGs at local companies and agents that are platform members by creating SDGs introduction guidebooks for mid-level enterprises and small- and medium-sized companies as well as promoting understanding and awareness about the SDGs using the card game "Regional Revitalization through the SDGs."



Miyazaki

Community Building That Is Kind to All People through Collaboration with WHILL Inc.



Tokio Marine Group has been carrying out new initiatives that leverage digital tools and technologies to tackle ever-changing social issues. In the Mobility as a Service (MaaS) field, we are working to support the building of MaaS itself by providing not only relevant insurance products and risk consulting but also call center services for on-demand transportation and small-scale mobility. In Miyazaki City, which served as a training camp for athletes for the Tokyo 2020 Olympic and Paralympic Games, we collaborated with WHILL Inc., a personal mobility company that has garnered attention in the last-mile area in recent years, to hold an experiential event to promote understanding of persons with reduced mobility and to build communities that are kind to both residents and visitors. We will continue to support the healthy and enriched lives of all people through the generation and support of digital innovation.

Throughout Japan

Promoting and Spreading Diversity and Inclusion through Seminars



Seminar lecturer: Masahiko Yokoyama, Tokio Marine & Nichido (senior meister and harassment prevention consultant, Group Account Marketing Department)

Tokio Marine & Nichido has held lectures at chambers of commerce, local government offices, financial institutions and companies throughout Japan regarding the current status and risk management of the four major types of harassment. Through the lectures, the company fosters a correct understanding of sexual harassment, power harassment, harassment against expectant mothers and discrimination against LGBTQ persons in the workplace. The lectures also provide information on what action should be taken as individuals and companies. In parallel with efforts to realize gender equality and promote diversity and inclusion within Tokio Marine & Nichido, the company provides small- and medium-sized companies with support to formulate workplace power harassment prevention measures, which will become mandatory from fiscal 2022 in accordance with the revised Act on Comprehensive Promotion of Labor Policies, and other information.

1.5 Initiatives to Promote Sustainability within the Group

Enhancing Sustainability Communication

From fiscal 2015, we commenced the Sustainability Key Persons (SKP) Seminar for SKPs at Group companies and branch offices of Tokio Marine & Nichido. The seminar aims to share information and exchange opinions on the most current sustainability trends as well as the Group sustainability strategies for the purpose of creating social value and raising corporate value. In July 2019, we invited Ai Ohara, Director of Japan Innovation Network, to give a lecture entitled "Exploring the Link between the SDGs and Business," which was followed by a group discussion to facilitate better understanding and internalization of sustainability and SDG concepts. In February 2020, Kunji Matsuda, Secretary General of the Japan Inclusive Football Federation, was also invited to give a lecture under the theme of "Creating an Inclusive Society through Football" to deepen our understanding in this area.

To help resolve social issues and perpetually raise the Group's corporate value, we will continuously hold these meetings and seminars in the future in order to improve the sustainability mindsets and skill levels of employees.

Sustainability Training

Tokio Marine & Nichido conducts sustainability training through e-learning for all employees once a year to promote understanding and sharing of the philosophy behind the company's sustainability activities. In addition to affirmation of the Sustainability Charter, the training includes topics such as confirmation of environmental footprint reduction targets and the environmental management system and confirmation of the company's community and social contribution initiatives. Key persons in each workplace promote participation in the training.

Community and Social Contribution Activities with the Participation of All Employees

Tokio Marine Group is implementing different local community and social contribution activities around the world that emphasize voluntary participation by employees and tie-ups and collaboration with NPOs and other groups.

In addition to aiming to conduct ongoing local community and social contribution activities at each workplace and Group company, we have designated October and November as Sustainability Months every year with the aim of promoting employee-driven sustainability activities. Many employees take part in a variety of local community and social contribution programs during this period in different parts of the world.

Support Systems and Donations

All Tokio Marine Group companies encourage the proactive participation of their employees in local community and social contribution activities by introducing them to activities in which they may be able to participate or by creating a volunteer leave system or an award program to recognize employees' active efforts in local community and social contribution activities.

Overview of Support Systems/Programs and Fiscal 2020 Results (Tokio Marine & Nichido)

Matching gift system	A system in which the company makes a donation matching the amount voluntarily donated by employees (6 cases totaling 237,880 yen)
Volunteer leave/leave of absence system	<p>A system to support employees for their volunteer time (used by 9 employees)</p> <ul style="list-style-type: none"> • Volunteer leave <p>A system in which employees are permitted to take leave limited to 10 days per year to participate in volunteer activities that include relief efforts in a disaster and support for social welfare institutions or groups relating to persons with disabilities, the elderly and children's welfare facilities, etc.</p> <ul style="list-style-type: none"> • Volunteer leave of absence <p>A system in which employees are permitted to take leave for a period of over six months and up to two years, in principle, to participate in a volunteer program recognized by the company, particularly actions with a high degree of social contribution in a social welfare institute, etc.</p>
Share Happiness Club	<p>A donation program operated by employee volunteers</p> <p>In fiscal 2020, a total of 2,425,500 yen donated by 1,294 employees was distributed to the following organizations:</p> <ul style="list-style-type: none"> • Watari Greenbelt Project • Childline Support Center Japan • Japan Deafblind Association • WaterAid Japan • Japan Rescue Association • The Nature Conservation Society of Japan • Usunova • Japan Inclusive Football Federation
Sustainability Months	Months for strengthening initiatives for proactively carrying out local community and social contribution activities across the entire Tokio Marine Group (October–November)
CEO Recognition for Sustainability	We commend excellent initiatives at Group companies and at Tokio Marine & Nichido branch offices that lead to the resolution of issues in communities and to the generation of corporate value. (For details, please refer to the "Tokio Marine Group CEO Recognition for Sustainability" below.)

[Sustainability Performance Data \(Employee participation rate in volunteer activities, Number of employees who took volunteer leave, Donations\) >>](#)

Tokio Marine Group CEO Recognition for Sustainability

To promote the fostering of a corporate culture in which each employee engages in sustainability as his/her own issue and ensure this contributes to the community and helps create corporate value, in fiscal 2015 Tokio Marine Group expanded Tokio Marine & Nichido's award system to the entire Group and established the Tokio Marine Group CEO Recognition for Sustainability. In April 2020, a total of 21 outstanding initiatives implemented in fiscal 2020 at Group companies and Tokio Marine & Nichido's branch offices were commended.



1.6 Organizational Structure for Promoting Sustainability

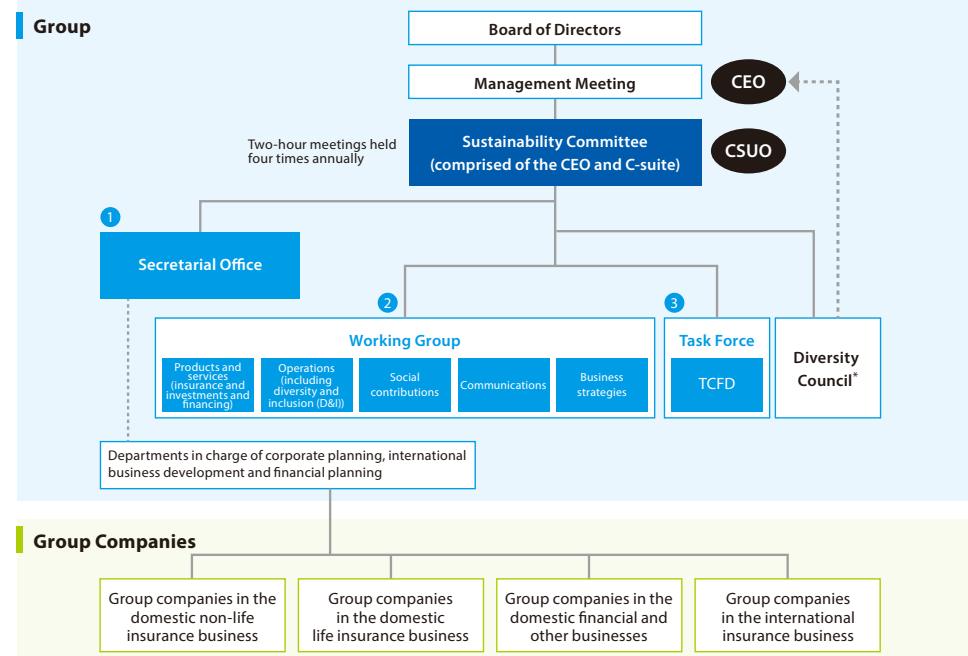
Accelerating Initiatives to Solve Social Issues under a New Promotion Structure

Tokio Marine Group has contributed to solving social issues by protecting customers and society in times of need. As these problems become increasingly complex and serious, we will need to promote initiatives that focus more on social sustainability. In this regard, we have clearly identified future generations as stakeholders and redefined our sustainability strategy as initiatives for contributing to realizing a sustainable society as well as growth for the Group, all the while balancing business activities with the resolution of social issues.

In April 2021, we established the position of Group Chief Sustainability Officer (CSUO) and established the Sustainability Committee chaired by the CSUO and operated as a global committee. The committee is responsible for promoting Group-wide initiatives while coordinating with subcommittees and task forces, which are subordinate to the committee, depending on the aspects of particular social issues. Under this structure, we aim to simultaneously achieve two goals, specifically, enhancing the Group's social value by solving social issues through our business activities and contributing to a sustainable society; and enhancing our economic value by achieving medium- to long-term growth for the Group through such initiatives.

Tokio Marine Group will realize medium- to long-term growth while promoting a shared understanding of the aims and context of our mid- to long-term sustainability strategy throughout the Group and strengthen our initiatives to solve issues relating to a sustainable earth and society.

Organizational Structure for Promoting Sustainability



* A body aimed at building consensus among Group companies regarding important D&I themes (e.g., fostering female executive candidates, making companies more inclusive)

(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>

- May 6, 2021:** Formulation of sustainability strategies, systems for executing the strategies and key issues in important areas
- Jul. 6, 2021:** Implications of external trends for the Group and annual plans for organizations that will carry out initiatives and top priority policies
- Aug. 31, 2021:** (1) Positioning of the sustainability report
(2) Initiatives for climate change and TCFD disclosure, etc.
- Dec. 3, 2021:** (1) Reconfiguration of sustainability report
(2) Formulating plans for the next fiscal year

(2) Roles of other organizations

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

1.7 Stakeholder Engagement

Promoting Initiatives Together with Various stakeholders

In implementing high-quality corporate management, we believe it is essential to develop a relationship of mutual trust through dialogue with customers and all other stakeholders.

We are promoting a deeper understanding of Tokio Marine Group's thinking, values and various types of initiatives based on customer opinions (customer compliments, complaints and other opinions and suggestions) received by Group companies, and through engagement with shareholders and investors, dialogue with agents, communications with employees, communications with external environmental, social and governance (ESG) and socially responsible investment (SRI) rating agencies and opinion exchange with external experts (Sustainability Dialogue). Using the obtained feedback, we identify issues of the entire Group and at each Group company.

We also provide shareholder and investor information and issue various types of news releases through the media and make our best efforts to provide appropriately timed and adequate information disclosure to all stakeholders.

Tokio Marine Group's Stakeholders



Stake-holders	Engagement		Links
	Policy	Contents	
Customers	We continually provide customers and society with "safety and security." We will continue to promptly and appropriately provide even higher quality products, services and processes that meet the expectations of our customers.	Basic knowledge of insurance Customer satisfaction levels	Naruhodo Insurance Guide (Basic) (in Japanese) Naruhodo Insurance Guide (Life Events) (in Japanese) Response to Customer Feedback >>
Shareholders and Investors	To assure transparent and fair management, we work for timely and appropriate information disclosure, while implementing a variety of measures to realize constructive dialogue with domestic and overseas shareholders and investors.	Dialogue with shareholders and investors Disclosure policy	Stakeholder Engagement (Dialogue with Shareholders and Investors) >> Corporate Governance (Relations with Shareholders and Other Stakeholders) >> Information Disclosure
Insurance Agents	We emphasize mutual trust with our agents and combine our strengths to meet the needs of customers while cooperating to promote mutually sound growth and development.	Cooperation with insurance agents	Collaborating with Agents >> Education and Training Systems for Agents >>
Business Partners	We aim for healthy mutual growth and development with our business partners.	Cooperation with business partners	Sustainability in the Value Chain >>
Employees	We respect each and every employee as individuals and recognize their dignity and value, and pay careful attention to ensure that they can fulfill their responsibilities to their families. We aim to be a professional group with very distinctive characteristics while cooperating to ensure all colleagues maximize their performance with integrity and compassion.	Employee satisfaction levels Dialogue	Fair Personnel System and Management (Raising Employee Satisfaction Levels) >> Sustainability Initiatives Aiming To Be a "Good Company" >>
Local Communities and Societies	As a good corporate citizen, we strive to be trusted by all people and society while contributing to the creation of a society where a diversity of people can live healthy lives and with a sense of security. We also make efforts to soundly protect the global environment for future generations. In addition, by partnering with NPOs, etc., we conduct a mangrove planting project.	Awards	External Evaluations and Participation in Initiatives >>
		Initiatives	External Evaluations and Participation in Initiatives >>
		Sustainability Dialogue	Stakeholder Engagement (Sustainability Dialogue) >>
		Mangrove Planting Project	Protecting the Global Environment through Products and Services (Green Gift Project: Mangrove Planting) >>

Stake-holders	Engagement		Links
	Policy	Contents	
Future Generations	We aim to pass on a sustainable global environment to future generations.	Experience-based environmental protection activities	Protecting the Global Environment through Products and Services (Green Gift Planet GENKI Program) >>
Research Institutions	To respond to disasters caused by climate change, we will enhance our natural disaster risk assessment through industry-academia collaboration and will provide products and services for stable responses to disasters in the future.	Climate change and natural disaster risk research	Promoting Research on Climate Change and Natural Disaster Risks >>
External Initiatives, Organizations, Governments	To respond to global-scale issues such as climate change, poverty, human rights and resource and energy issues and help create a secure, safe and sustainable future, we will collaborate with governments and industry organizations and participate in initiatives that include the United Nations Global Compact and the United Nations Environment Programme Finance Initiative (UNEP FI), and undertake activities in cooperation with a variety of stakeholders toward resolving these issues.	Participation in initiatives	External Evaluations and Participation in Initiatives >>
Media	Based on the Tokio Marine Group Sustainability Charter that states, "We intend to disclose information timely and appropriately and to promote dialogue with all our stakeholders to ensure effective corporate management," we will cooperate with the media and carry out fair, timely and proper disclosure of company information to gain the trust and understanding of our stakeholders.	News release Tokio Marine Holdings corporate website (Sustainability page)	News release Tokio Marine Holdings Corporate Website (Sustainability Page)

Sustainability Dialogue

In the name of the "Sustainability Dialogue," Tokio Marine Group regularly invites outside experts to share the latest knowledge on sustainability with management and to engage in dialogue (exchange views and engage in discussions) about Tokio Marine Group's sustainability initiatives. On February 12, 2020, we invited a prominent figure to give a lecture on the theme of "Creation of Corporate Value and Sustainable Management" and to share his opinions about the sustainability initiatives of Tokio Marine Group in line with the latest social situation in the field of sustainability. Several opinions offered through the dialogue are provided herein.

Participants

(Affiliations and positions are as of the date of the convening of the dialogue.)



Akiyoshi Oba
Chairman
Japan Investment Advisers Association



Satoru Komiya
President and Group CEO
Tokio Marine Holdings, Inc.



Makoto Okada
Executive Vice President
Tokio Marine Holdings, Inc.



Takayuki Yuasa
Executive Vice President
Tokio Marine Holdings, Inc.



Shinichi Hirose
President and CEO
Tokio Marine & Nichido Fire Insurance Co., Ltd.



Tadashi Handa
Senior Managing Director
Tokio Marine & Nichido Fire Insurance Co., Ltd.

Opinions
1

It is important to hold dialogues with various stakeholders and become a sustainable company with high competitive edge.

A well-balanced management model based on the idea of benefitting three parties (the seller, the buyer and society as a whole) is popular in Japan, but it lacks the perspective of shareholders. In order for Japanese companies to overcome the issue of low earnings and solve social issues potentially becoming more serious in the future, business managers need to deal with both short-term issues and medium- to long-term sustainability issues and increase the ability to provide value. In doing so, it is crucial to respond appropriately to ESG trends by holding dialogues with every stakeholder in the capital market and gain recognition from the world's stock market as a company continuously improving corporate value.

[Tokio Marine Group's response policies]

Tokio Marine Holdings will hone its ability to provide value by enhancing dialogues with customers and other stakeholders, including those in the capital market, and by increasing our abilities to deliver safety and security, to execute M&A and to enhance the Group's combined capabilities.

Our efforts in fiscal 2019 included expediting payment of insurance claims; building a simple and fast process for insurance claims payment; setting up new customer contact points through a business tie-up with an online service provider; executing flexible M&A with a focus on cultural alignment; combining high levels of expertise of Group companies in Japan to predict and prevent disasters and accidents; and providing early recovery services.

We will continue our endeavor to become a company highly recognized both by society and the capital market through the enhancement of our dialogue with various stakeholders.

Opinions
2

You should facilitate customers' understanding of your corporate culture as a product and service provider and constantly gain trust from them.

Unlike products and services provided by manufacturers, those of financial and insurance business operators are intangible and take time to be recognized by customers. As such, it is important to practice business management based on the trust of customers. You should make efforts to facilitate their understanding of the Group's philosophy when providing products and services to them. Ingraining this philosophy into employees shapes a corporate culture, which in turn serves as the basis of customer trust. It is essential that customers can get a sense of that corporate culture.

[Tokio Marine Group's response policies]

Tokio Marine Group companies have formulated their respective customer-oriented business conduct policies and are carrying out business accordingly while remaining close to customers and keeping an acute awareness of their diversifying needs. We will remain committed to thoroughly implementing customer-oriented business conduct in the future as well. Through the provision of safety and security to customers, we will also strive to gain greater trust by facilitating their understanding of our corporate culture, including our purpose (*raison d'être*) of protecting customers and local communities in times of need.

Opinions
3

You need to respond appropriately to climate change issues and enhance your climate-related information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Among other countries, Japan has the greatest number of companies supporting the disclosure of climate-related information according to TCFD recommendations. What is increasingly emphasized now is the content of their information disclosure. For example, many companies sustained damage during typhoons last year, and they need to disclose more information on the actual situations surrounding such a risk. Companies are required to appropriately identify,

assess and disclose climate change-related risks and opportunities to investors and other relevant parties based on TCFD recommendations.

[Tokio Marine Group's response policies]

Tokio Marine Holdings has identified global climate change and an increase in natural disasters as one of the material issues and seeks to create a resilient society. Since declaring our support to the TCFD for the first time in the Integrated Annual Report 2017, we have been disclosing information on climate-related governance, strategies, risk management, metrics and targets based on TCFD recommendations through our corporate website, Sustainability Reports and other means. We will continue to implement appropriate risk control and work to improve the sophistication of our disclosure of information on the actual risk situations.

Opinions
4

You need to nurture human resources and provide opportunities to them.

Failure, to put it positively, is "learning for the future." Many companies engaging in the development of human resources are now required to make additional efforts to incorporate the opinions of younger generations and women and build their self-confidence by taking on challenges on their own. Giving due consideration to such matters is currently important in companies.

[Tokio Marine Group's response policies]

Tokio Marine Holdings focuses on human resources development through such means as continuous dialogue between managers and employees for the enhancement of employees' competencies (in behavior and thinking). For example, Tokio Marine Holdings and Tokio Marine & Nichido jointly operate the Tokio Marine Innovation Program, an in-house open application program launched in 2017 for the creation of business models and new businesses

that will contribute to the Group's growth. It periodically solicits ideas from employees to spur innovation and allows the employee who has submitted the most outstanding idea to put his or her innovative idea into practice. In July 2020, we announced "PRODOR," the first project commercialized under the program.

Tokio Marine Holdings also provides various opportunities for female employees to build their career on their own and take active roles in a broader range of fields. In fiscal 2019, we launched the Tokio Marine Group Women's Career College (TWCC), an internal program for female employees of Group companies in Japan. Going ahead, we will continue to undertake initiatives to nurture human resources and provide opportunities.

Responding to Opinions in the Sustainability Dialogue

Thank you for your valuable opinions. We will utilize these opinions in our future activities to accelerate our initiatives for resolving various issues facing society.

We aim to be a "Good Company" that supports customers and society in all times of need. Based on dialogue and collaboration with our stakeholders in all areas of our business, from products and services to respect for human rights and dignity, protection of the global environment, contribution to local communities and societies, governance and stakeholder engagement, all employees will work together to create a secure, safe and sustainable future with a focus on our three core sustainability themes.

Makoto Okada

Executive Vice President
Tokio Marine Holdings, Inc.

(Affiliation and position are as of the date of the convening of the dialogue.)

■ Opinions Received from Experts in the Past and Subsequent Responses

Date of dialogue	Items	Opinions	Status of Group's response
December 20, 2017	Contributing to the attainment of SDGs through business activities	SDGs require the efforts of the private sector based on the idea of benefits for five sides that include sellers, buyers, society, our future and the earth. One of the main facets of the SDGs is "No one left behind," which values inclusiveness and diversity. One representative group that tends to get left behind is youth, who are the bearers of our future. The earth is something borrowed from our children. Therefore, I ask for everyone's cooperation in promoting the SDGs to ensure the earth continues to be sustainably handed down as something beautiful to the next generation.	Tokio Marine Group has set "Supporting People" as one core CSR theme and actively promotes education and awareness activities for children, who are responsible for our future. For example, Tokio Marine Group holds a variety of programs with the participation of all employees that include Disaster Prevention Lessons to prepare for the next major disaster and Green Lessons based on the theme of mangroves (both for elementary school children) as well as Group Work on Managing Risks and Opportunities (for junior high school and high school students), a career education program that provides an awareness of insurance through a management game. In the future as well, Tokio Marine Group will promote education and awareness activities for children.
	Responding to the protection gap	Urbanization and slumification are progressing throughout the world. During the next 10 years, 95% of the world's urbanization will occur in developing countries while the population of persons living under vulnerable circumstances will also increase. These persons are especially vulnerable to disasters. Natural disasters are increasing in scale due in part to the impact of climate change. Protecting these vulnerable persons is thus also one reason for companies to promote the SDGs.	In 2001, Tokio Marine Group established IFFCO-TOKIO General Insurance Co., Ltd. (IFFCO-TOKIO), a non-life insurance company, as a joint venture with Indian Farmers Fertiliser Cooperative Limited (IFFCO), which has a nationwide network of 38,000 member cooperatives, and started offering auto, fire and other insurance in India. At the same time, Tokio Marine Group sought to resolve the lifestyle of uncertainty faced by farmers in India through insurance and is developing and providing weather insurance and microinsurance (low-cost insurance) as well as accident insurance as an incidental to fertilizer and grain and medical insurance with subsidies from the local state governments in India's rural communities. In the future, Tokio Marine Group will continue contributing to the development of regional communities and solving poverty issues by providing products and services for socially vulnerable persons in India and other regions.

Date of dialogue	Items	Opinions	Status of Group's response
December 20, 2017	Principles-based regulatory compliance and sustainable corporate value creation	The dramatically accelerating speed of technological progress and innovation has made it increasingly difficult for regulatory and supervisory authorities to assume every situation and establish rules beforehand. Regulatory authorities thus have no choice but to just issue major policies such as corporate governance codes. Against this backdrop, respective corporate governance reforms are being undertaken, such as those implemented globally to "prevent a recurrence of the so-called Lehman Brothers shock," as well as those in Japan to "raise earnings power." All of these aim toward the direction of "sustainable corporate value creation." In Tokio Marine Group as well, I look forward to seeing the establishment of principles-based management strategies and policies and the promotion of management that sustainably raises corporate value.	Tokio Marine Group believes CSR is synonymous with the implementation of its Corporate Philosophy and strives to strengthen its management foundation throughout all its business activities. Regarding corporate governance, Tokio Marine Group has endorsed the Corporate Governance Code and aims to build a sustainable management structure based on the principles of the Code. For example, under the Corporate Governance Code, publicly listed companies should appoint at least two independent outside directors. However, the Company proceeded early on to strengthen corporate governance functions such as by appointing three or more outside directors since the establishment of the current company in 2002. Going forward, Tokio Marine Group will work to raise corporate value in a sustainable manner.

Date of dialogue	Items	Opinions	Status of Group's response
December 20, 2017	ESG investment becomes mainstream	As expressed in "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation" (Guidance for Collaborative Value Creation) announced by the Ministry of Economy, Trade and Industry (METI) in 2017, companies must demonstrate to investors that solving issues related to ESG through business activities is the source of corporate value creation. Rather than talking about only individual elements of ESG, companies are being asked to comprehensively identify these as elements of medium-to-long-term risks and opportunities and consider how these elements are being incorporated into corporate growth strategies, what type of influence these have on the sustainability of business models and how these are being addressed strategically.	Tokio Marine Group regards ESG issues that are strongly connected to the insurance business, such as "climate change and natural disasters," "demographic changes" and "technology innovation," as CSR materiality. Tokio Marine Group is working to create a society resilient to natural disasters, promote health management and support the building of an ultra-smart society through all its business activities, from providing products and services to promoting donation and volunteer activities. In these areas as well, we will also comprehensively consider ESG issues as risk and opportunity elements and make efforts to solve social issues and raise corporate value. Moreover, through our Integrated Annual Report and Sustainability Report, we will strive to further enhance communication with investors and other stakeholders regarding our initiatives aimed at solving ESG issues.
December 19, 2018	Management focused on the Sustainable Development Goals (SDGs)	An insurance company is a business operator having contact with people and companies in all business categories through its insurance business, involving a large number of stakeholders and having a significant impact on society through product development. I hope you will incorporate the globally pursued SDGs into your management strategies, promote the permeation of these goals within the Group and take the lead in efforts to increase their recognition worldwide.	For Tokio Marine Group, the resolution of social issues is the very goal of our business, and we have been working to resolve natural disaster and other social issues even before the SDGs were adopted. In fiscal 2019, we will step up our efforts by explicitly integrating the SDGs into the Group CSR strategies. Working with our stakeholders, we will continue to endeavor for the resolution of social issues through all our business activities from a long-term perspective.

Date of dialogue	Items	Opinions	Status of Group's response
December 19, 2018	Value creation story	We are in an age in which the quality of conveying a company's value creation story is crucial in ensuring good investor relations (IR) and public relations (PR). I think you would be able to better express your philosophy "To Be a Good Company" if you can clearly define the link between the SDGs and your strength-based business model and business model-based value creation story.	Since fiscal 2018, Tokio Marine Group has been referring to the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation advocated by Japan's Ministry of Economy, Trade and Industry in preparing its Integrated Annual Reports. In the 2019 Integrated Annual Report, we incorporated the SDGs into our value creation model and showed our initiatives toward the attainment of the SDGs in a table in the Environmental, Social and Governance Initiatives and Contributions to the United Nations Sustainable Development Goals section. We will continue to improve the quality of conveying our value creation story.
	Promoting the permeation of the SDGs throughout the Group	I believe efforts to promote the permeation of the SDGs throughout the Group should be made in a way that factors in the individual positions and roles at the management level and at the actual operation level. For sales personnel, for example, it is essential to organize the SDGs-related initiatives into easily comprehensible, familiar themes from their perspective. Providing relevant education regarding them is also important.	We will promote the permeation of the SDGs throughout the Group by using CSR Dialogues and the CSR Board at the management level. At the actual operation level, we will do so by providing training for CSR Key Persons (CSRKP), CSR education and SDGs-related tools. For the latter, the CSR Division and other relevant departments jointly support the development of tools to raise awareness of SDGs. From fiscal 2019, we also changed the name of our annual CSR Booklet to the Sustainability Booklet to clearly show the link between the Group's initiatives and the SDGs. We will use the booklet in promoting the permeation of the SDGs throughout the Group and communicating with customers with regard to the SDGs.

Dialogue with Stakeholders

Dialogue with Shareholders and Investors

Fundamental Policy

Tokio Marine Holdings will strive to enhance trust by providing information to capital markets in a timely, fair and continuous manner while ensuring transparency and accountability in its disclosures, and to promote understanding of its efforts to increase corporate value and accurate assessment of the Company. Furthermore, through constructive dialogue between management and shareholders and investors, the Company will gain an appropriate understanding of how it

is viewed and the state of the capital markets, and provide that understanding and feedback to management and within the Company to lead to improvement of management itself and further enhance corporate value.



Dialogue with Investors

Dialogue with Institutional Investors

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

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



Investor Day

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

Dialogue with Individual Investors

In fiscal 2020, we took all possible measures to prevent the spread of infection and held a conference featuring the Group CEO. The Company also provided easy-to-understand explanations of the "Group's management strategy" and "shareholder return," which are of great interest to individu-



Individual Investor Information Session by Group CEO Komiya

al investors. These explanations received a 97% participant satisfaction rate, the highest value in the last five years.

[Conference video](#) (in Japanese)

Feedback

The Company is also making efforts to report the opinions obtained through dialogue with shareholders and investors widely to management and other members of the Company, and to reflect them in improvement of management. While our employees have little interest in or familiarity with IR, but through IR activity reporting sessions, they understand the voice of capital markets, how the Company is evaluated and how their own work is connected to the capital market. This results in a virtuous cycle with positive impact on their own motivation and growth. In fiscal 2020, we also used the Internet to share and interact with 2,277 Group employees.



Role-playing a meeting with investors by IR Group members

Engagement with the Local Community

Tokio Marine Group promotes local community and social contribution activities in collaboration with NPOs committed to solving various issues in local communities. For the Mangrove Planting Project, one of the most notable initiatives undertaken by the Group, we have formed a long-term partnership with the NGO Action for Mangrove Reforestation (ACTMANG) specialized in mangrove planting, Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA) and International Society for Mangrove Ecosystems (ISME). Besides planting mangroves, we also cooperate in improving environmental awareness and promoting industries in designated planting regions, such as providing environmental education and workshops for local residents and children.

In Japan, we collaborate with Nippon NPO Center, eight Environmental Partnership Offices located nationwide and environment-related NPOs throughout the country and carry out the Green Gift Planet GENKI Program that encourages experience-based, environmental protection activities primarily targeting children.

1.8 External Evaluations and Participation in Initiatives

Tokio Marine Group is working to improve its initiatives in environmental, social and governance (ESG) fields and has received numerous evaluations and awards in Japan and overseas. Also, to contribute to the creation of a safe, secure and sustainable future, Tokio Marine Group also participates in various initiatives that include the United Nations Global Compact (UNGC), the United Nations Environment Programme Finance Initiative (UNEP FI) and the United Nations Principles for Responsible Investment (PRI).

Inclusion in ESG Index

ESG or SRI Index/ESG or SRI Rating	Rating Agency	ESG or SRI Index/ESG or SRI Rating	Rating Agency
● FTSE4 Good Index	 FTSE Russell	● S&P/JPX Carbon Efficient Index (themed index/environmental)	 S&P/JPX
● FTSE Blossom Japan Index (ESG index)	 FTSE Russell	● CDP (climate change) (Obtained A- rating in 2021)	 CDP
● MSCI Japan ESG Select Leaders Index (ESG index)	 MSCI	● 2021 Health & Productivity Stock Selection (sixth consecutive year since 2016)	 Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange
● Dow Jones Sustainability Indices	 S&P Global	● Outstanding Health and Productivity Management 2021, large enterprise category (White 500)	 Ministry of Economy, Trade and Industry
● Ethibel Sustainability Index	 Forum Ethibel	● Semi-Nadeshiko Brand for fiscal 2020	 Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange
● ISS ESG	 ISS ESG		

Evaluation from ESG Rating Agencies

In recent years, attention has been focused on ESG investment, which evaluates the implementation status of corporate initiatives for ESG-related risks and business opportunities in addition to corporate financial performance from the perspective of the sustainability of society.

Tokio Marine Holdings works toward transparency in its disclosure of ESG information and has earned high acclaim from numerous global ESG and SRI indexes. As of the end of August 2021, Tokio Marine was listed in the ESG indexes shown below.

* Inclusion in the MSCI Index and use of MSCI's logo, trademarks, service marks or index names do not constitute an endorsement, sponsorship or promotion of Tokio Marine Holdings, Inc. by MSCI or its affiliates. The MSCI Index is an exclusive property of MSCI. The names and logos of MSCI and its indexes are trademarks or service marks of MSCI or its affiliates.

Participation in Initiatives

Tokio Marine Group supports and respects the Universal Declaration of Human Rights, the ILO's International Labour Standards and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Also, Tokio Marine Group will contribute to the creation of a safe, secure and sustainable future in collaboration with various stakeholders through participation in such initiatives as the United Nations Global Compact (UNGC), the United Nations Environment Programme Finance Initiative (UNEP FI), UNEP FI Principles for Sustainable Insurance (UNEP FI-PSI) and the United Nations Principles for Responsible Investment (PRI).

Human Rights, Labor, the Environment and Anti-Corruption

The United Nations Global Compact (UNGC)



The United Nations Global Compact (UNGC) is a voluntary initiative for participation by companies in the creation of a global framework under which companies exercise responsible and creative leadership to act as good members of society to realize a sustainable society.

The ideas and contents of the Ten Principles concerning human rights, labor, the environment and anti-corruption advocated by the UNGC coincide with Tokio Marine Group's own approach to sustainability as well as its Sustainability Charter. Therefore, Tokio Marine Holdings has been a signatory to and expresses its support for the UNGC since 2005.

Tokio Marine Holdings is participating in the United Nations Global Compact Network Japan (GCNJ) and in fiscal 2020 participated in such initiatives as the Disaster Prevention and Mitigation Working Group and the Reporting-Related Study Working Group, among others.

From fiscal 2021 and beyond, Tokio Marine Holdings will promote these initiatives in the "Participant" capacity.

* Tokio Marine Holdings summarizes and reports every year on the status of initiatives for addressing the Ten Principles of the United Nations Global Compact.

[Communication on Progress \(PDF/663.3KB\)](#)

[The United Nations Global Compact](#)

Sustainable Finance and Insurance

UNEP FI Principles for Sustainable Insurance (UNEP FI-PSI)



More than 400 financial institutions around the world participate in the United Nations Environment Programme Finance Initiative (UNEP FI), an initiative that surveys, researches and puts into practice business approaches that consider economic development, the environment and sustainability.

[UNEP FI](#)



The Principles for Sustainable Insurance (PSI) of UNEP FI is a working group that surveys, researches and executes ESG initiatives in the insurance industry.

Tokio Marine & Nichido has not only participated in the formulation of PSI but also supported its intent and policies and became its founding signatory in June 2012. The company has since been promoting insurance industry initiatives that consider ESG issues together with insurance companies all around the world.

From fiscal 2018, Tokio Marine & Nichido participates in the PSI Task Force on Climate-related Financial Disclosure (TCFD) Insurer Pilot Working Group and was involved in creating the methodology on climate-related financial disclosure in the global insurance industry based on the TCFD recommendations. The company was also instrumental in the creation and publication of the "Insuring the climate transition" report in January 2021.

[PSI of UNEP FI](#)

Ministry of the Environment Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century)



Based on a suggestion from the Ministry of the Environment's Central Environment Council Expert Committee on Environment and Finance, the Principles for Financial Action for the 21st Century were compiled in 2011 by Japan's Environmental Financial Action Principles Drafting Committee, which featured the participation of a wide range of financial institutions, with the aim of broadening the circle of initiatives for environmental financing. The Principles for Financial Action are aimed at enabling domestic financial institutions to promote optimal initiatives in their main businesses for addressing a host of issues they face directly such as environmental, social and governance issues. Under these principles, the direction of which aligns with UNEP FI and the PRI, financial institutions seek to fulfill their necessary responsibilities and roles for the formation of a sustainable society based on their concerns about the future of the earth.

Within Tokio Marine Group, Tokio Marine & Nichido actively participated as a member of the drafting committee and the following six Group companies have agreed with the intent of and signed the Principles. (As of August 31, 2021)

- Tokio Marine & Nichido
- Tokio Marine & Nichido Life Insurance
- Nissin Fire & Marine Insurance
- E. design Insurance
- Tokio Marine Millea SAST Insurance
- Tokio Marine Asset Management

Tokio Marine Group has been proactively contributing to the Principles' initiatives. In July 2021, the Group gave a lecture entitled "The Latest TCFD Developments" during an online seminar held by the Insurance Business Working Group.

In the future as well, Tokio Marine Group will continue to promote the kind of initiatives that the financial and insurance industries can provide support for to create a sustainable society.

[Principles for Financial Action for the 21st Century](#)

Sustainable Investment

Principles for Responsible Investment (PRI)



The Principles for Responsible Investment (PRI) is an initiative led by UNEP FI and the UNGC, which expresses and puts into practice stances and policies that consider ESG issues in investment decisions by financial institutions and institutional investors.

The following Tokio Marine Group companies agree with the thinking of the PRI and have signed the Principles.

Signatories (Timing)	Initiatives
Tokio Marine Asset Management (April 2011)	Signed the UN-supported PRI initiative, accepting these Principles as an asset management company. The company established a responsible investment committee composed of the chief asset managers of each asset class, as well as a responsible investment group. Through these steps, the company develops basic policies, processes and systems concerning responsible investment and undertakes initiatives that take into account ESG issues during investment analysis, product development and exercise of voting rights.
Tokio Marine & Nichido (August 2012)	As an insurance firm that has taken ESG issues into account in its insurance underwriting, investment analysis and other actions, the company signed the PRI.

Japan Sustainable Investment Forum



Japan Sustainable Investment Forum (JSIF), a not-for-profit organization (NPO), carries out activities to promote the spread and development in Japan of sustainable investment and ESG investment, which are actively undertaken in Europe and the United States. JSIF functions as a venue for information and opinion exchanges, discussions and investigative research among persons involved with ESG investment and aims for the sound development of ESG investment and for the building of a sustainable society.

As a member of JSIF, Tokio Marine & Nichido is participating in investigative research on ESG investment and in initiatives for the sound development of this investment.

[Japan Sustainable Investment Forum \(JSIF\)](#)

Climate Change and Natural Disasters

The United Nations Office for Disaster Risk Reduction (UNDRR) — Private Sector Alliance for Disaster Resilient Societies (ARISE)



In November 2015, the United Nations Office for Disaster Risk Reduction (UNDRR), a strategic framework for disaster risk reduction adopted by United Nations member countries in 2000, launched the Private Sector Alliance for Disaster Resilient Societies (ARISE) toward the strengthening and reorganization of the Private Sector Partnership for Disaster Risk Reduction (DRR-PSP) for disaster prevention that Tokio Marine & Nichido joined in 2014.

In June 2014, Tokio Marine & Nichido participated in the 6th Asian Ministerial Conference on Disaster Risk Reduction in Bangkok, Thailand, sponsored by UNDRR and the government of Thailand, and in November 2016 participated in the 7th Asian Ministerial Conference on Disaster Risk Reduction held in New Delhi, India, and sponsored by UNDRR and the government of India. In July 2018, Tokio Marine & Nichido participated in the 2018 Asian Ministerial Conference on Disaster Risk Reduction held in Ulaanbaatar, Mongolia, and sponsored by UNDRR and the government of Mongolia. At these conferences, Tokio Marine & Nichido made presentations on its industry-academia collaboration initiatives as well as on the economic value of mangrove planting.



On March 10, 2017, ARISE Network Japan held a public symposium in Tokyo based on the theme "How businesses meet the challenge of extreme weather events: The challenge of companies toward disaster resilience." The Tokio Marine Research Institute held a lecture based on the theme "Modeling flood risks of the Arakawa River valley during global warming under future climate change" and disseminated information that included research outcomes through the promotion of industry-academia collaboration. Tokio Marine Group will continue to contribute to the creation of a safe, secure and resilient future.

The Geneva Association

— Climate Change and Emerging Environmental Topics (CC+EET)



The Geneva Association is an insurance industry think tank composed of approximately 70 executives from major insurance companies around the globe.

As a member of the Executive Committee of the Geneva Association, Tsuyoshi Nagano, Chairman of Tokio Marine Holdings, leads and supports surveys and research on important insurance industry issues (climate change and the environment, health and aging society, socioeconomic resilience, new technologies and data, cyber issues, compensation liabilities, public policies and regulations, etc.) handled by the association. At the same time, as Joint-Chairman of the "Climate Change and Emerging Environmental Topics" working group, he is taking the lead in undertaking surveys and research on climate change and natural disaster risk and disseminating related information to society. In recent years, the Geneva Association has been hosting the Women in Insurance Award with the aim of facilitating the empowerment of female leaders in the insurance industry. Chairman Nagano has been serving as a member of the selection panel of the award.

ClimateWise



ClimateWise is an initiative in which approximately 30 leading insurers from around the world jointly carry out studies and research on various risks and opportunities related to climate change and make recommendations toward reducing the risks that climate change imposes on economic and social life. The initiative is operated by the University of Cambridge Institute for Sustainability Leadership (CISL).

Participants from Tokio Marine Group include Tokio Marine & Nichido, Tokio Marine Kiln and Tokio Marine HCC. Tokio Marine Kiln Group CRO Vivek Syal serves as a member of the ClimateWise Advisory Council.

In the future as well, Tokio Marine Group will continue to promote efforts toward mitigating and adapting to climate change in accordance with the seven ClimateWise Principles.

Asia-Pacific Financial Forum (APFF)

With the recognition that economic indemnification brought by natural disasters is linked closely to national financial issues, the Asia-Pacific Economic Cooperation (APEC) Finance Ministers' Process (FMP) adopted the Cebu Action Plan (CAP) in September 2015. The CAP positions disaster risk financing and insurance* (DRFI) as a priority issue and confirms the importance of collaboration with the private sector. To implement the action issues specified under the CAP, the Working Group on Disaster Risk Financial Solutions composed of finance authorities from nine APEC member economies and related international organizations was launched. The Asia-Pacific Financial Forum (APFF), a platform to provide support to APEC-FMP through public-private collaboration, is participating in discussions as a member.

Tokio Marine & Nichido (Masaaki Nagamura, Fellow) is participating as a member of APFF and is leading discussions on DRFI within APFF.

Under the APEC-FMP, a policy to promote the use of "cat bonds" within the APEC region was approved at the 2019 meeting of finance ministers. In response, with the aim of contributing to capacity building of respective finance authorities of APEC economies, the World Bank and APFF jointly held an online workshop on cat bonds in September 2020 to exchange information and opinions conducive to the widespread use of cat bonds in the APEC region.

In March 2021, the World Bank hosted a workshop on increasing disaster resilience of important infrastructure services for finance authorities of APEC economies. During the workshop, APFF contributed to an animated discussion by giving a presentation on cases in which the expertise of private-sector insurance companies was useful for devising rational solutions.

* DRFI is a broad concept that bundles multiple countries and offers a wide variation of insurance schemes that range from insurance that covers natural disaster risk, with countries being the insured party, to schemes under which private-sector insurance companies provide earthquake insurance coverage for individual customers possessing regular homes and household goods, with governments serving as reinsurers.



Insurance Development Forum



The Insurance Development Forum (IDF) was established in 2016 as a public-private partnership led by the private insurance industry to promote the widespread use of insurance schemes in countries vulnerable to natural disasters.

Tokio Marine Group has been participating as a member of the IDF's Operating Committee and Steering Committee since 2018. The IDF assembles experts involved in promoting disaster risk insurance around the world to mutually share experiences and motivate each other. Since Japan has experienced many disasters, its input for disaster responses has been greatly valued, including for the earthquake insurance system implemented as a public-private collaborative scheme. Meanwhile, the network cultivated through participation in the IDF has proved useful for discussions at the aforementioned APFF. As such, Tokio Marine Group has been instrumental in organically bridging initiatives advocated by the two organizations.



Climate Change Disclosure**CDP**

The Carbon Disclosure Project (CDP) is an organization that drives an initiative under which the world's principal institutional investors cooperate in calling for companies worldwide to disclose their climate change strategies (risks and opportunities) and greenhouse gas (GHG) emissions.

Tokio Marine Holdings participates every year as a CDP Signatory and is supporting surveys in the areas of corporate climate change strategies and GHG emissions as well as energy usage.

Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) organized under the Financial Stability Board (FSB) released its recommendations in June 2017, which have played a central role in promoting information disclosures of climate-related risks and opportunities.

In addition to disclosing its own information based on the TCFD recommendations, Tokio Marine Holdings contributed to the release of the recommendations in 2017 and was involved in the creation of their framework as a TCFD member. Moreover, in Japan the company has served in its capacity as one of the founders of the TCFD Consortium and a member of its Planning Committee to facilitate discussions and opinion exchanges among relevant parties in both public and private sectors from around the world. The company has also been working to encourage the spread and promotion of TCFD initiatives in Japan and Asia-Pacific countries.

Environmental Value Creation**Ministry of the Environment Eco-First System**

Eco-First is a system under which companies pledge to the Ministry of the Environment that they will proactively undertake initiatives for protecting the environment that include adopting global warming countermeasures and waste and recycling measures. Under the system, the ministry certifies those companies (top-notch companies within the industry) that "carry out visionary and unique business activities that lead the industry" in environmental fields.

In 2008, Tokio Marine & Nichido was certified as an Eco-First company. In fiscal 2014, Tokio Marine & Nichido obtained recertification under its new regulations. This was in recognition of initiatives aimed at protecting the earth's environment, curbing global warming and preventing and reducing damage caused by natural disasters through the insurance business. These include "offering environment-conscious insurance with the participation of customers through the Green Gift Project" and "research centered on industry-academia collaboration that focuses on climate change and natural disasters."

The main activities being undertaken by Tokio Marine & Nichido as an Eco-First company are as follows.

- Provision of environmentally conscious insurance with the participation of customers through the Green Gift Project
- Reducing CO₂ emissions of Tokio Marine & Nichido by 60% by fiscal 2050 (compared with fiscal 2006), etc.

In fiscal 2020, as a top-notch company within the insurance industry, Tokio Marine & Nichido participated in events sponsored by the Eco-First Promotion Council together with other Eco-First companies and carried out environmental awareness activities.

Going forward, Tokio Marine & Nichido will continue to promote initiatives for protecting the global environment and preventing global warming as an Eco-First company.

Endorsement of the Ministry of the Environment's COOL CHOICE



COOL CHOICE is a national campaign that encourages all “smart choices” conducive to countermeasures for global warming. They include switching to products, utilizing services and making lifestyle choices that contribute to the realization of a decarbonized society to reduce emissions of CO₂ and other greenhouse gases.

Tokio Marine & Nichido endorses COOL CHOICE, a national campaign being carried out by the Japanese government to counter global warming, and will work to make “smart choices” that contribute to the realization of decarbonized operations in all business activities. This includes not only striving for power savings in summer and winter but also in areas ranging from products and services to donations and volunteer activities.

Green Purchasing Network



Tokio Marine & Nichido is a member of the Green Purchasing Network.

The Green Purchasing Network was established in 1996 as a facilitative network and an information-disseminating organization of companies, government agencies and non-governmental organizations leading the way in green purchasing. The network was established based on the recognition that green purchasing plays a crucial role in the formation of markets for environment-friendly products and represents an extremely effective means of promoting the development of environment-friendly products through markets and by extension for building a sustainable society.

As a member of the Green Purchasing Network, Tokio Marine & Nichido promotes initiatives for green purchasing.

Endorsement of the Ministry of the Environment's "Fun to Share" Climate Change Campaign



The Ministry of the Environment has been undertaking the Fun to Share climate change campaign since March 2014. By sharing with all citizens information, technologies and knowledge leading to the creation of an enriched low-carbon society, the campaign aims to not only foster interest in and a sense of crisis about global warming concerns but also create opportunities for linking companies, organizations, communities and citizens and realize Japan's first "Lifestyle Innovation," in which Japan can take pride, throughout the world.

Tokio Marine & Nichido has endorsed the Fun to Share campaign and is actively promoting initiatives toward the realization of a low-carbon society.

Tokio Marine Group's Policies for Sustainability Initiatives

This section describes Tokio Marine Group's sustainability initiatives.

2-1 Tokio Marine Group's Environmental Initiatives

- » 2.1.1 Promoting Environmental Management
- » 2.1.2 Responding to Climate Change
- » 2.1.3 Promoting the Widespread Use of Clean Energy
- » 2.1.4 Responding to Natural Disasters
- » 2.1.5 Protecting the Global Environment
- » 2.1.6 Special Feature: Research on Climate Change and Natural Disaster Risks Underpinning Environmental Initiatives

2-3 Tokio Marine Group's Governance Initiatives

- » 2.3.1 Corporate Governance
- » 2.3.2 Compliance
- » 2.3.3 Risk Management
- » 2.3.4 Information Security
- » 2.3.5 Sustainability in the Value Chain
- » 2.3.6 Response to Environmental and Social Risks

2-2 Tokio Marine Group's Social Initiatives

- » 2.2.1 Improving Social Value
- » 2.2.2 Respect for Human Rights
- » 2.2.3 Promoting Diversity and Inclusion
- » 2.2.4 Promoting the Development and Active Roles of Human Resources
- » 2.2.5 Promoting Health and Productivity Management
- » 2.2.6 Contributing to the Creation of a Safe and Secure Society
- » 2.2.7 Improving Quality from the Customer's Perspective
- » 2.2.8 Measures and Response to COVID-19

2-1 Tokio Marine Group's Environmental Initiatives

2.1.1 Promoting Environmental Management

2.1.1.1 What Our Environmental Management Aims for: Corporate Philosophy and Policy

① Tokio Marine Group Basic Policy on Environment

Tokio Marine Group recognizes that all humans and companies assume an important responsibility for future generations to protect the environment and create environmental value. Accordingly, we are committed to realizing a safe, secure and sustainable society in every aspect of our corporate activities.

■ Protecting the Global Environment and Creating Environmental Value through Our Business Activities

In our business activities, we will promote climate change mitigation and adaptation measures such as promoting the widespread use of clean energy and responding to natural disasters. Together with our activities to conserve biodiversity and wetlands, we will move ahead to protect the global environment and create environmental value.

① Climate Change Countermeasures

Climate change is a global issue and has a direct impact on the insurance industry. As such, we regard it as one of the most important issues that we should tackle head on in our core insurance business and as an institutional investor and global company. Based on constructive dialogue and collaboration with various international organizations, governments, industries, academic institutions, and civil society, we will contribute to the transition to a decarbonized society by proactively implementing climate change countermeasures.

② Promotion of the Widespread Use of Clean Energy such as Renewable Energy

In mitigating climate change, we will promote the widespread use of clean energy through the provision of products and services in the renewable energy field and contribute to the transition to a decarbonized society.

③ Response to Natural Disasters

In adapting to climate change, we will contribute to the creation of a society resilient to natural disasters by applying our knowledge on natural disasters and disaster prevention and reduction, which we have accumulated over the course of our long history, to the development and provision of products and services and by delivering safety and security before and after disasters.

④ Conservation of Biodiversity and Wetlands

We will contribute to the preservation of biodiversity and wetlands by practicing business activities that give consideration to harmonization with and the improvement of the global environment and by carrying out mangrove planting and other environmental protection activities around the world.

■ Reduction of Environmental Footprint in Our Value Chain

Tokio Marine Group will promote initiatives to reduce environmental footprint in our value chain while complying with environmental laws and regulations as well as various agreements regarding the environment to which the Group has agreed.

① Reduction of Environmental Footprint

We recognize the environmental footprint of our resource and energy consumption and waste generation, and strive to reduce our environmental footprint by promoting resource and energy conservation, decarbonization and low-carbonization, resource circulation, harmonization with nature, and green purchasing from a viewpoint of the overall value chain.

② Continuous Improvement of the Environment and Prevention and Reduction of Pollution

We strive to prevent and mitigate environmental pollution by setting goals and targets, reviewing and revising our activities, and continually improving the environment.

③ Promotion of Environmental Awareness-Raising and Social Contribution Activities

We strive to promote environmental protection not only by promoting the dissemination of environmental information, provision of environmental consulting services and environmental awareness-raising and educational activities both internally and externally, but also by promoting local community and social contribution activities as a good corporate citizen.

■ Governance and Management Structure

The Board of Tokio Marine Holdings approves the revision or abolishment of the Basic Policy on Environment. However, Executive Officers in charge of the Corporate Planning Department may approve minor changes. The status of compliance with the policy and the Group's environmental initiatives is deliberated at the Management Committee and other meetings and reported to the Board for a timely, appropriate, and transparent information disclosure.

■ Stakeholder Engagement

Tokio Marine Group strives to protect the global environment, create environmental value and reduce the environmental footprint of our business activities and value chain through dialogue, cooperation, and collaboration with various stakeholders, including future generations.

In promoting these efforts, Tokio Marine Group supports the following international agreements, initiatives, etc., related to the environment*.

We communicate this Basic Policy on Environment to all Group employees and ensure thorough adherence among them and announce it to the public.

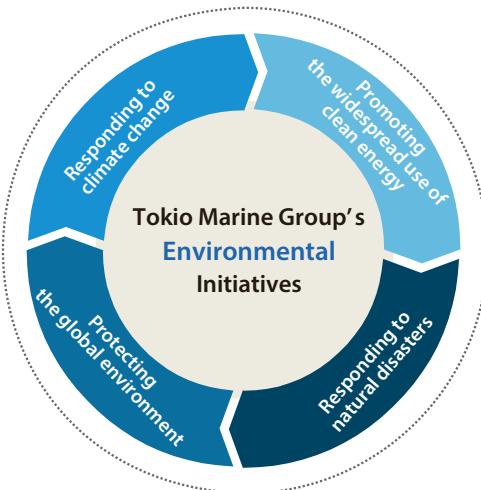
Adopted on December 21, 2021

* The United Nations Sustainable Development Goals, United Nations Framework Convention on Climate Change / Paris Agreement, Sendai Framework for Disaster Risk Reduction 2015-2030, Convention on Biological Diversity, Ramsar Convention, Washington Convention, United Nations Communities of Ocean Action for supporting the implementation of SDG 14, United Nations Global Compact, United Nations Environment Programme Finance Initiative, Principles for Sustainable Insurance, Principles for Responsible Investment, Task Force on Climate-related Financial Disclosures, CDP, Principles for Financial Action for the 21st Century

2.1.1.2 Overall Picture of Initiatives under Environmental Management

○ Domains of Initiatives

Tokio Marine Group promotes its environmental initiatives in four domains, namely responding to climate change, promoting the widespread use of clean energy, responding to natural disasters and protecting the global environment.



○ Overview of Key Initiatives in Each Domain

Responding to climate change

With a view to contributing to the achievement of the long-term goal of the Paris Agreement, Tokio Marine Group has been working to promote the use of renewable energy, support customers' and society's climate change countermeasures, reduce CO₂ emissions from our business activities and encourage ESG investment. Believing that the efforts of one company alone are not sufficient to tackle climate change globally, we have joined multiple international initiatives to combine forces with other companies and government agencies.

- Continuously reduce total greenhouse gas emissions of Tokio Marine Group and business partners toward achieving the goal of the Paris Agreement
- Drive transition to a decarbonized society through engagement with business partners
- Cooperate in policies promoted by public agencies toward achieving the goal of the Paris Agreement
- Contribute to the mitigation and response to climate change risk
- Provide support for climate change disclosure in accordance with the recommendations of the TCFD, and others

Promoting the widespread use of clean energy

We help customers to become carbon neutral and to work toward a decarbonized society and contribute to the growth and development of industry through the development and provision of insurance products and solutions that will promote the widespread use of clean energy as well as through risk consulting.

- Develop insurance products and solutions that will contribute to the more widespread use of renewable energy, including offshore wind power and solar power
- Carry out research on and develop insurance products that will contribute to the spread of storage batteries, promotion of the use of hydrogen and establishment of new technologies, such as carbon dioxide capture and storage (CCS) and carbon dioxide capture, utilization and storage (CCUS) technologies
- Provide support for local governments and companies for building distributed energy systems
- Provide support for efforts of local small- to medium-sized companies toward becoming carbon neutral

Responding to natural disasters

We are promoting the development and provision of products and services leading to the safety and security of customers and local communities. We are also promoting activities to disseminate our knowledge on disasters and disaster prevention and mitigation widely throughout society through such efforts as raising disaster prevention awareness of children as well as companies before a disaster strikes. Even after a disaster, we focus on making appropriate and swift claims payments and providing services for the early recovery of business operations of companies affected by the disaster.

- Provide support for formulating an ISO standard certifying disaster preparedness
- Build a system for responding quickly to natural disasters and increase the sophistication of claims payment system
- Ensure the safety of local residents and provide support for recovery and reconstruction (information network and early disaster recovery support service)
- Provide earthquake insurance that promptly pays insurance claims after an earthquake and fire insurance with a system for donation that contributes to disaster prevention and mitigation

Protecting the global environment

Tokio Marine Group is implementing local and social contribution activities around the world that help protect the environment and preserve biodiversity and wetlands. These activities emphasize voluntary engagement by employees and tie-ups with NPOs and other groups.

- Promote eco activities through the Green Gift Project, which carries out mangrove planting mainly in Southeast Asia and environmental protection activities around the world
- Continue to undertake the tree planting project PHLY 80K Trees Campaign in the United States
- Collaborate in an afforestation project in Aki City, Kochi Prefecture
- Reduce paper consumption by promoting non-printing of insurance policies

2.1.1.3 Targets of Environmental Management

Responding to climate change

Realize a net zero emissions society in fiscal 2050 (including investment and financing)

Reduce CO₂ emissions by 60% in fiscal 2030 (from the fiscal 2015 level)

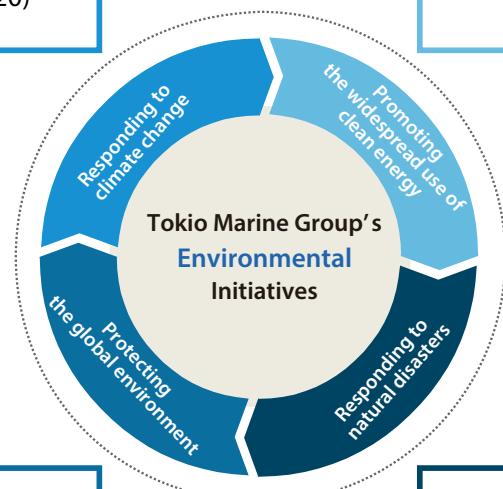
Achieve carbon neutrality in fiscal 2023 (Achieving the status for eight consecutive years up to fiscal 2020)

Promoting the widespread use of clean energy

Increase revenue from insurance for offshore wind power plants by about 5 billion yen by fiscal 2023

Use 100% renewable energy for electricity consumed at major bases in fiscal 2030

Promote the widespread use of clean energy Provide and increase the level of sophistication of relevant solutions



Protecting the global environment

Provide and increase the level of sophistication of solutions related to protection of the global environment

Plant a total area of 1,150 hectares of mangrove forest from fiscal 2019 to fiscal 2023

Achieve a cumulative total of participants in the Green Lessons of 58,000 by the end of fiscal 2023

Responding to natural disasters

Issue an ISO concept standard certifying disaster preparedness in fiscal 2023

Increase pre-tax profitability from fire insurance by more than 2.6 billion yen in fiscal 2023

Provide and increase the level of sophistication of solutions related to disaster prevention

2.1.1.4 Structure for Promoting Environmental Management

Tokio Marine Group has established a dedicated department (Sustainability Division, Corporate Planning Department) at Tokio Marine Holdings to oversee and promote environmental management for the Group. This department identifies challenges related to environmental management and formulates and implements the Group's environmental management strategy. In addition, we have assigned sustainability key persons in each department responsible for sustainability activities at Group companies in Japan and overseas. Sustainability key persons are committed to reducing the environmental footprint associated with our business activities alongside the management team in each Group company. The Sustainability Division, Corporate Planning Department supports efforts to promote environmental management at Group companies through dialogue and cooperation with the sustainability key persons.

At core Group companies such as Tokio Marine & Nichido, we have set up a dedicated department to oversee and promote environmental management (e.g., Sustainability Division, Corporate Planning Department at Tokio Marine & Nichido). A sustainability key person, assigned to each department and branch office to promote sustainability activities, encourages the full participation of employees in environmental management.

Tokio Marine Group performs plan-do-check-act (PDCA) management through our proprietary Green Assist environmental management system, which draws on ISO 14001, and engages in energy conservation and resource conservation activities.

The head office of Tokio Marine & Nichido adopted an environmental management system based on the ISO 14001 environmental management system in fiscal 1999* and is working continuously to achieve environment-related targets. At Group companies in Japan and overseas, we have introduced our unique environmental management system linked to Tokio Marine Holdings and Tokio Marine & Nichido. These Group companies are working to achieve targets set every year, including those related to environmental issues.

* There were no major issues noted in internal auditing or external examination under ISO 14001 and no major violations of environmental laws among Group companies.

2.1.1.5 Performance Reporting: Environmental Accounting

① Environmental Conservation Cost (Tokio Marine & Nichido)

Environmental costs	FY2018		FY2019		FY2020	
	Investment (million yen)	Expenses (million yen)	Investment (million yen)	Expenses (million yen)	Investment (million yen)	Expenses (million yen)
Business area costs	874	516	571	403	271	233
Upstream/down-stream costs	0	27	0	28	0	26
Management costs	0	42	0	19	0	20
R&D costs	0	88	0	105	0	101
Social contribution activity costs	0	121	0	121	0	73
Environmental remediation costs	0	0	0	0	0	0
Total	874	794	571	676	271	453

② Environmental Performance Indicators Related to Environmental Benefits (Tokio Marine Holdings)

Environmental performance indicator	FY2018	FY2019	FY2020
Total energy input (GJ)	732,675	776,709	653,337
Water resource input (m³)	570,832	632,203	628,513
Greenhouse gas emissions (t-CO₂)	82,209	79,578	67,140
Waste emissions (t)	2,248	2,285	1,975

Note: Figures for all environmental performance indicators are provided on a global basis.

③ Economic Benefits of Environmental Conservation Initiatives (Tokio Marine & Nichido)

Environmental performance indicator	FY2018 (million yen)	FY2019 (million yen)	FY2020 (million yen)
Cost reduction	206	244	383
Revenue	0	0	0
Total	206	244	383

2.1.2 Responding to Climate Change

2.1.2.1 Basic Approach to Climate Change

Climate change is a global issue and has a direct impact on the insurance industry. As such, we regard it as one of the most important issues that we should tackle head on in our core insurance business and as an institutional investor and global company. Based on constructive dialogue and cooperation with various organizations and industrial groups, including international organizations, governments, industries, academic institutions and civil society, we will voluntarily implement climate change countermeasures and help promote the transition to a decarbonized society.

2.1.2.2 Climate-Related Financial Disclosure Based on the TCFD Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) had been entrusted by the Financial Stability Board (FSB) to formulate voluntary recommendations for consistent, comparable, reliable, clear and efficient climate-related disclosures by companies in the financial sector and released its final recommendations (TCFD recommendations) in June 2017.

Climate change and natural disasters represent a global issue and have a significant impact on Tokio Marine Group as we engage in the insurance and financial services. As a founding member of the TCFD, Tokio Marine Holdings has contributed to the formulation and publication of the TCFD recommendations and consistently supported the organization's activities. Tokio Marine Holdings has once again become a member of the TCFD in January 2021 and has since been working toward the formulation of policy recommendations to encourage disclosure that will help investment decisions by engaging in discussions and exchanging opinions with relevant government and private-sector parties in Japan and overseas.

In July 2018, Tokio Marine & Nichido became a founding member of the insurer pilot group, launched by the United Nations Environment Programme Finance Initiative (UNEP FI) under the Principles for Sustainable Insurance (PSI) framework to examine and develop methodologies and analytical tools for the insurance industry to make climate-related disclosures based on the TCFD recommendations.

The company has contributed to the publication of the final report of the UNEP FI pilot project, entitled "Insuring the climate transition," in January 2021.

In Japan, the then Chairman of the Board of Tokio Marine Holdings worked as one of the founders and contributed to the establishment of the TCFD Consortium in May 2019. After the establishment, Tokio Marine Holdings has been a member of the Planning Committee to deliberate on the consortium's course of action and has contributed to the release of the Guidance on Climate-related Financial Disclosures 2.0 (TCFD Guidance 2.0) in July 2020. The company also participates in discussion on effective ways for companies to disclose climate-related information and how to link the disclosed information to appropriate investment decision-making of financial and other organizations.

Tokio Marine Holdings has been making disclosures based on the TCFD recommendations starting from its Integrated Annual Report 2017 and has been striving to enhance its content every year.

The table below is an overview of the four fields of disclosure based on the TCFD recommendations. In this report, we provide detailed information in each field.

Disclosure Based on the TCFD Recommendations

Governance	Strategies	Risk management	Metrics and targets
a) Oversight by the Board of Directors b) Management role	a) Climate-related risks and opportunities b) Impact of climate-related risks and opportunities c) Possible impact of different climate-related scenarios	a) Processes for identifying and assessing climate-related risks b) Processes for managing climate-related risks c) Integration of these processes into overall risk management	a) Metrics used to assess climate-related risks and opportunities b) Scopes 1, 2 and 3 greenhouse gas (GHG) emissions c) Targets used to manage climate-related risks and opportunities

Source: Created by Tokio Marine Holdings based on the Recommendations of the Task Force on Climate-related Financial Disclosures, Figure 4 (p. 14), TCFD, June 2017

[Information Disclosure Following TCFD Recommendations, Integrated Annual Report 2021](#)

[External Evaluations and Participation in Initiatives \(Climate Change Disclosure\) >](#)

② Governance

• Division Dedicated to Promoting Sustainability

Tokio Marine Holdings 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.

• Group Chief Sustainability Officer (CSUO)

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

• Sustainability Committee

We established the Sustainability Committee, chaired by the CSUO and comprised of members including the CEO and other C-suites, in April 2021 in order to accelerate sustainability strategy across the entire Group including climate change countermeasures. The Sustainability Committee establishes sustainability strategy and targets for the entire Group and deliberates on the coordination and promotion of glocal sustainability initiatives.

[Approach to and Organizational Structure for Sustainability Strategies, Integrated Annual Report 2021](#)

• Board of Directors

The Board of Directors discusses the Group's sustainability policies including climate change countermeasures as well as evaluates and determines mid-term plans and single-year plans. Additionally, the Board of Directors holds discussions on corporate strategy on the themes of management environment and management issues, including climate change countermeasures, to fully utilize the knowledge of outside directors and outside Audit & Supervisory Board members.

[Corporate Governance, Integrated Annual Report 2021](#)

① 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. As part of this effort, we evaluate how more severe natural disasters due to climate change affect insurance underwriting through scenario analysis of physical risks.

Scenario analysis is a process to identify and evaluate the potential impact of climate change under a certain scenario. We believe that the Group can deal with the impact with flexibility and agility because the terms of most insurance policies are relatively short in the non-life insurance business and also because assets under management by the Group are mainly financial assets with high liquidity.

We also recognize that supporting customers and society to deal with climate change and transition to a decarbonized society will lead to increase the Group's business opportunities over the medium to long term.

■ Physical 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.

① Efforts to Quantify Physical Risks

Tokio Marine Group uses natural disaster risk models to quantitatively assess the risk. The Group independently performs analysis of trends of historical changes in tropical cyclones (typhoons in Japan and hurricanes in the United States) and in heavy rains and incorporates the latest change in trends if significant, to appropriately evaluate the current weather events.

Since 2007 the Tokio Marine Research Institute has been assessing and quantifying the impact of change in natural disasters on insurance losses under future climate conditions using IPCC Representative Concentration Pathway (RCP) and other scenarios. Specifically, RCP4.5 and RCP8.5 are used to simulate changes in windstorm risk due to typhoons in the future, while +2°C and +4°C scenarios are used to simulate changes in flood risk due to increased rainfall. We refer to the results of these scenario analyses and evaluate the potential impact on insurance underwriting which will be caused by severe natural disasters due to climate change.

Moreover, even though future climate change scenarios (+2°C, +4°C, etc.) are specified, there still remains uncertainty in projecting future weather events as described later (See Figure 6 on p. 63.). We also recognize that in performing the impact assessment of climate change, it is crucial to not only consider the physical science of climate change but also society's vulnerabilities to disasters as well as how assets will concentrate in the future in areas exposed to natural disaster risk or how the value of these assets will rise, meaning to the extent asset exposure will change (See p. 63.).

The following sections show how the Group perceives climate-related risks, which we believe form a basis of these evaluations.

② Risk Awareness

a. Attribution of Weather Events

How a weather event will change as a result of 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 on 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 on extreme rainfall (heavy rains) involves greater uncertainty when compared with such temperature variations as extreme heat (heat wave) or extreme cold (cold wave).

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.

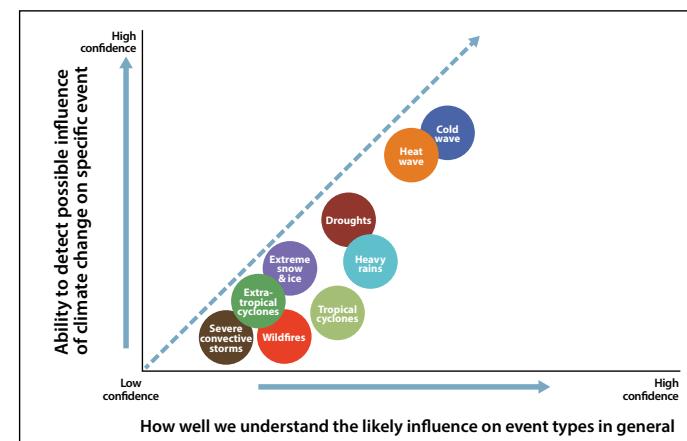


Figure 1: Confidence of impact forecasts of climate change

Source: Created by Tokio Marine Holdings based on a material prepared by the U.S. National Oceanic and Atmospheric Administration

•Impact of Climate Change on Heavy Rains

The frequency of heavy rains has already 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%.

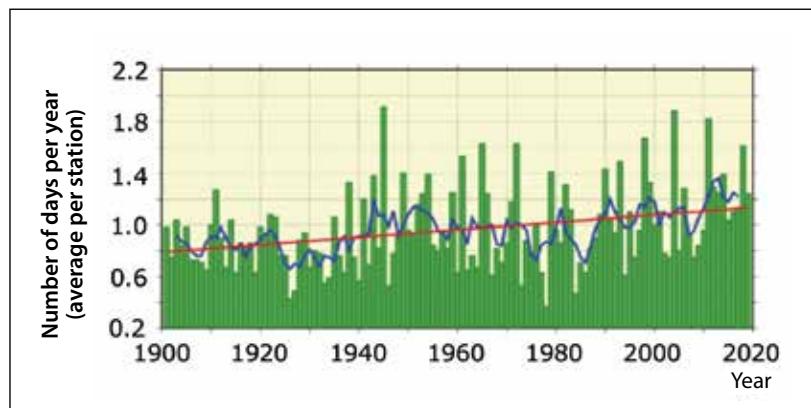


Figure 2: Number of days with daily precipitation of 100 mm or more

Source: Climate Change Monitoring Report, Japan Meteorological Agency

•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.

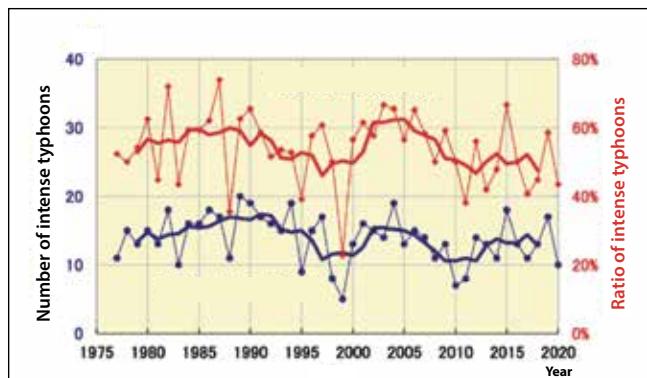


Figure 3: Number of intense typhoons and ratio of intense typhoons to all typhoons

Source: Climate Change Monitoring Report, Japan Meteorological Agency

The past trends of changes vary depending on the region, even though the ratio of intense tropical cyclones has increased globally over the past 40 years (IPCC Sixth Assessment Report). Taking typhoons affecting Japan as an example, neither the number nor the ratio of intense typhoons show a change in trends (Japan Meteorological Agency).

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

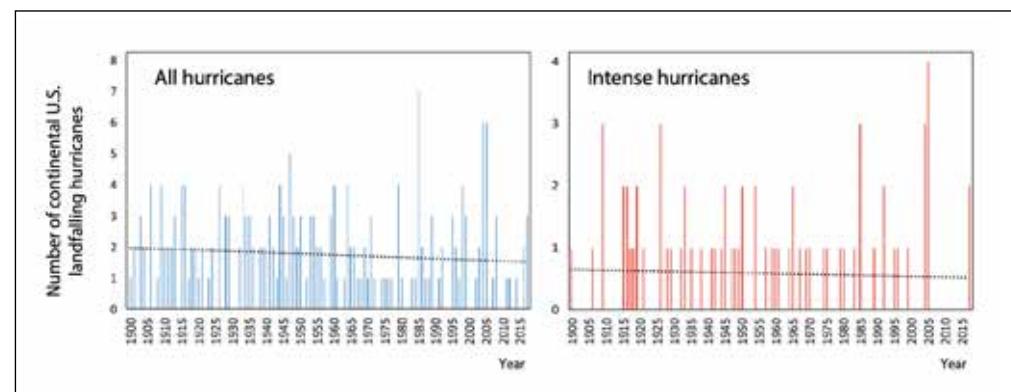


Figure 4: Number of hurricanes making landfall in the United States

Source: Created by Tokio Marine Holdings based on Klotzbach et al., 2018*1

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 actually both decrease and increase projections for the number of intense tropical cyclones (IPCC Sixth Assessment Report).

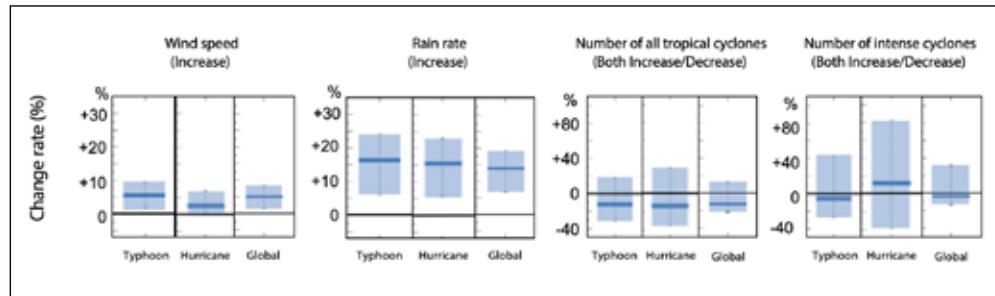


Figure 5: Changes in tropical cyclones with a 2°C temperature rise

Source: Created by Tokio Marine Holdings based on Knutson et al., 2020^{*2}

We used an analysis and evaluation tool developed by the UNEP FI's project, in which we are participating, to assess the impact of climate change and made the following projections for 2050 under the RCP8.5 scenario on how changes in the intensity (wind speed) and the number of tropical cyclones will impact the amount of our insurance claims payments.

	Intensity (wind speed)	Number of formations
Japan (typhoons)	+1% to +10%	-30% to +28%
U.S. (hurricanes)	0% to +7%	-36% to +30%

b. Impact of Factors Other Than Weather Events

As shown in Figure 2 on p. 62, the frequency of heavy rains in Japan has been increasing since 1900. Figure 6 below, on the other hand, shows a declining trend for flooded area. 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.

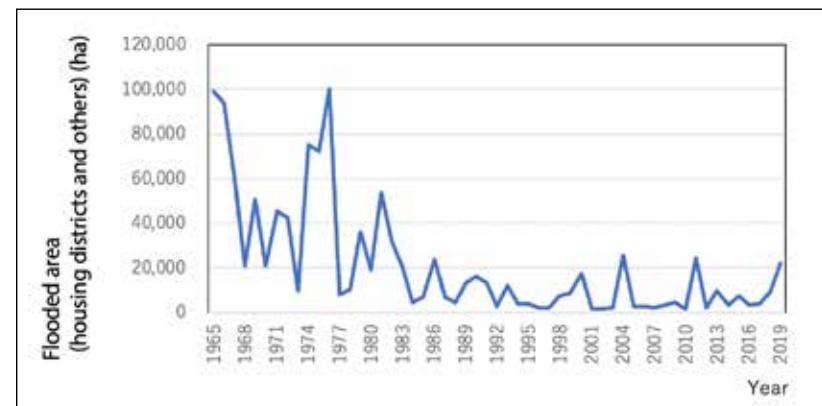


Figure 6: Flooded area caused by water disasters (ha)

Source: Created by Tokio Marine Holdings based on water disaster statistics of the Ministry of Land, Infrastructure, Transport and Tourism

The amount of damage will vary significantly if there is a change in asset exposure, i.e., 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.

•Recognition of 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 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.

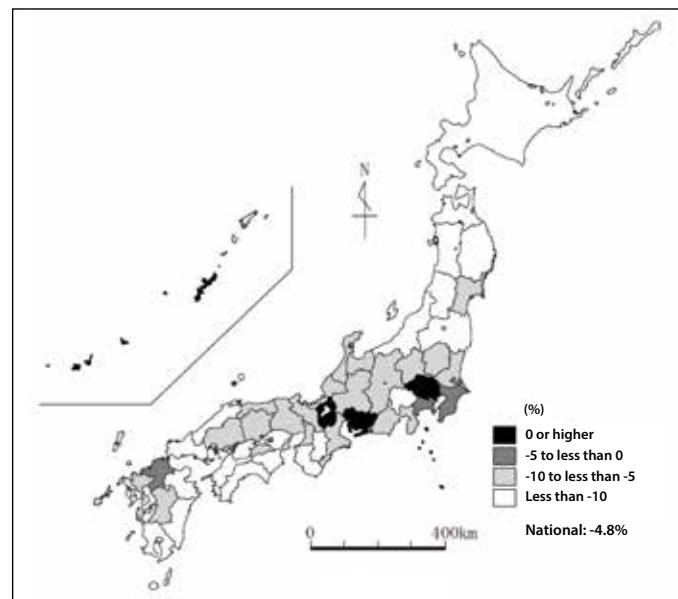


Figure 7: Changes in the number of households from 2015 to 2040

Source: National Institute of Population and Social Security Research^{*3}

From the viewpoint of damage due to natural disasters, an important factor is the exact location of assets (within hazardous area or not). 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.

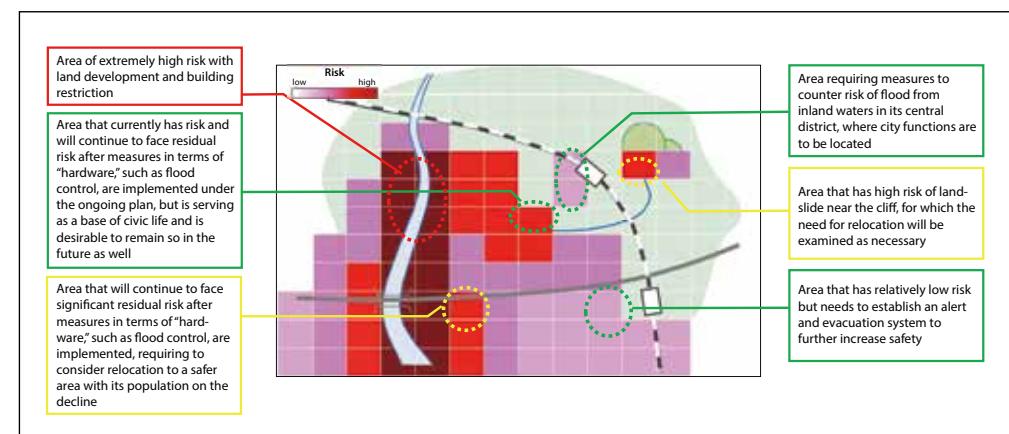


Figure 8: Direction of urban development based on water disaster risk

Source: Ministry of Land, Infrastructure, Transport and Tourism^{*4}

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 in the past is known to be on an upward trend, but when the impact of a change in inflation, wealth properties and population is normalized, it no longer shows a significant trend. Thus, a rise in economic loss is mostly a result of them.

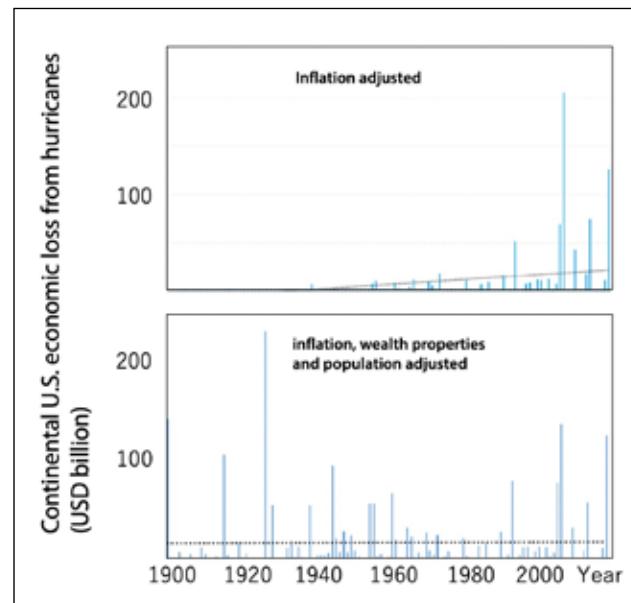


Figure 9: Continental U.S. economic loss from hurricanes

Source: Created by Tokio Marine Holdings based on Klotzbach et al., 2018*¹

• Perception of Vulnerabilities in Society

In Japan, revisions to the Building Standards Act have proved to directly translate into the better resilience of society as a whole. 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 roofs of many houses, has prompted revisions to the standards for roofing on countermeasures against intense winds. They are scheduled to be enforced in April 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 Hurricane 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.

*1 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.)

*2 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.)

*3 [Household Projections for Japan \(2017\)](#), National Institute of Population and Social Security Research (in Japanese)

*4 [Ministry of Land, Infrastructure, Transport and Tourism website](#) (in Japanese)

③ Acquisition of Knowledge (Industry-Academia Collaboration, etc.)

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

The Tokio Marine Research Institute collaborates with The University of Tokyo, Nagoya University and Kyoto University, among others, to carry out impact analysis based on the possibility 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.

■ Transition Risks

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

Transition risks include risks caused by fluctuations in prices of financial assets with large GHG emissions. We have developed a system for better understanding the status of the Group's investments and comprehending the balance of the applicable assets under management. From the perspective of holding restrictions in response to the risk of asset value fluctuations, the Group has worked to reduce its total business-related equities regardless of sector long before the release of Japan's Corporate Governance Code. Under the new mid-term business plan, Tokio Marine Holdings plans to sell more than 100 billion yen per year.

[Corporate Governance, Integrated Annual Report 2021](#)

[Climate Risk Assesment - Tansition Risks](#)

In order to perform quantitative assessment of transition risks, we are estimating the amount of impact to the Group's asset value with scenario analysis by using information disclosed by the regulatory authorities of each country and other data as a reference. To continue to monitor these risks quantitatively in an appropriate manner, we plan to set up a required structure while also utilizing data providing companies.

Transition risks also include litigation risk. Climate-related litigation risk is not high at this point, but a possible increase in damage due to climate change or natural disasters in the future may affect climate change-related litigations and legal violations, consequently leading to a rise in insurance claims payments for liability insurance.

■ Opportunities

Efforts to mitigate and adapt to climate change will provide business opportunities for Tokio Marine Group. By comprehensively taking into account the five categories* specified by the TCFD recommendations, we identify the following as business opportunities for the Group.

• Rapid Increase in Insurance Needs for Renewable Energy Projects

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

• Growing Public Awareness toward Natural Disaster Risk and Improving Fire Insurance Results

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

• Growing Needs for Disaster Prevention and Mitigation for Increasing Resilience against Disasters

As natural disaster risk has become apparent, there has been an increasing focus every year on the enhancement of measures to mitigate damage before and after a disaster in addition to monetary compensation through insurance. Besides paying appropriate insurance claims for disaster damage, Tokio Marine Holdings provides services for disaster prevention in advance as well as for disaster mitigation and early recovery following a disaster. We also expect further growth of our risk consulting services that leverage a pool of know-how on disaster prevention and mitigation that we have cultivated over the years.

* Five categories of opportunities identified under the TCFD recommendations are resource efficiency, energy source, products and services, markets and resilience.

■ Implementation of Climate Change Strategy

① Insurance Underwriting, etc.

a. Basic Stance

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

As part of this strategy, 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. However, toward achieving the Paris Agreement targets, we may 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 August 31, 2021, we have not underwritten any new insurance policies since announcing "Tokio Marine: Our Climate Strategy" on September 28, 2020.

In addition, we are supporting initiatives to lower CO₂ emissions by engaging 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 began 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 may decline the renewal of the customer's insurance policy.

b. Providing Insurance for the Development of Renewable Energy Projects (Initiatives as an Insurance Company)

Tokio Marine Group provides insurance products and offers risk consulting to back the development of renewable energy projects.

Specifically, in addition to the Mega-Solar Package Program for solar power generation companies and the Geothermal Package Plan for geothermal power generation businesses, in March 2020 we developed a dedicated insurance package offering comprehensive coverage of risks associated with offshore wind power generation projects (providing seamless coverage to customers not only during construction but also for a predefined period after the start of commercial operations).

In addition, in May 2020, we acquired GCube, an insurance agent providing insurance underwriting for renewable energy projects around the world mainly in the United States and Europe but also in Australia, South Africa and Asia. We are now utilizing its know-how at the Group level. Tokio Marine dR is also providing consulting services in various domains such as offshore wind power generation by utilizing its proprietary natural disaster risk assessment model and human resources specialized in renewable energy. Tokio Marine & Nichido established the Green Transformation (GX) Office in June 2021 to accelerate the development of insurance products and risk consulting services related to new decarbonization technologies.

With the growing importance of response to global warming and climate change, we will achieve growth through support for the adoption of renewable energy as a leader in the field, while further accelerating initiatives as "One Tokio Marine Group" by drawing upon the Group's accumulated wisdom.

 [Promoting the Shift to Renewable Energy, Integrated Annual Report 2021](#)

c. Growing Public Awareness toward the Natural Disaster Risk and Creation of a Sustainable Fire Insurance System (Initiatives as an Insurance Company)

In fiscal 2020, Japan was once again faced with large-scale natural disasters in the July 2020 torrential rains and Typhoon Haishen. Industry-wide insurance claims related to natural disasters exceeded 300 billion yen, which included around 100 billion yen in claims to Tokio Marine Group.

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

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

 [Growth Driver, Integrated Annual Report 2021](#)

* If insurance claims payments for natural disasters are around the average figure.

d. Acceleration of Claims Payments (Initiatives as an Insurance Company)

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

Specifically, we have largely streamlined this process by allowing customers to apply for insurance claims using their smartphone and utilizing digital technology such as satellites, AI and robotic process automation (RPA) for confirming damages and administrative work. Fiscal 2020 was particularly challenging because of the response to natural disasters during the COVID-19 pandemic, but we used these mechanisms to facilitate operations.

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

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

Figure 10: Results of insurance payout survey for fiscal 2020 (Tokio Marine & Nichido)



e. Delivering Safety Before and After Events (Contribution to a Disaster-Resistant Society)

(Initiatives as an Insurance Company)

The payment of claims is an insurance company's most important function, but we believe that this alone will not enable us to protect our customers. It would be preferable if disasters don't occur. If disasters do occur, damages should be minimized and the recovery quick. It would be preferable if disasters don't reoccur. Based on these beliefs, Tokio Marine Group strives to provide peace of mind before and after events through disaster prevention and mitigation, early recovery and recurrence prevention. These efforts also lower the loss rate and result in greater support from customers.

[Specific Examples]

- We provide support that includes corporate risk evaluations and help formulating business continuity plans (BCP) in collaboration with local governments and financial institutions, making use of advanced expertise held within Group companies.
- Using the lessons learned from the Great East Japan Earthquake, we host Disaster Prevention Lessons, an outreach class for elementary school students, based on our commitment to teach children knowledge about disaster preparedness for the next disaster that may strike.
- Under the "Total assist fire insurance x Red Feather Disaster prevention/reduction program" launched in July 2021, part of the costs defrayed from online insurance contracts and policies will be donated to the Red Feather campaign of the Central Community Chest of Japan for use in disaster prevention and mitigation activities in customers' own communities.

[↗ Growth Driver, Integrated Annual Report 2021](#)

- The AI-powered flooding risk projection system jointly developed with the National Research Institute for Earth Science and Disaster Resilience visualizes areas at high risk of flooding to support local governments' decision-making during torrential rains, which helps to minimize damages to residents.

[↗ What Tokio Marine Aims For in the Future/Growth Driver, Integrated Annual Report 2021](#)

- Through a business partnership with BELFOR Japan, a specialist in disaster recovery, we are providing services that support customers' recovery from disasters.

[↗ Growth Driver, Integrated Annual Report 2021](#)

• Tokio Marine dR possesses advanced technology to perform quantitative assessment of natural disaster risk based on the experience and knowledge that Tokio Marine Group has accumulated in the field of non-life insurance. Capitalizing on this technology, the company provides services such as assessment and analysis for various natural disaster risks and devising countermeasures in order to make companies and society resilient to disasters.

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

[What Tokio Marine Aims For in the Future, Integrated Annual Report 2021](#)

② Investment and Financing (Initiatives as an Institutional Investor)

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, as in the case of insurance underwriting, we may carefully consider and handle projects that incorporate innovative technologies and techniques, such as CCS, CCUS and mixed combustion technologies, toward achieving the Paris Agreement targets. As of November 30, 2021, we have not provided new financing since announcing “Tokio Marine: Our Climate Strategy” on September 28, 2020.

In addition, we have initiated quantitative analysis of GHG emissions of investee companies by utilizing data providing companies.

As a signatory to the United Nations Principles for Responsible Investment (PRI) through Group companies Tokio Marine & Nichido 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 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.

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* (Total as of March 31, 2021)

Amount committed	Approx. ¥51 billion
Units installed	45

* TM Nippon Solar Energy Fund 2012, 2013 and 2014

TM Nippon Renewable Energy Fund 2017

TM Nippon Long-Term Natural Energy Fund 2020

③ Leading Discussions at International Climate Change Conferences (Initiatives as a Global Enterprise)

Since climate change is an important social issue that needs to be addressed by the entire world, 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.

Moreover, the Sustainable Markets Initiative (SMI) Insurance Task Force, whose concept was created by Prince Charles of the United Kingdom, was established in June 2021 with 17 member companies. We are the only insurance company from Asia to be a member.

① Risk Management

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

Tokio Marine Group manages a broad range of climate-related risks and has put a lot of effort to increase the level of sophistication of our risk management. To give an example, we evaluate and calculate the impact on insurance loss from changes in typhoon risk and flood risk due to increased precipitation based on assumed climatic conditions in the future. Referring to the findings of these scenario analyses, we conduct ERM-based risk management throughout the Group while considering the impact on insurance underwriting from natural disasters that may be exacerbated by climate change.

[☒ Corporate Governance, Integrated Annual Report 2021](#)

In Tokio Marine Group's ERM cycle, we define a risk appetite framework, which shows the type and degree of risks we will take throughout the Group, and formulate a business plan under the framework. We then determine and implement a capital allocation plan based on the business plan. During this process, we verify the sufficiency of capital and funds from the group-wide perspective and exhaustively identify and assess risks using both qualitative and quantitative approaches.

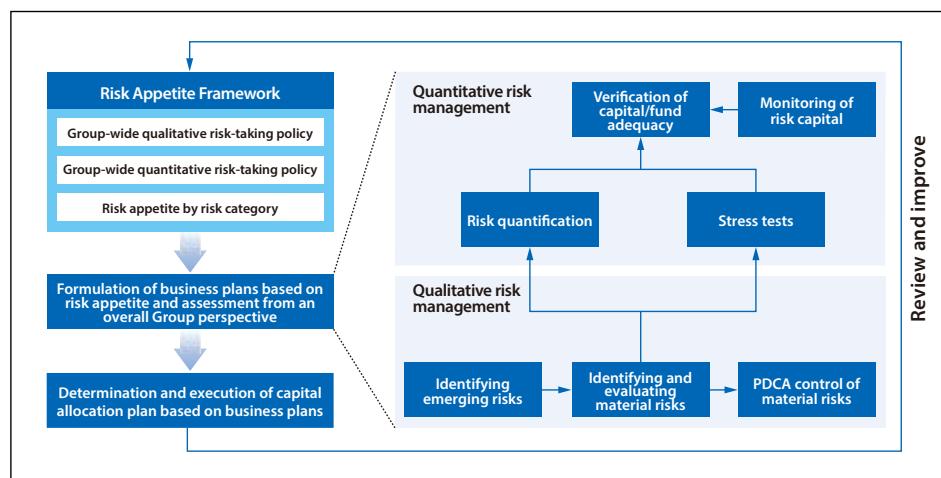


Figure 11: Our Enterprise Risk Management Cycle

• Qualitative Risk Management

We identify all forms of risks exhaustively, including those for natural disasters such as major wind

and water disasters and 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." Natural disaster risk including climate-related risk is one of them. For these material risks, we also formulate control measures prior to risk emergence and response measures for after risks occur.

• Quantitative Risk Management

For material risks, we measure risk amounts and upgrade stress tests as part of our quantitative risk management.

We calculate risk amounts posed by natural disasters using a risk model (for Japan, a risk model we developed in-house based on engineering theory and the latest knowledge of natural disasters, and for overseas, risk models created by external organizations for insurance companies). We gather the latest findings as well as verify, evaluate and upgrade models to ensure that the situation of recent natural disasters is reflected in these models appropriately.

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

■ Appropriate Risk Control through Risk Diversification and Reinsurance

Natural disasters are inevitable in Japan, our home market. For that reason, we have sought to control total risk amount by geographic, business and product risk diversification through M&As overseas. Through these efforts, we managed to keep net incurred losses from natural disasters exceeding our average budget to only around 5%* of the entire Group's profits for fiscal 2020.

In addition, reinsurance, as a hedge against risk, is also an effective way to protect capital and stabilize profits of an insurance company. The Group has utilized reinsurance to prepare for major natural disasters that occur once every few centuries (capital events), and we have determined results coverage from the standpoint of economic rationality and taken necessary measures.

* Proportion of claims payments related to natural disasters that exceeded the initial forecast

[☒ Portfolio Management Ability, Integrated Annual Report 2021](#)

① Metrics and Targets

■ Targets for Fiscal 2050

- Reduction target for greenhouse gases emissions

Aim to achieve net zero of greenhouse gases (CO₂) emitted by Tokio Marine Group (including investee companies and financing recipients*1)*2

■ Targets for Fiscal 2030

- Reduction targets for greenhouse gases associated with our own business activities

Reduce greenhouse gases (CO₂) emitted by Tokio Marine Group by 60% compared with fiscal 2015 levels*1

- Target for introduction rate of renewable energy to total electricity consumption

Source 100% of the electricity used at Tokio Marine Group's main business locations from renewable energy

- Electrification of company-owned vehicles (Tokio Marine & Nichido and Tokio Marine & Nichido Life)

Switch all company-owned vehicles of Tokio Marine & Nichido and Tokio Marine & Nichido Life to electric vehicles, plug-in hybrid vehicles, hybrid vehicles, etc.

■ Targets for Fiscal 2023

- Increase net income from premiums on insurance for offshore wind power generation projects by around 5 billion yen (Tokio Marine & Nichido)

- Improve fire insurance results by more than 26 billion yen*2 (before tax) (Tokio Marine & Nichido)

■ Achieving Carbon Neutrality in Business Activities

- Continue to achieve carbon neutrality in our business activities on a group-wide basis*4

Tokio Marine & Nichido has been implementing the Mangrove Planting Project in the Asia Pacific region together with NGOs since 1999. These planting activities have enabled Tokio Marine Group to achieve carbon neutrality*4 in its business activities for eight consecutive years since fiscal 2013. We plan to continue this initiative going forward to sustain our carbon neutrality.

Additionally, the value of ecosystem services produced over the past 20 years (April 1999 to March 31, 2019) through this Mangrove Planting Project cumulatively totals 118.5 billion yen. Estimates also indicate this value will increase to 391.2 billion yen cumulatively by the end of fiscal 2038*6.

*1 Category 15 of Scope 3 based on the GHG Protocol standards

*2 Scope 3 includes categories that are important for Tokio Marine Group and for which data are available

*3 Interim targets for our investment and financing portfolio (category 15 of Scope 3) are currently under consideration

*4 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)

*5 If insurance claims payments for natural disasters are around the average figure

*6 Survey outsourced to Mitsubishi Research Institute, Inc. and evaluated following internationally recognized methodologies

■ GHG Emissions Metrics for Asset Management Portfolio

In order to assess climate change related risks and opportunities of its investee companies and financing recipients, Tokio Marine & Nichido has analyzed its domestic equity and bond portfolio as of March 31, 2020 for the total GHG emissions and weighted average carbon intensity (WACI), disclosure of which is recommended by the TCFD. The analysis has been conducted on Scopes 1 and 2 emissions of the investee companies using data provided by Institutional Shareholder Services (ISS)*7,*8.

Leveraging the analysis and other means, Tokio Marine & Nichido will continue to engage with its investee companies to enhance their climate change-related disclosures and work toward a decarbonized society.

	Total GHG emissions (Scope1 and 2: million tCO ₂ e)	WACI (tCO ₂ e/US\$ million revenue)
Domestic equities	2.07	104.09
Domestic bonds	1.55	580.78

* Total GHG emissions: GHG emissions associated with the portfolio, calculated based on the company's percentage of equity ownership to adjusted corporate value (market capitalization + interest-bearing debt)

* Weighted average carbon intensity (WACI): Calculated by multiplying each investee company's GHG emissions to revenue by the weight of the company in the portfolio and getting the sum of these figures

*7 The figures in the table cover 99.7% of the domestic equities in the portfolio (based on the market value), 14% of which is based on estimates provided by ISS. Likewise, the figures in the table cover 59.0% of the domestic bonds in the portfolio, 19% of which is based on estimates provided by ISS. Some could not be estimated, and each coverage percentage is the sum of data disclosed by the corresponding companies and data estimated.

*8 Data provided by ISS may be subject to change retrospectively.

2.1.2.3 Initiatives for Responding to Climate Change

① Reducing CO₂ Emissions and Becoming Carbon Neutral

The environmental footprint caused by business activities of Tokio Marine Group is relatively small compared with companies in the manufacturing industry; however, the size of the Group makes it a large consumer of energy. In order to reduce the environmental footprint from our business activities wherever possible, we have positioned initiatives for reducing the environmental footprint as a key issue for the Group. The entire Tokio Marine Group, in Japan and overseas, is making efforts to become carbon neutral* under the following strategic concepts.

- ① **Reduce:** Use energy-efficient buildings and facilities and cut back on energy usage.
- ② **Switch:** Switch to natural energy.
- ③ **Offset:** Absorb and fix CO₂ by mangrove planting and the retirement of emissions credits.

* Carbon neutral means that CO₂ emitted in the course of a company's business activities is equivalent to the volume of CO₂ absorbed and reduced by way of mangrove planting, use of natural energy and the retirement of emissions credits by such a company.

■ Promoting Measures against Climate Change toward Becoming Carbon Neutral in 2050

Toward achieving carbon neutrality in 2050, Tokio Marine Holdings has defined new targets for promoting measures against climate change, which is one of its sustainability priority areas and is one of the key issues over the medium to long term.

New targets

- ① Reduce greenhouse gas emissions of Tokio Marine Holdings by 60% in fiscal 2030 from the fiscal 2015 level.
- ② Use 100% renewable energy for electricity consumed at major bases in fiscal 2030.
- ③ Replace all company-owned vehicles with electrified vehicles in fiscal 2030 (Tokio Marine & Nichido, Tokio Marine & Nichido Life).
- ④ Aim for net zero greenhouse gas emissions by fiscal 2050 (including investee companies and financing recipients)

■ Raising Employees' Energy Conservation Awareness

Responding to the calls for energy conservation (in particular, the restraint of electricity consumption during peak periods) following the Great East Japan Earthquake of March 2011, Group companies in Japan have been implementing Summer & Winter Electricity-Saving Measures as an initiative to firmly establish electricity and energy conservation.

Specifically, the companies are making continuous efforts to (1) conserve energy in offices (reducing unneeded light fixtures, placing restrictions on use of OA equipment, copiers and others, which take power from outlets, and thoroughly managing air conditioning (such as setting temperatures in offices to 28°C in summer and 19°C in winter); and (2) review employees' work styles (such as encouraging early morning working hours and promoting casual dress). Further, we are making efforts to curb CO₂ emissions from energy usage, such as by expanding our use of TV/Web conferencing systems and restricting air travel for business (which also reduces costs). In addition, Tokio Marine & Nichido endorses COOL CHOICE, a national campaign that encourages all "smart choices" that contribute to countermeasures for global warming, including for Japan's energy-saving and low-carbon products, services and behavior in order to attain the Japanese government's target of a 46% reduction in greenhouse gas emissions by 2030 compared with fiscal 2013. We are promoting activities to realize a low-carbon society.

■ Purchase of Green Power (Retirement of Emissions Credits)

Tokio Marine Group is promoting the use of natural energy in Japan and overseas. Tokio Marine & Nichido has been continuously purchasing green power of approximately 1 million kWh annually since 2002 through wind power and biomass power generation. In addition, the Tradable Green Power Certificates purchased by the company are being allotted to the reduction of emissions at target sites based on the system regarding emissions trading and the obligation to reduce total emissions of greenhouse gases pursuant to the Ordinance on Environmental Preservation to Secure the Health and Safety of Citizens of the Tokyo Metropolitan Area (Environmental Preservation Ordinance).

U.S.-based Philadelphia Insurance Companies has purchased green power to account for 100% of its electricity use over the year in its business activities and has achieved net zero emissions* since fiscal 2013.

* Net zero emissions are achieved when the net of CO₂ emissions and energy consumed equals zero.

■ CO₂ Emission Reduction Data (Energy Conservation and Reduction in Buildings, Facilities, etc.)

[Tokio Marine Holdings and Major Subsidiaries]

<CO₂ Emission Reduction Targets>

- Long-term target (fiscal 2030): -60% (compared with fiscal 2015 level)
- Reduction target in fiscal 2021: -1% compared with previous year

<CO₂ Emissions (Fiscal 2020 Results)>

Fiscal 2020 CO₂ emissions by Tokio Marine Holdings and its major subsidiaries (Scope 1 (direct emissions) + Scope 2 (indirect emissions) + Scope 3 (other indirect emissions)) were 89,894 tons (Japan: 64,548 tons, overseas: 25,345 tons) versus a start-of-year target of 110,060 tons (a 1% reduction year on year), or a 19.1% decrease in emissions compared with the previous fiscal year.

As a result of efforts to steadily reduce CO₂ emissions at Group companies in Japan and overseas, we succeeded in cutting these emissions beyond targets at the Group level. In addition, we have been expanding the coverage of the calculations for Scope 3 since fiscal 2015 in order to meet expectations from society in terms of initiatives to create environmental value by companies.

[Sustainability Performance Data \(CO₂ emissions from energy sources and CO₂ absorption and fixation \(Tokio Marine Holdings and major subsidiaries\)\) >](#)

[Tokio Marine & Nichido]

<CO₂ Emission Reduction Targets>

- Long-term target (fiscal 2050): -60% (compared with fiscal 2006 level)
- Reduction target in fiscal 2021: -1% compared with previous year

Tokio Marine & Nichido, a core operating company of Tokio Marine Group, worked to realize its medium-term target (fiscal 2020) by: (1) reducing energy in its main building and Shinkan building in Marunouchi, Tokyo, and Tama building; (2) monitoring the increase and decrease in energy on a total site basis in line with site reconstruction and transfer plans; (3) implementing energy conservation campaigns in all branches; and (4) increasing energy conservation performance in company-owned cars. In addition, Tokio Marine & Nichido will continue to make efforts to conserve energy in buildings, equipment and company-owned cars from 2022 toward the realization of its long-term target (fiscal 2050).

<CO₂ Emissions (Fiscal 2020 Results)>

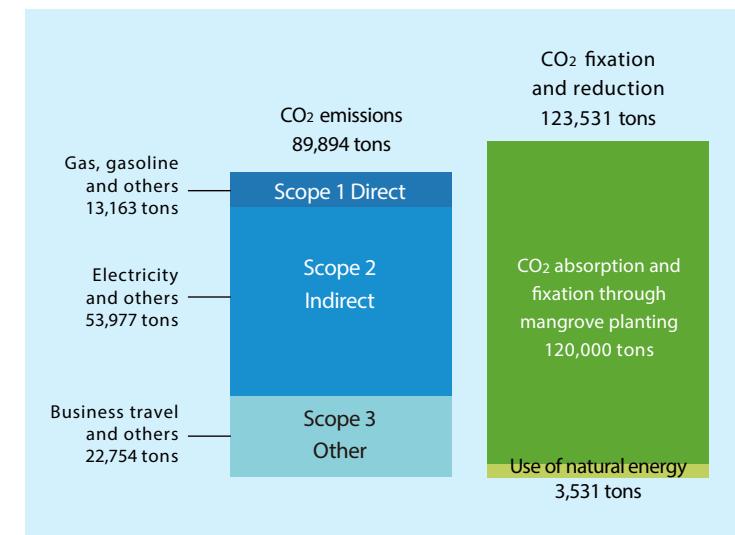
Fiscal 2020 CO₂ emissions by Tokio Marine & Nichido (Scope 1 (direct emissions) + Scope 2 (indirect emissions) + Scope 3 (other indirect emissions)) were 49,843 tons versus a start-of-year target of 56,276 tons (a 1% reduction year on year). The percentage of reduction was 12.3% compared with the previous fiscal year, thereby achieving the target. The main cause of this decrease was a reduction in power consumption owing to energy-saving initiatives. Moreover, in order to meet the expectations of society regarding corporate efforts to create environmental value, we expanded the coverage of the calculations for Scope 3 in fiscal 2015.

[Sustainability Performance Data \(CO₂ emissions from energy sources \(Tokio Marine & Nichido\)\) >](#)

■ Initiatives toward Achieving Carbon Neutral Status through Mangrove Planting

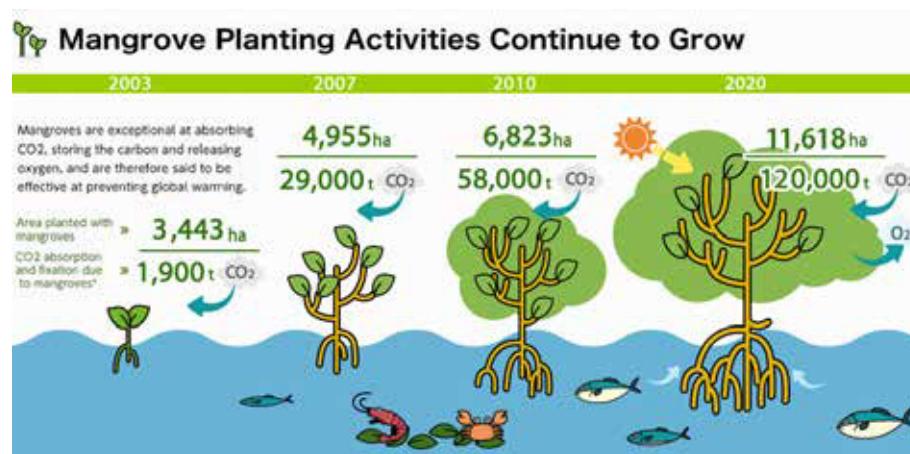
(CO₂ Absorption through Mangroves)

Mangrove forests have an effect on the prevention and mitigation of global warming by absorbing and fixing a significant volume of CO₂. Under the concept of "Insurance for the Future of the Earth," Tokio Marine Group has engaged in the Mangrove Planting Project since 1999. As of March 31, 2021, approximately 11,618 hectares of mangrove forest have been planted through this project in nine countries, primarily in Asia. Each Group company strives to reduce the environmental footprint through energy conservation and resource conservation. At the same time, Tokio Marine Group



aims to achieve carbon neutral status on a global basis, offsetting the CO₂ emissions generated by its business activities with CO₂ fixation and reduction through means such as mangrove planting and natural energy (green power). Fiscal 2020 CO₂ emissions by Tokio Marine Holdings and its major subsidiaries were 89,894 tons, which was a 19.1% decrease in emissions compared with the previous fiscal year.

The effect of CO₂ fixation and reduction due to mangrove planting, etc., was 123,531 tons and carbon neutral status was achieved for the eighth year in succession for the Group overall (Japan and overseas).



* Information on CO₂ emissions from energy usage and other relevant information are subject to a third-party guarantee by Ernst & Young ShinNihon LLC. Tokio Marine Holdings requested the Central Research Institute of Electric Power Industry (CRIEPI) to evaluate and calculate the amount of CO₂ absorption and fixation through mangrove trees and received the evaluation report. Further, a third-party organization (Ernst & Young ShinNihon LLC) has been requested to implement the agreed-upon procedures in compliance with Practical Guidelines in Specialized Fields 4400, Engagements to Perform Agreed-Upon Procedures (The Japanese Institute of Certified Public Accountants) for part of the data used in the report. As a result, Tokio Marine Group has deemed that the effects of CO₂ absorption and fixation through mangrove planting have been calculated properly.

*The coverage of calculations for Scope 3 (other indirect emissions) was expanded in fiscal 2015.

① Reduction of Environmental Footprint in Business Activities

■ Environment-Friendly Buildings and Facilities

Tokio Marine Group is engaged in initiatives* that consider the environment and disaster prevention in buildings and facilities it owns, as appropriate for each structure.

- Facilities investment amount related to energy conservation measures: 632 million yen (fiscal 2020, Tokio Marine & Nichido)

*Upgrading to boilers, high-efficiency lighting fixtures (LED, etc.) and air conditioning, etc.

• Efforts by Tokio Marine & Nichido

Tokio Marine & Nichido's Nagoya Tokio Marine & Nichido Building, which was completed in 2013, gives high consideration to the environment with features that include double-glazed window glass and LED lighting throughout the entire building. This building has earned the S-rank, the highest rank under the Comprehensive Assessment System for Building Environmental Efficiency (CASBEE) Nagoya, a building environmental performance evaluation system operated by Nagoya City. This building has secured the top-tier Platinum ranking under the DBJ Green Building Certification System operated jointly by the Development Bank of Japan and Japan Real Estate Institute.

Furthermore, in January 2015 Tokio Marine & Nichido was certified as an excellent Eco-Oriented Business by Nagoya City due to voluntary and proactive efforts to be kind to the environment in its business activities. It also won the 22nd Aichi Machinami Architecture Award in recognition of its contribution to the formation of a pleasant local environment, and in December 2015 won the Outstanding Performance Award for Eco-Oriented Businesses certified by Nagoya City.

In addition, Tokio Marine & Nichido was recognized by Osaka Prefecture for initiatives and achievements in reducing greenhouse gases in offices and won the Excellence Award in the Osaka Stop Global Warming Awards in 2013.

Moreover, Tokio Marine & Nichido has a plan to convert its main building and Shinkan building into a new head office building (to be completed in 2028). The new building is designed to achieve the highest level of environmental performance by seeking to:

- Reduce CO₂ emissions during construction through the use of wood building materials and promote energy saving and reduce CO₂ emissions from building use by introducing highly efficient equipment and district cooling/heating;

- Use 100% renewable energy for its electricity consumption;
- Preserve biodiversity and mitigate the heat-island effect through large-scale rooftop greening as well as improve an urban space environment by creating a public relaxation space for local community members on the first floor;
- Conserve water resources through the use of rainwater in place of non-potable general service water and the introduction of a water circulation system; and
- Obtain the highest Platinum ranking in the Leadership in Energy and Environmental Design (LEED), an international green building rating system.

• Efforts Overseas

At Group companies overseas, as in Japan, we are taking measures to conserve energy as appropriate for each building or facility we own. As an example, Tokio Marine Centre (Singapore) has been actively introducing environmentally conscious measures that include the installation of energy-saving air-conditioning equipment and lighting fixtures, installation of water-saving equipment that reuses rainwater and effective placement of greenery.

In 2017, Philadelphia Insurance Companies (PHLY) in the United States decided to renovate its long-used headquarters building to update its aged technology, infrastructure and exterior. The aim was to provide an excellent work space to employees and facilitate environmental, social and governance (ESG) efforts. The renovation gave consideration to the environment by replacing windows, switching to a more comfortable, energy-efficient air-conditioning system, adding a charging station for electric vehicles, installing adjustable lighting fixtures that sense movement and natural light and creating a self-sustaining outdoor greenery zone that has won an award. The building also took into account social aspects, such as safety and accessibility. For safety, it incorporated a speaker system for emergency and evacuation announcements and a video monitoring system. Accessibility was ensured by introducing button-controlled height adjustable desks for all employees, replacing swinging doors with sliding doors and removing curbstones from the parking lot to make it level with the sidewalk. These features have also resulted in a traceable reduction in waste and consumption of water, gas, electricity and paper.



■ Initiatives to Reduce Paper Use

Tokio Marine Group's volume of paper consumed in fiscal 2020 was 6,104 tons (Japan: 5,441 tons, overseas: 664 tons), which marked a decrease of 15.3% on a year-on-year basis thanks to reduction efforts in and outside Japan. In fiscal 2021, we are taking action under a target of reducing paper volume in Japan by 1% from the previous fiscal year.

As a measure to curb paper consumption, Group companies are distributing mobile terminals (tablets and notebook PCs) to employees to reform working styles while reducing paper consumption, along with promoting the paperless *Raku Raku Tetsuzuki* (Quick and Easy Online Procedures) for applying for insurance on tablet or other devices, expanding the use of paperless conferencing, using green procurement of stationery and office supplies, shifting forms and pamphlets to Web formats (i.e., promoting paperless operations) and firmly establishing the practice of double-sided copying and printing multiple pages on one sheet.

In December 2020, we rolled out *Remote Raku Raku Tetsuzuki*, a one-stop online service for customers to view a proposed insurance product and its description and apply for it on their smartphones and other devices. Through this service, we have realized seamless and paperless procedures that also make customers feel at ease.

[Examples of Initiatives toward High-Quality Solicitation >>](#)

■ Promoting Waste Recycling

Tokio Marine Group has installed paper machines that make new paper from used paper using very little water and is promoting paper recycling that can be completed in our offices.

■ Effective Use of Water

At the La Mer Sanbancho building in Tokyo, Tokio Marine & Nichido is promoting effective use of water by collecting rainwater and recycling it for flushing toilets.

2.1.3 Promoting the Widespread Use of Clean Energy

In order to prevent damage due to climate change from spreading, Tokio Marine Group is examining the possibility of installing and operating renewable energy facilities in Group companies while also providing products and services such as environmental consulting.

2.1.3.1 Basic Approach to Promoting the Widespread Use of Clean Energy

In mitigating climate change, we will promote the widespread use of clean energy through the provision of products and services in the renewable energy field and contribute to the transition to a decarbonized society.

2.1.3.2 Promoting Green Transformation

Through the development and provision of insurance products and solutions as well as risk consulting, Tokio Marine & Nichido seeks to assist customers in becoming carbon neutral and shifting toward a decarbonized society, as well as to contribute to the growth and development of industry. For this purpose, Tokio Marine & Nichido established a cross-departmental organization called the Green Transformation (GX) Task Force in February 2021. With the aim of promoting these efforts even more proactively, the company also established the GX Office within the Commercial Lines Marketing Department in June 2021.

Toward becoming carbon neutral in 2050, Tokio Marine & Nichido is steadily promoting the following initiatives, including developing solutions and considering business co-creation, based on dialogue with a broad range of companies, local governments and other customers.

- Develop insurance products and solutions that will contribute to the more widespread use of renewable energy, including offshore wind power and solar power.
- Carry out research on and develop insurance products that will contribute to the spread of storage batteries, promotion of the use of hydrogen and establishment of new technologies, such as carbon dioxide capture and storage (CCS)* and carbon dioxide capture, utilization and storage (CCUS)* technologies.
- Provide support for local governments and companies for building distributed energy systems.
- Provide support for efforts of local small- to medium-sized companies toward becoming carbon neutral.

- Build a one-stop structure to provide various consulting services, including support for analysis of climate change scenarios in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

* CCS is a technology to capture and store emitted CO₂, while CCUS is a technology to utilize separated and stored CO₂.

2.1.3.3 Providing Solutions for Promoting the Widespread Use of Clean Energy

Offshore Wind Power Generation

Offshore Wind Power Generation in Japan

Japan has set the ambitious goal of reducing greenhouse gases by 80% by 2050, thereby proceeding with the challenges of energy conversion and decarbonization to meet this goal.

The 5th Strategic Energy Plan approved by the Cabinet on July 3, 2018 states the lofty "3E + S" (Energy security, Economical efficiency, Environment + Safety) objective and expresses the energy mix the country would like to achieve by 2030. This was the first time for Japan to specify the shift to renewable energy as its main source of power, with the aim of 22% to 24% of power generation to come from renewable energy by 2030, up from 16% in 2017. Offshore wind power generation is expected to be one of the pillars of renewable energy. With the revised Port and Harbor Act of July 2016 and the enforcement of the Act of Promoting Utilization of Sea Areas in Development of Power Generation Facilities Using Maritime Renewable Energy Resources in April 2019, a full-scale offshore wind power generation project is already underway in Japan.

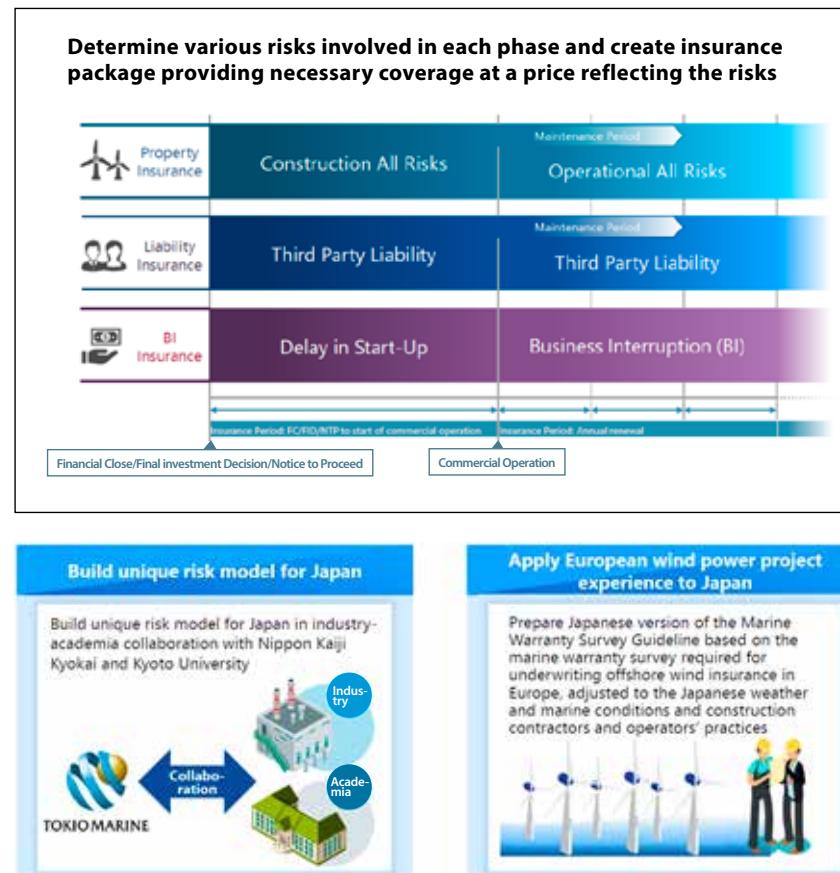
More specifically, after the revision and enforcement of these acts, Japan's first commercial offshore wind power generation project was launched in February 2020. In December 2020, the Ministry of Economy, Trade and Industry announced its first Vision for Offshore Wind Power Industry and presented ambitious introduction targets of awarding a capacity of 10 GW to projects by 2030 and 30 to 45 GW by 2040. A review for the first public tenders for four general sea zones has been underway, and specific efforts to introduce offshore wind power generation have begun.

Total Support for Offshore Wind Power Generation from Construction Phase to Operation Phase

Beginning with underwriting insurance for a project in the Netherlands in 2013 that the customer has acquired rights for, Tokio Marine & Nichido has been supporting a total of 47 offshore wind power generation projects in 10 countries and regions including Japan. In fiscal 2020, while taking on 10

new projects, the company has provided support to the wind power generation industry in Japan by holding seminars to present and share the know-how it has gained through underwriting these projects as well as knowledge on loss prevention.

In many offshore wind power generation projects, facilities go into operation individually as they are completed and become operational. Tokio Marine & Nichido's package exclusively designed for such projects offers seamless total support in order to cover the interface risk associated with the shift to operation. Although this type of insurance package is generally employed in Europe and the United States, the content and clauses of the company's insurance have been adjusted to fit the legal system and environment of Japan.



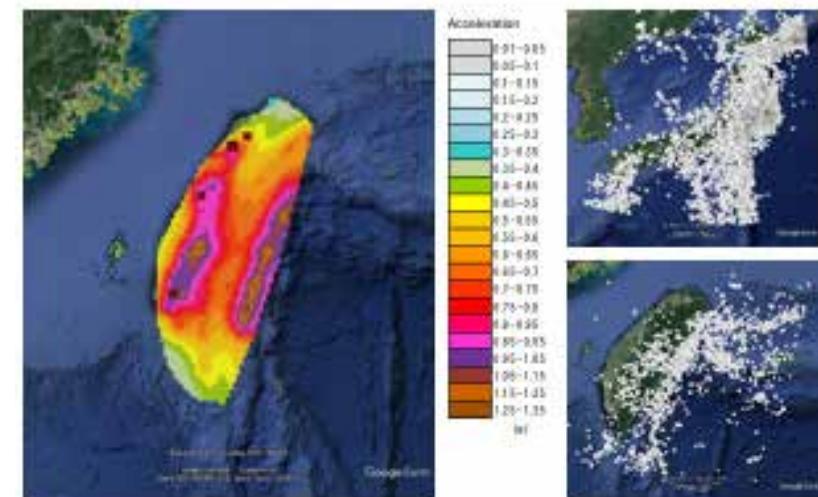
A dedicated team was set up to deal with wind power-related projects in 2013, and a task force was established in 2019 to provide company-wide support for the industry. Tokio Marine & Nichido aims to be the industry leader from an insurance perspective for offshore wind power generation projects, an area expected to grow and develop not only in Japan and Asia but across the entire world, and to accelerate initiatives in this core business area to protect the global environment.

Stochastic Assessment of Natural Disasters

The risk of a natural disaster occurring such as a typhoon, earthquake or tsunami is significantly different between Japan and Europe. In arranging insurance for offshore wind power generation projects, Tokio Marine dR calculates the critical indicator of Probable Maximum Loss (PML) using stochastic methods and conducts risk assessment.

In many cases, financing has become an integral part of offshore wind power generation projects as they grow in scale. Lenders also want to understand the risk involved using stochastic assessments that use a fixed recurrence interval such as 475 years for an earthquake and 100 years for a typhoon. This PML calculation has also been adopted in Japan's first commercial offshore wind power generation project mentioned previously.

Earthquake: Distribution of Peak Ground Acceleration & Seismicity



① Solar Power Generation

Solar Power Generation in Japan

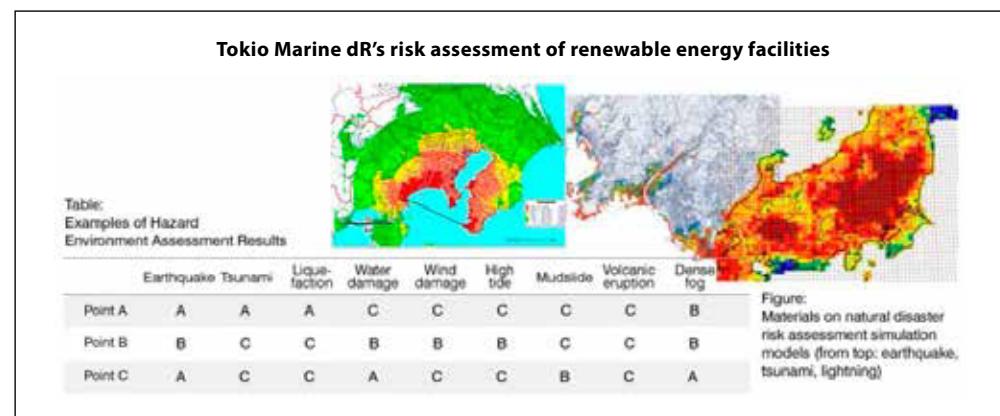
With the launch of Japan's Feed-in Tariff Scheme for Renewable Energy in July 2012, the planning and construction of solar power generation facilities have been surging across the country. In order for businesses to stably operate the facilities, it is necessary to evaluate business risks over a medium to long term of 10 to 20 years from a variety of angles, starting from the installation stage, and implement required measures. Moreover, safety concerns about damage to the facilities caused by natural disasters, which have been increasing in recent years, and uneasiness in local communities about environmental and other impacts has become apparent. Thus, a harmonious coexistence between operators and local communities is one of the major issues in increasing the use of renewable energy, which requires solutions.

Mega-Solar Package Program

In July 2012, Tokio Marine & Nichido began marketing its Mega-Solar Package Program. Through risk consulting and insurance products, the program offers an integrated solution for the risks involved in mega-solar (large-scale solar power generation) projects.

Making Use of Evolving Risk Assessment Approaches in Consulting

The Mega-Solar Package Program is composed of 1) risk consulting (natural disaster risk assessment and soil contamination status assessment) and 2) arrangement of property and casualty insurance.



[Tokio Marine dR's "Risk Assessment of Renewable Energy Facilities" \(in Japanese\)](#)

In the event of damage from earthquake, tsunami, water, wind, landslide or other natural disasters, mega-solar projects may be forced to review installation expenses or construction period, and business operation following launch may be severely affected. Based on natural disaster information and knowledge accumulated over the years in the property and casualty insurance business, the product offers risk consulting services that include a three-stage evaluation of natural disaster hazards at planned mega-solar installation sites and soil contamination status assessment consulting services through means such as site usage history surveys and field investigations. By incorporating such consulting services, mega-solar business operators are able to accurately assess the risks that can threaten business continuity and can effectively carry out necessary investments and measures.

Conducting risk assessments of mega-solar projects has helped us build up extensive know-how, which we are using to provide consulting services for renewable energy facilities for biomass and wind-power generation businesses.

Arrangement of Appropriate Property and Casualty Insurance at the Mega-Solar Project Installation and Operational Stages

As various risks are expected at every stage – from installation to operation – in mega-solar projects, appropriate risk management is achieved by analyzing risk factors that can impact project management and by arranging for insurance against each risk. As a specific example, risks associated

The mega-solar project flow from installation work to operation



with installation work may include damage to a solar power system or temporary installation caused by an accident or disaster, such as fire or lightning strike; lost profits due to a delay in the launch of operation resulting from the damage; and compensation for damage in case a solar power system has caused an accident during installation or after completion.

Hedging these risks is possible by using erection all risks insurance, delayed start of operations insurance and various forms of liability insurance. Additionally, risks related to facility operation may include damage to a solar power system caused by fire or other accident or disaster, lost profits due to suspension of operation resulting from the damage and compensation for damage as an owner or manager of the facilities. These risks can be hedged by corporate fire insurance and various forms of liability insurance.

Solar power and other forms of renewable energy are indispensable as new energy sources to support the social infrastructure of the future. Based on the role that insurance companies bear in society, Tokio Marine & Nichido will support the smooth diffusion of renewable energy by providing insurance products and risk consulting services and contribute to the development of a sustainable society.

■ Insurance for Output Suppression Control for Mega-Solar Power Generation Operators

Output suppression control is a measure in which power companies request power generation operators to suppress power generation output. Ensuring stable power supply requires a consistently steady balance between the power generation volume and consumption volume, and output suppression control is needed when the generation volume exceeds consumption. Tokio Marine & Nichido provides insurance for mega-solar power generation operators to cover a drop in revenue caused by such suppression. Through the product, the company will contribute to the widespread use of mega-solar power generation.

■ Launch of a New Product Covering the Decommissioning Cost of Solar Power Facilities and Damage Compensation Risk

The Act of Partial Revision of the Electricity Business Act and Other Acts for Establishing Resilient and Sustainable Electricity Supply Systems enacted in 2020 will start mandating solar power operators of 10 kW or more to make an external reserve for the decommissioning of solar power facilities in July 2022. Meanwhile, in April 2020 the Act made it an obligation for the operators "to make efforts" to enroll in fire, earthquake or other insurance in order to ready themselves for natural and other disasters before making such an external reserve or when still accumulating one. It also requires them to secure financial resources to pay compensation in case of an accident or disaster and implement cyber security measures. The environment and risks surrounding these operators are thus undergoing a drastic change.

In response, Tokio Marine & Nichido is working with the Japan Photovoltaic Energy Association, which promotes the introduction and widespread use of solar power generation facilities, to resolve issues facing solar power operators and launched the industry's first insurance scheme matched to the Act's obligatory efforts, Insurance for Solar Power Facilities Decommissioning Costs and Compensation Liability Risk, in December 2021. The scheme covers the decommissioning cost before operators make the required external reserve or when they are still accumulating it, and compensation liability risk to prepare for accidents resulting from the ownership, use or management of solar power facilities or for rapidly growing cyber risk.

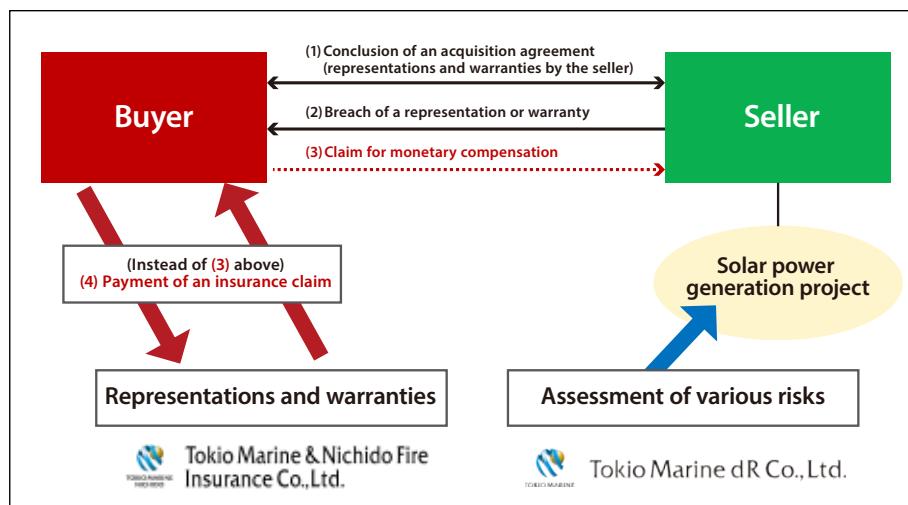
Tokio Marine & Nichido intends to offer this scheme broadly. By enabling solar power operators to secure the facility decommissioning cost and financial resources for damage compensation through the scheme, the company will support the sound growth of the solar power generation business and more widespread use of renewable energy.



■ Providing M&A Package Plan for Solar Power Generation Projects

In September 2021, Tokio Marine & Nichido and Tokio Marine dR started providing an insurance plan, M&A Package Plan for Solar Power Generation Projects. Under this plan, Tokio Marine dR performs an assessment of various risks associated with the target power plant before an M&A is executed, while Tokio Marine & Nichido provides representations and warranties insurance (domestic M&A insurance) to cover a post-M&A risk for economic losses incurred by the buyer that arise from the seller's breach of a representation or warranty (including a breach concerning permits and licenses). The plan is a one-stop source of security for customers in executing an M&A of a solar power project, with Tokio Marine dR providing pre-M&A security and Tokio Marine & Nichido ensuring post-M&A security.

Notional concept of the package plan



■ New Service for Resource Aggregators in the Power Supply-Demand Adjustment Market

Tokio Marine & Nichido has started collaborating with NEC Corporation in the resource aggregation business, which aggregates and controls distributed energy resources, including storage batteries and solar power facilities, by using information and communications technology (ICT). More specifically, the companies developed the industry's first service for resource aggregators operating in the power supply-demand adjustment market. The service is combined with a system to provide partial coverage for additional costs arising from causes beyond their control, such as facility damage due to a natural disaster. Through the system, the companies provide support and a sense of security for resource aggregators in promoting their business.

■ Collaboration Aimed at the Commercialization of Storage Batteries Management Technology

Tokio Marine & Nichido and Tokio Marine dR started collaborating with EC SENSING, Inc., a joint venture affiliated with Waseda University, for the commercialization of storage batteries management technology. In fostering the more widespread use of renewable energy, the companies aim to develop service solutions, which facilitate safe and secure energy management, and contribute to the realization of a decarbonized society.

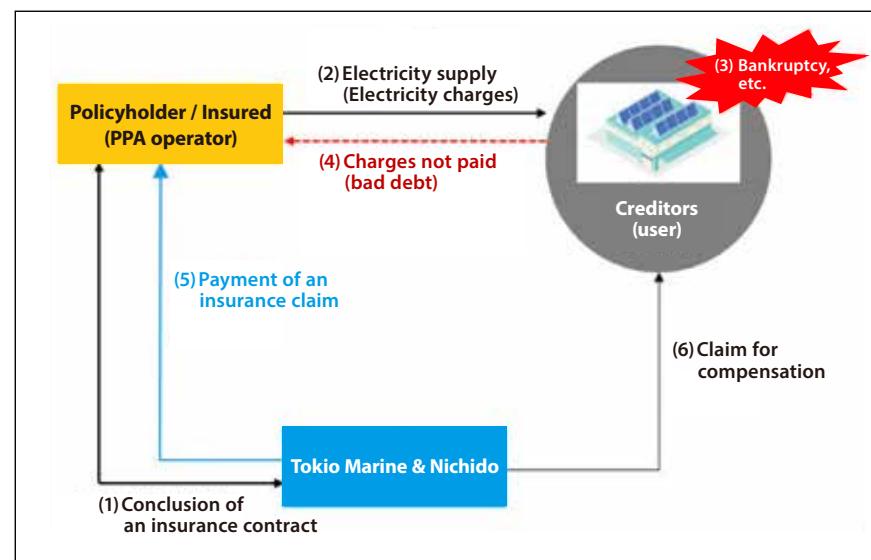
In promoting the widespread use of renewable energy, storage batteries are essential for the effective utilization of electricity. In the future, a rise in demand is expected for risk assessment and performance assurance to ensure the safe use of storage batteries as well as for the reuse of these batteries. Conversely, there are currently no regulations or systems related to the reuse of storage batteries, and their secondary use still remains limited.

Under these circumstances, Tokio Marine & Nichido and Tokio Marine dR will jointly develop new service solutions that will help further increase the use of storage batteries in collaboration with EC SENSING, which engages in research and development utilizing non-destructive measurement technology (impedance technique) for storage batteries, and with Waseda University's Research Organization for Nano & Life Innovation, which carries out the research and development of the technology. In addition to leveraging risk data associated with corporate business activities and knowledge on data analysis held by Tokio Marine Group, we will also utilize Waseda University and EC SENSING's core technologies and intellectual property rights related to storage batteries and energy management in our efforts to develop and provide advanced risk management and performance evaluation for storage batteries.

■ Providing Insurance Package for Solar PPA Operators

Tokio Marine & Nichido has started offering Insurance Package for Solar PPA Operators, an insurance product providing power purchase agreement (PPA) operators with comprehensive coverage for various risks, including risk of damage to power generation facilities, compensation liability risk arising from the management of facilities and risk of the user (company using the facilities) going bankrupt. In recent years, a PPA model has drawn much attention on the back of the growing need to use renewable energy. It is a business model in which a third party installs its own renewable energy facilities on the roof of the user's building or within its premises by incurring the installation costs, and supplies generated power to the user while recovering these and other costs through a long-term PPA with the user. An increase in the introduction of renewable energy is expected to continue via this model, as it has an advantage of eliminating the associated initial cost for the user. There is, however, a risk that the originally planned cost recovery would be difficult for reasons such as an unexpected and sudden accident during the term of the contract. By offering this insurance package, the company will promote the introduction of renewable energy based on the solar PPA model.

Notional concept of coverage for a risk of non-payment of electricity charges due to bankruptcy of the user



◎ Geothermal Power Generation

■ Commenced Sales of New Impairment Liability Coverage for Geothermal Power Generation Operators

Geothermal power generation uses steam from deep under the ground to generate power. It does not emit any CO₂, a primary cause of global warming, which has put it in the spotlight as a low-cost renewable energy with the potential for stable power supply. There are high expectations for the application of this form of energy, and the Japanese government has already formulated a plan to expand capacity of geothermal power generation facilities three-fold by fiscal 2030 compared with current levels.

Against this backdrop, Tokio Marine & Nichido offers impairment liability coverage specifically for geothermal generation operators. It provides peace of mind to nearby hot spring operators (hot spring union) with regard to geothermal development. This is achieved through compensation for damages if there is a decline in the volume of hot water or a change in hot spring quality in a nearby hot spring area during geothermal development or operation of a geothermal power generation facility. Such damages include the cost of investigation into the cause, which is covered by the geothermal developer, or lost profits on the part of the hot spring operator. Payment of the cost for investigating the cause at the stage when a reduction in hot spring volume or a change in spring quality has been objectively confirmed irrespective of the existence or not of liability on the part of the geothermal developer is a first for Japan. Tokio Marine & Nichido will continue to contribute to the proliferation of geothermal power through this product going forward.

General flow of geothermal development (model case of 30,000 kW power output)



Source : Prepared using [basic data for investigating purchase price in FY2013 issued by Resources and Energy Agency of the Ministry of Economy, Trade and Industry](#) (in Japanese) [PDF](#)

2.1.4 Responding to Natural Disasters

2.1.4.1 Basic Stance on Natural Disasters

From the aspect of adaptation to climate change, we will apply our knowledge on natural disasters and disaster prevention and mitigation accumulated throughout Tokio Marine's long history to the development and provision of products and services while contributing to the creation of a society resilient to natural disasters by providing safety and security both before and after such disasters occur.



Tokio Marine & Nichido received certification as an organization contributing to the building of national resilience ("Resilience Certification") in the business continuity category in the first evaluation conducted in fiscal 2016 and the social contribution category in the first evaluation conducted in fiscal 2020.

2.1.4.2 Promoting Disaster Prevention and Mitigation through Products and Services

Efforts to Develop an ISO Standard Certifying Disaster Preparedness

In recent years, intensifying natural disasters have caused enormous human and economic damage to various parts of the world. Against this backdrop, the concept of disaster prevention (Bosai) has taken root worldwide, as evidenced by the Sendai Framework for Disaster Risk Reduction 2015-2030 adopted at the Third United Nations World Conference on Disaster Risk Reduction in 2015 as well as by the declaration in 2019 by the G20 of institutionalizing the Sendai Framework. Accordingly, Japan has been leading an effort to develop an ISO standard certifying disaster preparedness. By defining disaster prevention and mitigation efforts as a sustainable value standard (criteria), it is aimed at creating value as a new industry; applying such products, services and infrastructure in society; and improving disaster preparedness in Japan and throughout the international community.

Under the guidance of Professor Fumihiko Imamura of the International Research Institute of Disaster Science (IRIDeS) at Tohoku University, the Disaster Preparedness ISO Project (TC268: Sustainable cities and communities / SC1: Smart community infrastructure / WG6: Disaster risk reduction) has been promoted as a strategic project of the Ministry of Economy, Trade and Industry and other

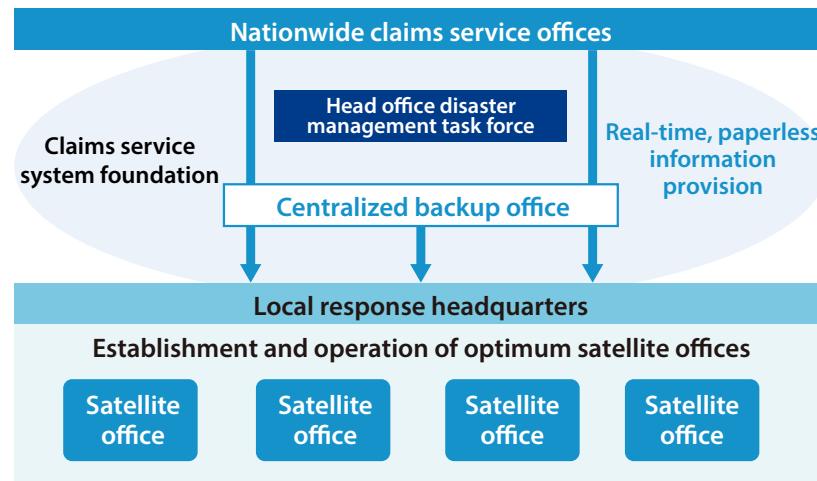
organizations, with Tokio Marine & Nichido's endowed research division established within IRIDeS serving as the secretariat. In addition to ongoing standardization efforts in the two aspects of basic concept and seismograph utilization, activities to develop international standards in such areas as emergency foodstuff in a disaster and risk financing have been launched in fiscal 2021. The secretariat is also working with BOSAI-TECH, a project planned and operated by Sendai City to create and provide support for disaster prevention-related ventures, to produce next-generation venture businesses that tackle social issues. Tokio Marine Group participates in the BOSAI-TECH project as a sponsor company and provides support from a broad range of perspectives, such as exploring business creation with overseas venture companies and facilitating cooperation with various international organizations. In terms of human resources, personnel from the Sendai Branch, which is located in one of the disaster-stricken areas of the Great East Japan Earthquake, participates in the Concept Committee of the Disaster Preparedness ISO Project, while personnel specializing in the climate-related financial disclosure (TCFD) provides advice in the risk financing field.



■ System for Responding Quickly to Natural Disasters

The purpose of Tokio Marine Group is to protect customers and society in times of need, which is a commitment we have upheld in all of our activities.

Japan has been struck by a number of natural disasters such as typhoons and floods in recent years, causing serious damage across the country. If a large-scale disaster occurs, Tokio Marine & Nichido promptly establishes backup offices (insurance claims centers), local disaster response offices and satellite offices (temporary offices to conduct damage assessment and other operations in disaster-stricken areas) to facilitate initial response. The company's system network enables damage service offices across Japan to exchange and share information in real time, which in turn allows for providing



Providing caring claims services for individual customers



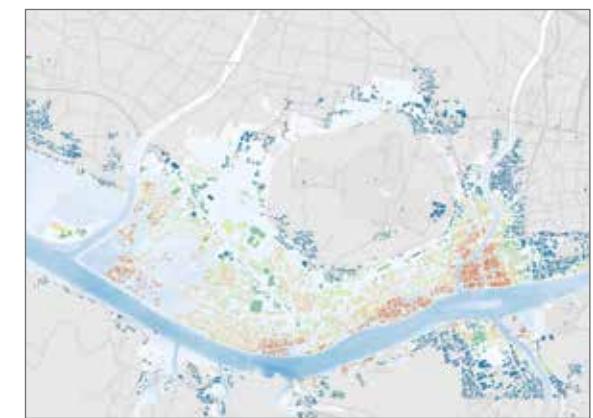
support smoothly in remote regions. Tokio Marine & Nichido makes company-wide efforts, with employees, appraisers and adjusters (damage investigators) dispatched to the disaster areas visiting customers affected by the disaster to check the status of damaged houses and other properties in order to quickly pay insurance claims using digital, AI and other technologies.

[System for Responding Quickly to Natural Disasters \(Tokio Marine & Nichido website\)](#) (in Japanese)

■ Sophistication of Claims Payments Using Satellite Imaging and AI

Tokio Marine & Nichido has been working with ABeam Consulting Ltd. to pay insurance claims using satellite imagery since 2018. To increase the sophistication of these activities, the company began cooperating with three companies with advanced satellite image analysis technologies, namely ICEYE, PASCO Corporation and Mitsubishi Electric Corporation.

Tokio Marine & Nichido had already been using AI to analyze satellite images to determine the extent and scope of flood damage and obtain other information. The new partnership with the three companies, however, will make it possible to obtain a greater number of satellite images of wider areas more quickly in the event of large-scale floods. Using AI to analyze multiple images in combination with the company's customer data such as locations and property information enables the detailed calculation of damage and the height of flooding in as quickly as a few hours. This in turn is expected to significantly reduce the time before customers receive their insurance claims.



AI analysis of satellite imagery to quickly assess damage in detail

■ Introducing Technology to Check Damage Status in Real Time

Tokio Marine & Nichido has formed a business tie-up with SightCall, Inc. and introduced in July 2019 a WebRTC system to check building and other damage following an accident or disaster. WebRTC is a real-time communication (RTC) system to share imagery and communicate over a web browser, which enables interactive communications between an affected site and a remote office while

sharing photos and videos. After a typhoon or torrential rains, for example, the system connects a customer or agent in an affected area with a Tokio Marine & Nichido employee or appraiser in an office in real time. This will eliminate the need to keep customers waiting for a site visit or the trouble of resubmitting required documents, which in turn would lead to quick and accurate identification of damage and swift claims payments to customers.

Tokio Marine & Nichido will continue to provide claims services more closely aligned with customers. At the same time, we will work to achieve even greater customer satisfaction by leveraging leading-edge technology.

Early Disaster Recovery Support Service through a Tie-Up with BELFOR

Tokio Marine & Nichido has established an exclusive partnership with BELFOR (Japan) Co., Ltd., one of the world's largest disaster recovery support companies, to provide its corporate customers in particular with the Early Disaster Recovery Support Service for machinery, facilities, buildings and other properties damaged in an accident or disaster. In addition to fires that occur across Japan on a daily basis, BELFOR has a track record of providing early recovery services for its customers' factories, stores and other facilities damaged by numerous disasters, including those affecting wide areas such as the Great East Japan Earthquake and the floods in Thailand.

The range of BELFOR's activities has been expanding significantly amid natural disasters, which have become more frequent in Japan in recent years. Regarding water disasters, for example, BELFOR handled 156 cases related to torrential rains in western Japan and other floods in 2018, 269 cases related to Typhoon Hagibis and other events in 2019 and 189 cases in 2020. To address these cases, BELFOR provided general recovery support mainly for factory machinery and facilities utilizing specialized technologies, an area in which BELFOR has a competitive advantage.*

* Specialized technologies include emergency stabilization (treatment to inhibit the progression of corrosion and rust in facilities to prevent further damage) and precision cleaning (technology to dismantle equipment, clean electronic circuit boards by using BELFOR's originally developed alkali cleaner and deionized water, dry them completely in a vacuum chamber and reassemble the equipment)

As natural disasters become increasingly severe, Tokio Marine & Nichido will continue to provide support to its customers in times of need by working closely with BELFOR to help them overcome damage from a disaster and facilitate the early resumption of business.

<BELFOR Assisting Flood Recovery Following Typhoon Hagibis in 2019>

Overview of damage

- ✓ Embankments of nearby rivers collapsed and a large amount of sludge flowed into a customer's factory.
- ✓ The entire factory premises were damaged, with machinery and electrical equipment on the production lines submerged (depth of approximately 1.2 meters).
- ✓ Sludge flowed into and accumulated in the factory.

BELFOR's Response

- ✓ BELFOR started working quickly and contributed significantly to the customer's quick recovery from the typhoon damage by utilizing specialized technologies such as precision cleaning.

▼ The factory's machinery was severely damaged by sludge. BELFOR's specialized technologies aided the recovery of the factory to its pre-typhoon operability and condition.



Before



After



Before



After

NADIAct Disaster Prevention and Mitigation Alert System for Companies

In September 2020, Tokio Marine Holdings and Tokio Marine dR developed the NADIAct (Natural catastrophe Alert Dashboard for Initial Action) system jointly with Esri Japan Corporation. The system displays the disaster occurrence status on the premises of corporate customers in real time and facilitates appropriate actions to prevent and mitigate damage at each site.

It is essential that companies respond to natural disasters and, in particular, prevent and mitigate damage for business continuity and sustainable growth. By providing the NADIAct system, Tokio Marine Group continues to support the efforts of companies and local governments to prevent and mitigate damage and contribute to the creation of a society resilient to disasters.

Three strengths of NADIAct

NADIAct is a system that imports weather and disaster prevention information provided by Gehirn Inc. into a geographical information system (GIS) platform and visualizes the information on a map. It lists locations throughout Japan on the GIS, allowing companies with multiple business sites to learn about damage caused by a disaster at any of their sites and use this knowledge to implement countermeasures.

Strength ① Display of disaster information throughout Japan in real time

NADIAct obtains weather, disaster prevention and other information related to natural disasters published by the Japan Meteorological Agency through Gehirn and displays the risk levels for flooding, water immersion, strong winds, landslides and other dangerous natural phenomena occurring at companies' business sites in real time.

Strength ② Linked to flood timeline

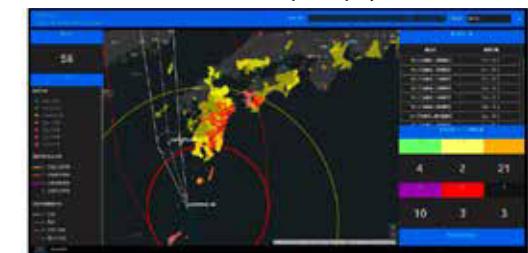
NADIAct imports flood timeline information prompting actions to be taken as a disaster develops based on the risk consulting expertise of Tokio Marine dR and lists the recommended disaster prevention actions according to the risk level at each site. The recommended disaster prevention actions are sent simultaneously to the head office and each business site through email alert, enabling appropriate initial response to a disaster.

Strength ③ Delivery of supplementary consulting services

The NADIAct user companies are eligible to receive advice from Tokio Marine dR on daily disaster response measures and risk management as well as online consulting services to increase the effectiveness of NADIAct in an emergency.

Tokio Marine Group will continue to develop disaster prevention and mitigation services to provide disaster prevention-related data to companies and local governments in an easily comprehensible manner. We will also promote the effective disaster prevention actions of our user companies by adding functionality to aggregate and display damage reports from each site.

NADIAct example display



Development of a Flooding Risk Projection System for Local Governments

As a measure to address increasingly severe flood damage in recent years, local governments are working to not only reinforce embankments and other earthworks but also engage in awareness-raising activities using hazard maps and the publication of disaster prevention manuals. When a disaster occurs, it is important for local governments to make swift and appropriate judgments on when to urge residents to evacuate and to organize an initial response structure based on the disaster situation, while collecting information in the immediate aftermath of the disaster and making decisions quickly on various matters. In April 2021, Tokio Marine & Nichido and Tokio Marine dR together with the National Research Institute for Earth Science and Disaster Prevention (NIED) developed a flooding risk projection system using AI technology. The system is aimed at supporting local governments to make appropriate decisions and minimize the damage incurred to local residents during the initial response to torrential rains.

Flood area instant forecast



The flooding risk projection system was developed by incorporating NIED's natural disaster data related to rainfall into Tokio Marine & Nichido and Tokio Marine dR's system platform and has the following characteristics.

- Immediate forecasts for flood areas**

Through a study and verification using relevant data provided by the Tokushima prefectural government, we developed techniques for estimating the areas that might flood due to heavy rains and incorporated a feature to collect information on the damage status in a timely manner.

• Support for a series of processes in disaster areas

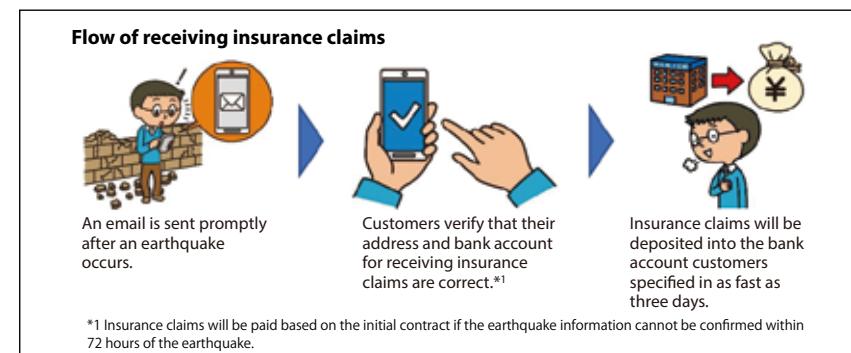
The system imports local governments' resident information to visualize the number of households and population by age group in areas where the flood risk is rising in an immediate forecast. This allows local governments to specify areas that are facing imminent risk and requiring focused support when guiding the evacuation of residents. In this way, the system supports a series of processes from collecting information on the disaster situation to making various decisions, including organizing a disaster response team and dispatching city officials.

Tokio Marine & Nichido and Tokio Marine dR will continue to undertake the development of more sophisticated natural disaster damage forecasting systems and contribute to the development of strong local communities resilient to natural disasters.

■ Launch of the Industry's First Magnitude Index-Based Earthquake Insurance

(EQuick Insurance for Earthquake Preparation)

When a large natural disaster occurs, it may take a certain amount of time to assess damage and pay insurance claims. Through questionnaires to earthquake survivors, we have learned that various expenses are incurred in the immediate aftermath of an earthquake and there is a need for funds to pay for them. Based on this finding, Tokio Marine & Nichido released a magnitude index-based earthquake insurance (*EQuick Insurance for Earthquake Preparation*) in March 2021, which promptly pays insurance claims after an earthquake so that customers can pay for post-earthquake living expenses. A fixed amount of insurance set according to the earthquake magnitude observed in the area where customers reside will be paid in as fast as three days. The process from enrollment application to the receipt of insurance claims can be completed on a smartphone, providing more convenience to customers.



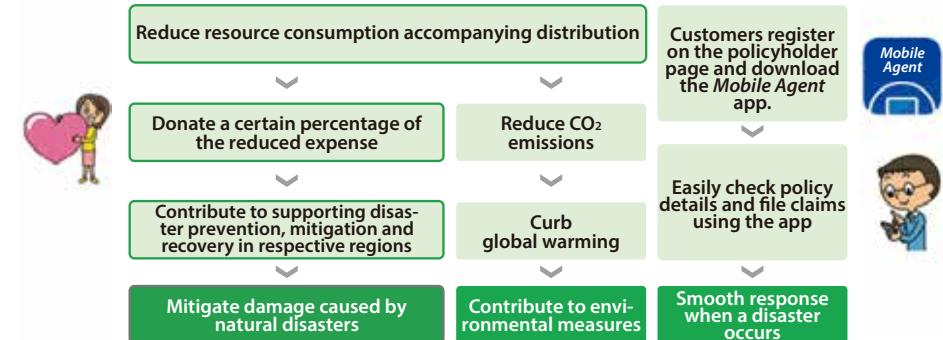
■ Fire Insurance with a System for Donation That Contributes to Disaster Prevention and Mitigation:

Tokio Marine & Nichido's Total Assist Fire Insurance x Red Feather Disaster Prevention/Reduction Program

Tokio Marine & Nichido launched the "Total assist fire insurance x Red Feather Disaster prevention/reduction program" in cooperation with the Central Community Chest of Japan, which promotes the Red Feather Community Chest. The program is aimed at supporting efforts to prevent and mitigate damage from natural disasters whose frequency and intensity are increasing and to quickly recover from a disaster.

If a customer who has enrolled in a fire insurance policy (Total assist fire insurance) selects a web-based insurance contracts or clauses, Tokio Marine & Nichido donates a certain percentage of the reduced expenses to the Red Feather Community Chest to support disaster prevention, mitigation and recovery activities. Another purpose is to contribute to environmental efforts through the reduction of resource consumption.

Customers select web-based insurance contracts or clauses.



■ Development of *Disaster Experience AR* App for Simulating a Disaster on a Smartphone or Tablet

To minimize damage from floods, which are becoming more intense and frequent, it is important for everyone to regard disasters as their own personal matters and raise their disaster prevention awareness.

Tokio Marine & Nichido and Tokio Marine dR have developed the *Disaster Experience AR* app that enables customers to "experience" a water disaster on their smartphones as if it has actually happened to them. The app simulates the risk of water immersion caused by a flooding river and landslides and prepares customers to take appropriate action when a disaster actually occurs.

The *Disaster Experience AR* app uses augmented reality (AR) technology* to enable the visualization of flooding and landslides caused by a water disaster through the scanning of a QR code with a smartphone camera. The app has the following characteristics.

- Predicted flood heights of rivers all over Japan are collected in the geographical information system (GIS) and linked to an original hazard map prepared by Tokio Marine dR.
- The map covers all of Japan and the danger can be visualized at any point on the map, which can be used to confirm the risks that family members living separately may be exposed to.

* Technology to superimpose virtual visual information onto the user's actual environment

Images of *Disaster Experience AR* app



■ Overseas Initiatives

PURE Group's Situation Room

When Hurricane Irene approached the United States in 2011, the U.S.-based PURE Group of insurance companies set up the Situation Room (Crisis Management Center) to provide customers with damage mitigation advice and inform them of accident-reporting contact points. The Situation Room constantly monitors highly precise weather information and online information such as news and social media posts to accurately identify natural phenomena with the potential of causing damage to customers. When the Situation Room recognizes any danger of disaster, it overlays the anticipated disaster region and customers' addresses on a map and immediately begins contacting customers to protect their safety if they are exposed to the risk. In 2020, which witnessed a record number of wildfires, the Situation Room meticulously scrutinized 650 wildfire warnings issued by local governments and dispatched partner private fire brigades to more than 45 wildfire locations in nine states.

The PURE Group is proactively developing and introducing new solutions to provide even higher quality services to its customers. Backed by support from Tokio Marine Innovation Lab Silicon Valley, which implements surveys on cutting-edge technologies, the Situation Room has commenced the trial use of tools that automatically gather online news and other information and put them through AI-enabled analysis. This process makes it possible to instantaneously analyze an even larger volume of information and data and allows quick responses to customers in their times of need. In the future, the PURE Group will promote efforts aimed at providing an optimized and proactive Situation Room experience for each and every customer.



Providing weather information and other information related to various risks through the website and an app



Analysts specializing in risk mitigation and loss prevention operating the Situation Room

2.1.5 Protecting the Global Environment

2.1.5.1 Basic Stance on Protecting the Global Environment

In adapting to climate change, we will apply our knowledge on natural disasters and disaster prevention and mitigation, which we have accumulated over the course of our long history, to the preservation of biodiversity and wetlands by practicing business activities that give consideration to harmonization with and the improvement of the global environment and by carrying out mangrove planting and other environmental protection activities around the world.

2.1.5.2 Protecting the Global Environment through Products and Services

The Green Gift Project, which involves mangrove planting and environmental protection activities worldwide, is supported by NGOs and NPOs, as well as central and local governments, agents and employee volunteers, and contributes to not only the alleviation of and adaptation to climate change and protection of biodiversity and Wetlands but also the reduction in disaster damage and stability in the lives of people in or near forested areas. Additionally, we believe that creating mangrove forests will contribute to the attainment of various SDGs, including alleviation of climate change, promoting the sustainable use of natural resources and mitigating damage from natural disasters. In the future as well, Tokio Marine Group will promote the creation of mangrove forests toward the realization of a sustainable society.

Promoting Eco Activities Jointly with Customers through the Green Gift Project

Tokio Marine & Nichido, Tokio Marine Millea SAST Insurance and other Group companies are supporting mangrove planting overseas and environmental protection activities in Japan by donating a portion of the proceeds saved by reducing paper consumption through an initiative enabling customers to view their policies online being implemented together with agents. These proceeds are donated to NPOs and NGOs.

Creating Value through the “Green Gift” Project

Through eco-friendly products, Tokio Marine & Nichido acts as one with its agents in engaging in global environmental protection initiatives and welcomes participation by customers as well.

“Green Gift” Project System and Benefits of Reducing Paper

With the support of its customers, in 2009 Tokio Marine & Nichido initiated the Green Gift Project based on the concept of undertaking eco activities. Under this project, when a customer chooses web-based insurance contracts (clauses) on its website rather than a paper-based contract in brochure form, the company donates funds corresponding to a portion of the value of the reduction in paper used to NPOs and NGOs involved in environmental protection activities. Such funds are then used to support costs of mangrove planting and educational support programs in developing countries, while in Japan they are mainly used to provide support to environmental protection activities for children in different areas and a project to rejuvenate the forest on the coast damaged in the Great East Japan Earthquake.

Customers' selection of the web policy option leads to the conservation of paper resources. Additionally, it allows the company to reduce the environmental footprint created by the manufacture of paper and its transport to the company, the mailing of policies to customers and the disposal of policies when unneeded after maturity.

The Green Gift Project also provides a number of other beneficial effects. These include conserving paper resources and contributing to the prevention of global warming and the preservation of biodiversity via mangrove planting activities and communicating to children, who will lead future generations, the importance of the earth's environment through their actual participation in environmental protection activities in Japan. In fiscal 2020, the number of contracts taking advantage of the web policy option was approximately 11.75 million, representing a reduction in paper usage of approximately 2,870 tons.

Disclosing Information on the “Green Gift” Project

To help customers better understand the activities of the Green Gift Project, the company established a Green Gift page on its website that reports on each of the initiatives. With regard to mangrove planting activities, the page reports on topics such as planting activities in various countries where mangrove planting is undertaken, updates on the growth of planted saplings and the volume of

CO₂ absorbed through planting. The page also provides reports on the Green Gift Planet GENKI Program, an environmental protection activity carried out in each region in Japan mainly for children, the leaders of the future.

As other topics, the page shows the company's involvement in educational support programs conducted by the international NGO Room to Read in developing countries such as India, Bangladesh and Vietnam aimed at improving education for children where mangrove planting takes place as well as a program to restore the forest along the coast devastated by the Great East Japan Earthquake conducted by the Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA).

Through this project, Tokio Marine & Nichido will continue to create social value via initiatives aimed at conservation of paper resources, prevention of global warming, conservation of biodiversity, reduction of disaster damage and contribution to local economies, communities and human resources development.

◎ Promoting Non-Printing of Insurance Policies

Since February 2013, Tokio Marine Millea SAST Insurance has been implementing, as part of its shift toward paperless operations, an initiative under which customers can view their policies on its website rather than on paper, which has helped reduce paper consumption.

In addition, since April 2013, a portion of the proceeds saved through this move has been used to support and participate in the tree-planting activity in Meguri's Forest in Shonan International Village, Kanagawa Prefecture, where the company's head office is located. This project involves dense planting and mixed planting of a variety of locally indigenous seedlings, which are the most stable seedlings and capable of survival, to let nature take its course in restoring the forest to its original form. By doing so, the project aims to "create a forest that protects life" and thus supports the community, economy and an enriched society.



Although nurturing the seedlings into a forest takes much time, through this activity, employees, their families and the company are united as one in increasing awareness of the need to protect the global environment.

Tree Planting Activities in Southeast Asia and Communicating Relevant Information

Tokio Marine & Nichido has planted mangrove trees mainly in Southeast Asia since 1999 in conjunction with multiple NGOs that have extensive know-how in planting mangroves overseas. Mangrove planting not only ensures the fixation (absorption) of CO₂, but also promotes biodiversity and provides benefits to the local population.

Tokio Marine & Nichido employees conduct mangrove planting tours, and employees and agents give lessons on biodiversity derived from mangrove planting to convey the significance of biodiversity-related activities through mangrove planting to society.

◎ Green Gift Project: Mangrove Planting

■ Status of Mangrove Planting

Since 1999, Tokio Marine & Nichido has been conducting its Mangrove Planting Project primarily in Southeast Asia. During the 22-year period to fiscal 2020, we planted a total of about 11,618 hectares of new forest in nine countries: Indonesia, Thailand, the Philippines, Vietnam, Myanmar, Fiji, India, Bangladesh and Malaysia. (We have consigned the work to evaluate the status of mangrove growth and CO₂ absorption and fixation in planted areas to the Central Research Institute of Electric Power Industry (CRIEPI) and have been receiving reports from the institute.)

The activity was rolled out in 1999 as a commemorative project to celebrate the 120th anniversary of Tokio Marine & Nichido, with the original idea coming from employees who voiced their desire to launch a long-lasting initiative in the environmental field. The project is conducted in partnership with the NGOs Action for Mangrove Reforestation (ACTMANG), OISCA and the International Society for Mangrove Ecosystems (ISME) and through collaboration with local governments and communities. Under this initiative, Tokio Marine & Nichido formulated a five-year plan (fiscal 2019 to fiscal 2023) using the afforested area as a key performance indicator and monitors progress on a semi-annual basis. In the current five-year plan (Phase V), the company has set the target of planting a total of 1,150 hectares of new forest during the five years from fiscal 2019 to fiscal 2023 and has so

far planted a total of 680 hectares over the two years from fiscal 2019 to fiscal 2020 (progress rate of 59%). Despite the considerable impact of COVID-19, Tokio Marine & Nichido remains committed to systematically promoting mangrove tree planting to protect the abundance of nature.

The mangrove planting initiative has earned extensive acclaim and Tokio Marine & Nichido was presented with the Minister of the Environment Award for Global Warming Prevention Activities (International Contribution Category) in 2013. In 2019, which marked the 20th anniversary of this project, Tokio Marine & Nichido announced the Mangrove-based Value Co-creation 100-Year Declaration under which it will create value in partnership with various stakeholders, including NGOs, government agencies in tree-planting regions, local community residents, employees, agents and customers. At the same time, the company also registered this initiative as a project of the United Nations Communities of Ocean Action for supporting the implementation of SDG 14 and reports progress to the United Nations annually.

■ Benefits of Mangrove Planting for the Environment and Local Life

"Mangrove" is a generic term for flora that thrives in brackish waters (where seawater and fresh water meet) along tropical and subtropical coastlines and river mouths in Asia, Africa and South America. Mangroves are sometimes referred to as "forests in the sea" and are effective in mitigating global warming as they absorb and fix large volumes of CO₂, a major cause of global warming. They also serve as natural levees to protect people's lives and local ecosystems from tidal waves, tsunamis and other natural disasters.

Mangroves protected the lives of many people as well as buildings and structures when the tsunami that occurred in the Indian Ocean hit in December 2004 and the typhoon that wreaked havoc in the Philippines in November 2013 (named Yolanda in the Philippines and Haiyan in English). At present, mangroves are being planted in the Demak area of Indonesia and Gujarat State in India, which are susceptible to coastal erosion and flooding, with the main objective being to protect people's lives and keep buildings and structures intact.

The roots of mangrove trees also serve as "cradles of life," creating a rich ecosystem by providing a sanctuary for living creatures such as young fish, shellfish, crabs and shrimps that feed off mangrove leaves and berries while attracting monkeys and birds. They also help ensure a gentle tide and waves at high tide and maintain water temperature. Fish and shellfish caught in the sea and in rivers near mangrove forests in Quảng Ninh Province in Vietnam and Ranong Province in Thailand are the staple

diet of the local people and a source of income through sales to intermediaries, thus contributing to sustainable regional development. In addition, the mangroves themselves are being used in a variety of different ways. Along with the seeds and fruits being used to make soup and sweets, the leaves become feed for farm animals and the trunks and branches are used as materials for the pillars and roofs of people's homes, thereby providing excellent support to the lives of the people.

Tokio Marine & Nichido considers mangroves as "insurance for the future of the Earth" because they protect the planet and people's lives and bring benefits. The company is committed to being involved in the Mangrove Planting Project for 100 years jointly with NGOs and local government agencies and residents. The project has been up and running for 22 years to date and the mangrove forests continue to grow. Going forward, the company plans to put more effort into activities that protect and nurture mangrove forests.

Indian Ocean tsunami following earthquake off the island of Sumatra in December 2004



Mangrove planting area in Ranong, Thailand, the area behind which was protected from tsunami damage



Tale Nok near Ranong, Thailand, which did not have mangroves, was damaged by the tsunami.

Benefits of mangroves



Fish catches are more abundant thanks to the mangroves. (Ranong Province, Thailand)



The young leaves of the grey mangrove are used as feed for farm animals. (Gujarat State, India)

■ Economic Value and Impact on Local Communities from Mangrove Planting

To the present, mangrove planting has generated diverse benefits such as mitigating and preventing global warming, preserving biodiversity and contributing to the development of local economies, communities and human resources. However, expressing the specific economic value created by this project had proved difficult. To determine this value, Tokio Marine & Nichido commissioned Mitsubishi Research Institute, Inc. to undertake a survey and make assessments based on internationally recognized methods. The results of provisional calculations show that the total economic value created by the Mangrove Planting Project from April 1999 when the company started the planting to the end of March 2019 totaled 118.5 billion yen.

This project also impacts some 1.41 million people living where the mangroves are planted or nearby and has generated benefits in terms of improving the lives of residents in these communities and preventing and mitigating disasters. By ascertaining the numerical value of the outcomes of the mangrove-planting activities, we were able to reaffirm our awareness of the positive social impact of this initiative. Going forward, we will utilize the results of this value assessment to improve our Mangrove Planting Project and continue to undertake these activities together with our stakeholders as we aim to further create value.



Mangrove Planting Tours

Since 1999, Tokio Marine & Nichido has been promoting its Mangrove Planting Project in Southeast Asia and other countries and regions and conducting a volunteer tour to plant mangrove trees about once a year.

Tokio Marine Group employees, agents and retired employees as well as their families participate in these tours as volunteers to plant mangrove seeds and saplings with local residents and visit villages and elementary schools in respective regions to promote international exchange. As of March 2020, we have conducted 20 mangrove planting volunteer tours, in which a total of approximately 590 members have participated.



© Green Gift Project: Educational Support Programs in Developing Countries

Among the countries where we plant mangroves, we participate in educational support programs targeting developing countries led by the international NGO Room to Read in Indonesia, Bangladesh and Vietnam.

Participating in Room to Read's educational support programs in developing countries ➤

◎ Green Gift Planet GENKI Program

Tokio Marine & Nichido is implementing the Green Gift Planet GENKI Program, which tackles environmental protection initiatives together with local citizens and includes donations to environmental NPOs and other groups as well as participation in environmental activities throughout Japan.

The project is conducted in conjunction with Japan NPO Center, a specified non-profit corporation that has received backing from the Ministry of the Environment and is responsible for the coordination and operation of the entire project. The aim is to provide children in each region, the leaders of the future, with the opportunity to learn about local environmental issues and foster a desire to protect the environment.

The activities offer the chance for local environmental NPOs and other groups to collaborate with new stakeholders such as Tokio Marine & Nichido and its agents. It is also a great chance for the company's customer contact branches to meet with local governments, environmental NPOs and other members of the local community. As of March 2021, around 17,000 participants (including around 7,400 children) had taken part in 300 different events to protect local forests, woodlands, river valleys and the sea. In 2020, the COVID-19 pandemic made it difficult to conduct group activities across prefectural borders. As such, we conducted fewer events with less participants while limiting our activities to areas where new infections were not increasing and implementing such preventive measures as disinfecting and washing hands and checking body temperature. Six organizations based in areas where infection was on the rise created and delivered to children videos, booklets and handcraft kits. There is also a plan to provide experience-based events online in the future.

[Green Gift Planet GENKI Program \(in Japanese\)](#)



◎ Green Gift Project: Restoration Projects of the Coastal Forests of Tohoku Region

Tokio Marine & Nichido supports activities of the NPOs OISCA and Watari Greenbelt Project to restore coastal forests damaged in the Great East Japan Earthquake in Natori City and Watari-cho, respectively, in Miyagi Prefecture. As of March 2020, we have conducted 27 volunteer tours, in which a total of approximately 400 Group employees, agents and their families have participated.

◎ Tree-Planting Together with Customers: PHLY 80K Trees Initiatives

Philadelphia Insurance Companies (PHLY) has continued to conduct the "PHLY 80K Trees" tree planting program since 2015, inspired by Tokio Marine & Nichido's Green Gift Project.

With the cooperation of customers and agents, the initiative has provided the funding for 400,000 trees to date through costs saved by encouraging customers to make electronic payments and asking agents to cooperate by making direct deposits of commissions and reducing the preparation of paper statements as well as donations from the company and its employees. In 2019, 35 PHLY employees participated in a tree-planting tour, with more than 150 employees having offered their time since the initiative began. Funding for an additional 80,000 trees was provided between 2019 and 2020.

As the 2020 tree-planting tour was cancelled due to COVID-19, each employee volunteer planted a sapling in respective local communities, while forestry professionals completed high-priority planting projects with trees funded by PHLY.

In the United States, record wildfires, storms and other natural disasters have destroyed millions of trees in forests in recent years. PHLY is on a mission to build healthy forests and ecosystems to provide greater security to communities.

[PHLY 80K TREES](#)



2.1.5.3 Initiatives for Reducing the Environmental Footprint in the Value Chain

◎ Promoting Eco-Safe Driving and the Use of Recycled Auto Parts

From the perspective of creating a recycling-based society and reducing the burden on the environment (i.e., curbing CO₂ emissions from the manufacture of parts), Tokio Marine Group is calling on employees to engage in the Eco-Safe Driving program of The General Insurance Association of Japan and is actively using recycled auto parts* when repairing vehicles used by Group companies.

Furthermore, Tokio Marine & Nichido, Nisshin Fire & Marine Insurance and E. design Insurance are taking action in calling for the use of recycled auto parts and proposing the use of these parts to individual and corporate customers who have met with accidents.

- Number of instances of use of recycled auto parts (fiscal 2020, Tokio Marine & Nichido): about 17,796 (a decrease of 3.4% compared with the previous year)

With the approval of customers, Tokio Marine & Nichido is making efforts to expand the use of recycled parts. The company's actions include distributing pamphlets to boost awareness of the Recycled Parts Usage Promotion Campaign among agents and auto repair shops, as well as creating content for tablet devices to aid these businesses in easily explaining the merits of recycled parts to customers.

* Recycled parts are said to have an effect in reducing CO₂ emissions compared with new parts (23.1 kg for a bumper, 97.3 kg for a door, etc. (Source: Survey by The General Insurance Association of Japan))

◎ Certification and Registration of Eco-Action 21

(Environmental Management System for Small- and Medium-Sized Enterprises^{*1})

Through acquisition of certification and registration of Eco-Action 21^{*2}, all employees in all fields of business activity at Tokio Marine & Nichido Auto Support Center^{*3} act in a way that is in harmony with the global environment and that considers how to improve the environment. Everyone works independently and proactively toward the sustainable development of society.

^{*1} In 1996, the Ministry of the Environment formulated Eco-Action 21 to provide a wide range of small- and medium-sized enterprises with easy strategies for becoming aware of their relation to the environment, establishing environmental targets and taking environmental action on their own. The Ministry has continued to promote the program until the present day.

^{*2} Eco-Action 21 integrates the environmental management system, environmental performance assessments and environmental report into one. Taking part in the Eco-Action 21 program paves the way for small- and medium-sized enterprises to undertake independent and proactive initiatives related to environmental considerations and publish the results of these initiatives as an environmental action report.

^{*3} Business lines: Established in 1986: (1) Business consulting for automobile maintenance shops, etc., (2) Technical guidance for personnel engaged in automobile maintenance at motor distributors, and (3) Research, development and sale of software, ledgers and equipment aimed at enhancing sophistication of automobile maintenance

↗ Source: [Ministry of the Environment website](#) (in Japanese)

2.1.5.4 Preservation of Biodiversity and Wetlands

Tokio Marine Group has positioned the preservation of biodiversity and wetlands as a challenge that needs to be tackled, and we are striving to find a solution throughout business activities.

◎ Tokio Marine Group's Vision for Preserving Biodiversity and Wetlands

Preserving biodiversity translates into a variety of benefits, namely, lower emissions of greenhouse gases, mitigation of disaster risks from tsunamis and revitalization of regional economies, and contributes to the creation of a sustainable future. Tokio Marine Group recognizes the importance of achieving the goals of the Convention on Biological Diversity, the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention). In addition, based on the vision outlined below and as a member of the United Nations Environment Programme Finance Initiative (UNEP FI) and the Promotion Partners program under The Declaration of Biodiversity by Nippon Keidanren, Tokio Marine Group contributes to the preservation of biodiversity and wetlands through the reduction of paper usage as well as mangrove planting overseas and environmental enlightenment programs in Japan. This vision draws on the Guidelines for Private Sector Engagement in Biodiversity issued by the Ministry of the Environment, Millennium Ecosystem Assessment and The Economics of Ecosystems and Biodiversity (TEEB).

Tokio Marine Group's Vision for Biodiversity

Tokio Marine Group recognizes the preservation of biodiversity as one of its most important environmental issues and, as a good corporate citizen, conducts initiatives for the preservation and sustainable use of biodiversity under the following two themes.

- ① We endeavor to understand our relationship with biodiversity (benefits and impact) in our business activities to reduce our impact on biodiversity and to preserve biodiversity.
- ② We engage in educational activities on the preservation of biodiversity for the general public and work with our stakeholders to contribute to the development of a sustainable society.

Tokio Marine & Nichido's Stance on Biodiversity

Tokio Marine & Nichido states in its environmental policy that it will strive to contribute to protection of the environment and preservation of biodiversity in its business activities, including insurance products, non-life insurance services and financial services. Efforts are being made to preserve biodiversity by making this a priority in business activities.

[Protecting the Global Environment through Products and Services >>](#)

[Participation in Social Contribution and Awareness-Raising Activities for the Protection of the Global Environment >>](#)

◎ Participation in the Promotion Partners Program under The Declaration of Biodiversity by Nippon Keidanren

Tokio Marine & Nichido supports The Declaration of Biodiversity by Nippon Keidanren and in January 2010 joined the Promotion Partners program under the declaration. Our business activities comply with the declaration and its behavioral guidelines.

[↗ The Declaration of Biodiversity by Nippon Keidanren \(in Japanese\)](#)

2.1.5.5 Participation in Social Contribution and Awareness-Raising Activities for the Protection of the Global Environment

Tokio Marine Group is implementing local and social contribution activities around the world that help protect the environment and biodiversity. These activities emphasize voluntary engagement by employees and tie-ups with NPOs and other groups.

○Social Contribution and Awareness-Raising Activities for Environmental Protection in Collaboration with Local Governments in Japan

At Tokio Marine Group, employees and agents volunteer to hold classes of Green Lessons: The Mangrove Story. Tokio Marine & Nichido has been co-sponsoring the Collaborative Afforestation Project with Environmentally Advanced Corporations in Aki City, Kochi Prefecture. The company also holds the Marunouchi Citizens Environmental Forum, a social and environmental awareness seminar, jointly with Mitsubishi Corporation and is working to build environmental communities.

■ Green Lessons: The Mangrove Story

As part of its efforts to raise environmental awareness, since 2005 Tokio Marine Group has provided Green Lessons: The Mangrove Story, an environmental education program for children in elementary and special needs schools. Employee and agent volunteers visit these schools and give lectures in which they tell stories about mangrove planting. Through these lectures, children learn about prevention of global warming, preservation of biodiversity, how mangrove trees serve to reduce tsunami damage and soil loss, and activities they can carry out themselves to protect the global environment.

As of March 31, 2021, the Group visited around 870 elementary and special needs schools throughout Japan and provided Green Lessons to 57,750 children. We will continue conducting these lessons nationwide as a place for children, the leaders of tomorrow, to think for themselves about the environment.

[↗ Laboratory for the Future \(Lessons for Everyone\) \(in Japanese\)](#)

■ Collaborative Afforestation Efforts in Kochi Prefecture: Tokio Marine & Nichido's Forest for the Future

In May 2009, Tokio Marine & Nichido concluded a five-year partners agreement with Kochi Prefecture, Aki City and the Eastern Kochi Forestry Association to promote afforestation in Aki City under the prefecture's Collaborative Afforestation Project with Environmentally Advanced Corporations (the five-year agreement was renewed in May 2019).

The forest covered under the agreement has been named "Tokio Marine & Nichido's Forest for the Future." Every year, we conduct a volunteer tour for Group employees and agents including their families to experience tree thinning and socially interact with local residents. By March 2021, we have held 11 such tours, in which a total of some 530 members participated.

Participants felt that it was a project that taught them the importance of maintaining and protecting forests and the effort that goes into doing so, and that they wanted to expand the initiative with every opportunity as their own responsibility.



■ Marunouchi Citizens Environmental Forum

Every year, Tokio Marine & Nichido holds a social and environmental awareness seminar, the Marunouchi Citizens Environmental Forum, jointly with Mitsubishi Corporation. At the 62nd forum held online in fiscal 2020, we invited Shuichi Takizawa, a comedian who also works as a public refuse collector, to give a lecture under the theme of "This Garbage Won't Get Collected — Let's Think about Garbage Issues with Mr. Takizawa" and talk about how people put out garbage is affecting the environment based on his own experiences.

Some 340 people from inside and outside the company attended, and we received a lot of feedback. Some individuals commented that they learned the importance of taking a broad view to look at garbage, their own lives and the environment.

◎ Social Contribution and Awareness-Raising Activities for Environmental Protection by Overseas Group Companies

In Tokio Marine Group, U.S.-based Philadelphia Insurance Companies (PHLY) is promoting environmental activities in different locations that include participation in Earth Day. In addition, Thai-based Tokio Marine Insurance (Thailand) conducts initiatives to protect forests and water and invites underprivileged children on environmental awareness-raising tours. These and other efforts seek to build environmental communities around the world.

■ TEAMPHLY Initiatives

U.S.-based PHLY has been encouraging its employees to take part in initiatives to protect the environment in the workplace, home and local community in order to leave behind a beautiful environment for the next generation. TEAMPHLY involves support of environmental protection activities by individuals and communities as well as various efforts to reduce environmental load in the office with the aim of minimizing the environmental footprint in business activities.

The three main activities under TEAMPHLY in 2020 were the reduction of the environmental footprint through business activities, environmental education and awareness-raising activities and efforts in connection with community outreach. Activities included the purchase of renewable energy certificates to offset CO₂ emitted through the use of power in offices throughout the United States.

The company also donated US\$112,000 to an environmental NGO in the United States and planted 400,000 trees to protect forests damaged in natural disasters such as brush fires from 2015 to 2020.

TEAMPHLY

■ Participation in Earth Day Events

U.S.-based PHLY conducted various activities to promote Earth Day, which marked its 50th anniversary in 2020, as part of its employee-driven environmental awareness program. This year, employees celebrated Earth Day online due to COVID-19.

Activities conducted

- Walking and bicycle riding outdoors
- Conducting environmental volunteer activities
- Having a vegetarian lunch more than once a week
- Conducting an Earth Day literacy quiz
- Joining the Earth Day celebration party
- Making donations to environmental NPOs

During an Earth Day online volunteer event, more than 70 employees created balls of plastic yarn ("plarn") from plastic bags to be crocheted into sleeping mats for the homeless. They also recycled old T-shirts to make dog toys and donated these handmade toys to animal shelters around the United States.

2.1.6 Special Feature: Research on Climate Change and Natural Disaster Risks Underpinning Environmental Initiatives

Responding to risks associated with climate change and natural disasters, one of Tokio Marine Group's sustainability material issues, also comprises a major management issue that the global insurance industry must address in the medium to long term.

Through industry-academia collaboration with The University of Tokyo, Nagoya University, Kyoto University and Tohoku University, Tokio Marine Group engages in research on climate change and natural disaster risks in an effort to gain deeper scientific insight into disaster prevention and mitigation and to raise the sophistication of measuring methods through risk modelling to ascertain risk volume in even greater detail. Our efforts in this area include development of a stochastic risk assessment approach.

We believe that in addition to providing products and services in developed countries it is also important to disseminate the ideas of an insurance mechanism and risk management practices in developing countries and regions particularly vulnerable to the impact of climate change and natural disasters in accordance with the Sendai Framework for Disaster Risk Reduction 2015-2030, which provides new world guidelines for disaster risk reduction.

To this end, we are working to resolve disaster issues and mitigate disaster damage globally by using the outcomes of our industry-academia research to the benefit of society and by taking part in international initiatives, such as the United Nations Office for Disaster Risk Reduction (UNDRR) Private Sector Alliance for Disaster Resilient Societies (ARISE) and The Geneva Association's Climate Change and Emerging Environmental Topics (CC+EET) Working Group.

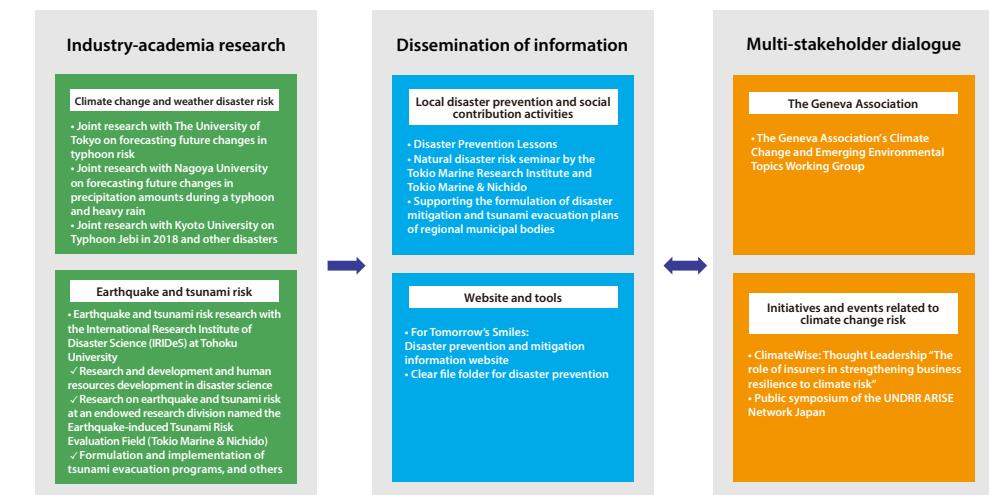
Initiatives to Counter Climate Change and Natural Disaster Risks

The 21st session of the Conference of the Parties to the UNFCCC (COP21) held in December 2015 adopted the Paris Agreement as a new international framework of measures against climate change for 2020 and beyond. As the world's common long-term goal, the Paris Agreement aims to keep a global temperature rise below 2°C compared with pre-industrial levels. The agreement also makes

a clear link between itself and the Sendai Framework for Disaster Risk Reduction 2015-2030, which was adopted at the Third United Nations World Conference on Disaster Risk Reduction held in Sendai in March 2015. There is a concern for the growing natural disaster risk due to climate change, and Tokio Marine Group, working to resolve disaster issues and mitigate disaster damage, also gives due attention to the goal of the Paris Agreement and intends to contribute to its achievement.

Climate change due to global warming and other factors is considered to possibly bring about major changes in the frequency and scale of weather disasters in the future. As such, basing analyses only on past statistical data may prevent appropriate risk assessment and significantly impact the calculation of insurance premiums and the ability to pay insurance claims in the event of a serious disaster.

In response, Tokio Marine Group conducts research on climate change and natural disaster risks and on earthquake and tsunami risk through industry-academia collaboration and presents the outcomes at conferences and forums on disaster risk reduction. We also utilize these outcomes in our social contribution activities and disseminate relevant information to the public. Additionally, we proactively participate in initiatives and events related to climate change to disseminate the outcomes and details of our industry-academia research activities to the world and engage in multi-stakeholder dialogue to share information about the latest research projects and discuss how to promote disaster prevention.



Research on Climate Change and Natural Disaster Risks

◎ Building a Society Capable of Adapting to Climate Change and Weather Disaster Risks

By matching forecasts of future changes in risk due to climate change and other meteorological risk assessment approaches to a base of conventional risk assessment approaches, Tokio Marine Group is aiming to create a more advanced approach to climate change and weather disaster risk assessment.

■ Utilizing Research Outcomes to Provide Products and Services for Adapting to Climate Change

There is a concern that damage concerning natural disasters will increase due to climate change and the resulting greater fluctuations in natural phenomena. Tokio Marine Group is promoting initiatives to resolve weather and other disaster issues and mitigate disaster damage through its business operations. However, as changes in climate and fluctuations in natural phenomena increase, using only the past disaster and insured contingency data may prevent appropriate weather disaster risk assessment and may reduce our ability to provide insurance products and services covering weather disaster risk to customers and local communities as we have done previously.

In response, Tokio Marine Group seeks to promote research on climate change and weather disaster risks in collaboration with the world's leading scientists and researchers and to use research outcomes and other various findings broadly to the benefit of society. Simultaneously, as a corporate group engaging in the insurance business, we intend to translate our research activities into the ability to sustainably provide insurance products and related services to customers and local communities.

Tokio Marine Group will continue to forge ahead with research on climate change and natural disaster risks with the world's leading scientists and researchers through industry-academia collaboration and proactively leverage knowledge gained through such research.

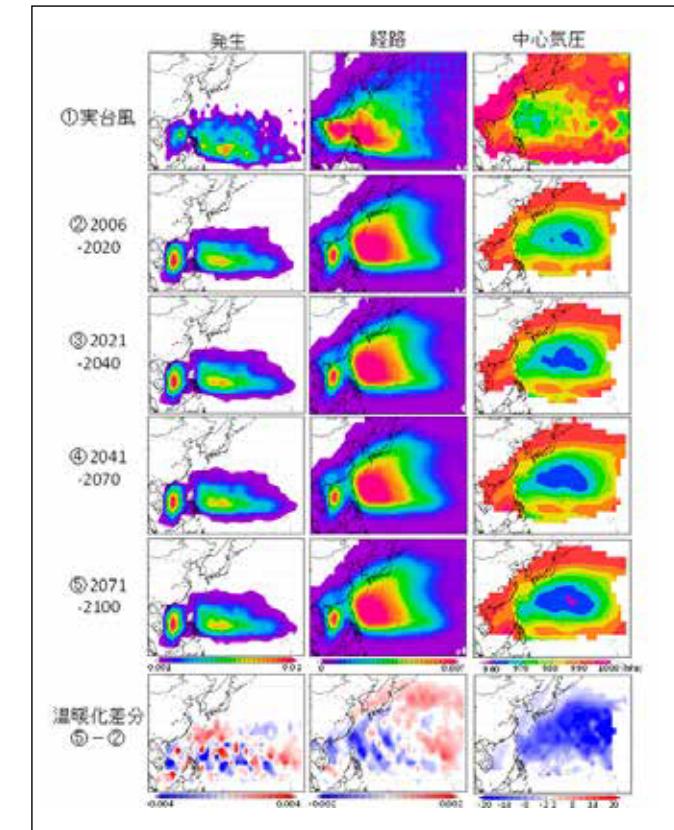
• Joint Research with The University of Tokyo: Forecasting Future Changes in Typhoon Risk Using Climate Model Data

With the aim of forecasting future changes in typhoon risk due to global warming, the Tokio Marine Research Institute has been undertaking joint research with The University of Tokyo using an originally developed stochastic typhoon model that estimates future changes in typhoons. More recently, we have also been engaging in research related to forecasts of annual typhoon trends in addition to assessing the impact of global warming on typhoon risk.

The Atmosphere and Ocean Research Institute at The University of Tokyo, our partner in this joint research, has been conducting research into climate change and other climate systems using an integrated analysis of observation data and results of simulations based on climate models. Professor Masahiro Watanabe and other researchers have contributed as lead authors to the creation of the IPCC assessment reports, which are a compilation of the latest findings on climate change, and The University of Tokyo has received acclaim from around the world for the widely used research results.

The charts below show estimates of the impact of global warming on typhoons based on climate change forecast data from institutions worldwide, using the stochastic typhoon model. These charts indicate the possibility that future typhoons will take more eastward tracks and will become stronger.

The charts at the bottom show warming differentials. Of these, in the charts showing typhoon generation and tracks, blue represents locations where typhoons will decrease in the future, and red represents locations where they will increase. Also, in the chart showing central atmospheric pressure, blue represents locations where central atmospheric pressure will decrease in the future.

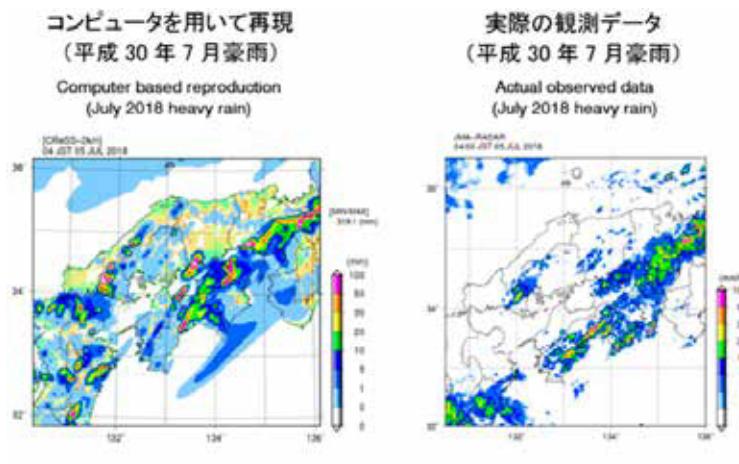


Joint Research with Nagoya University: Analysis of Changes in Precipitation Trends due to Global Warming

With the aim of forecasting how climate phenomenon such as typhoons and torrential downpours are changing along with climate change, the Tokio Marine Research Institute is performing joint research with Nagoya University on changes in the precipitation pattern resulting from global warming.

Professor Kazuhisa Tsuboki from the Institute for Space-Earth Environmental Research at Nagoya University, our partner in this joint research, has developed a high spatial resolution model capable of performing detailed simulation of such aspects as clouds and precipitation, and is advancing research into the mechanisms of torrential rain, typhoons and other phenomena. As an example, the charts below show the results using Nagoya University's high spatial resolution model to simulate the July 2018 heavy rain. Comparing the chart on the left showing the simulation results and the chart on the right showing the actual observed rainfall amounts, we can see that the simulation has adeptly re-created precipitation volume.

The Tokio Marine Research Institute is working with Professor Tsuboki and carrying out survey and analysis of torrential rain patterns under future climate conditions by using the experimental results of climate simulation models and other data.



作成:名古屋大学宇宙地球環境研究所

Created by the Institute for Space-Earth Environmental Research, Nagoya University

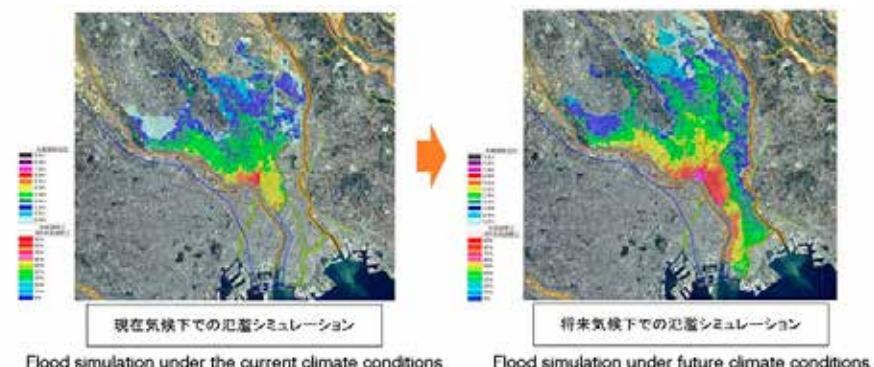
Joint Research with Kyoto University: Assessment of Water Disaster Risk under Future Climate Conditions

The Tokio Marine Research Institute is engaging in joint research with Kyoto University with the aim of quantitatively assessing changes in water disaster risk under future climate conditions. By also leveraging know-how for estimating precipitation volume under future climate conditions, which has been gained through joint research with Nagoya University, we are conducting research on methods to assess water disaster risk under future climate conditions.

The Disaster Prevention Research Institute and the Graduate School of Engineering at Kyoto University have top-class researchers in this area, including Professor Eiichi Nakakita and Professor Yasuto Tachikawa, who are co-researchers at the Tokio Marine Research Institute. Working with Kyoto University, the Tokio Marine Research Institute has forecast future changes in river flow volume by using a rainfall runoff model to simulate river flow volume based on precipitation data.

The charts below show the results of flood simulations on the Arakawa River based on river flow volumes calculated using the rainfall runoff model and precipitation data from the Database for Policy Decision-Making for Future Climate Change ("d4PDF"). The chart on the right simulates a flood under future climate conditions with increased global warming. It shows wider water-immersed surface areas and deeper water immersion than the chart on the left, which shows a flood under the current climate conditions.

Currently, the Tokio Marine Research Institute is continuing research with a view to developing a more versatile rainfall runoff model applicable to rivers throughout Japan.



• Research Presentations at Academic Societies and Other Gatherings

We will publicize the results of the aforementioned joint research to a broad audience through presentations at academic and other conferences.

- Since fiscal 2008, we have been continually announcing the results of joint research with The University of Tokyo, Nagoya University and Kyoto University, respectively, at the Meteorological Society of Japan.
- Since fiscal 2013, we have been announcing the results of joint research with Nagoya University and Kyoto University, respectively, at the Japan Society of Hydrology and Water Resources.
- Since fiscal 2017, we have been announcing the results of joint research with Nagoya University and Kyoto University, respectively, at the Japanese Society of Insurance Science.

■ Building a Resilient Society Capable of Assessing, Reducing and Adapting to Earthquake and Tsunami Risk

In recent years, major disasters have inflicted serious damage around the world, as seen in the earthquake off the coast of central Chile, earthquake off the coast of Northern Sumatra and Indian Ocean tsunami, the Great Sichuan Earthquake, the Great East Japan Earthquake, Kumamoto earthquakes, Hokkaido Iburi earthquake and wind and water disasters resulting from climate change. Against this background, Tokio Marine Group brings together the expertise and data gained through its non-life insurance and risk consulting businesses to advance initiatives leading to the safety and security of society.

• Earthquake and Tsunami Risk Research in Collaboration with the International Research Institute of Disaster Science at Tohoku University

In July 2011, a few months after the Great East Japan Earthquake, Tokio Marine Group concluded an industry-academia collaborative agreement with Tohoku University and began research and development and human resource development initiatives in disaster science. The initiatives drew upon Tohoku University's knowledge and data concerning tsunami risk assessment and other areas of disaster science, and Tokio Marine & Nichido's knowledge and data concerning earthquake and tsunami risk accumulated through its insurance business.

At Tohoku University, our partner in this collaborative research, the International Research Institute of Disaster Science (IRIDeS) and an endowed research division named the Earthquake-induced Tsunami Risk Evaluation Field (Tokio Marine & Nichido) established within IRIDeS have researchers, including Professor and IRIDeS Director Fumihiko Imamura, Specially Appointed Professor Hidetoshi Nishiyori,

Associate Professor Anawat Suppasri, Project Instructor Mari Yasuda and Assistant Professor Noriko Uchida, who are engaging in assessment of earthquake and tsunami risk and activities to promote disaster prevention and mitigation in local communities.

To date, while understanding actual damage caused by the Great East Japan Earthquake and assessing tsunamis following major past earthquakes, we have conducted research on tsunami risk assessment methods that take into consideration vulnerabilities and disaster preparedness in society and published the findings both in Japan and overseas. We have also provided disaster prevention education, held awareness-raising seminars and developed disaster prevention educational tools to disseminate the knowledge thus obtained widely throughout society.

These activities were highly acclaimed and selected as a winner of the third Good Practice award in the insurance category at the annual general meeting of the Ministry of the Environment's Principles for Financial Action for the 21st Century initiative held on March 11, 2015.



Simulation of soil movement caused by a tsunami of an impending major earthquake in the Nankai Trough (Created by the International Research Institute of Disaster Science (IRIDeS) at Tohoku University)



Phase 4 members of the Endowed Research Division, IRIDeS, Tohoku University

Chart 1 shows the simulation results of the tsunami caused by the 2011 Great East Japan Earthquake, which hit areas near Kesennuma City, Miyagi Prefecture. This simulation enables us to estimate the distribution of debris and other objects washed ashore and the volume of tsunami deposit, and provides data that is valuable in formulating measures for preventing combined damage as well as post-disaster response plans.

Chart 2 is a guide for school administrators showing how to perform tsunami evacuation during the COVID-19 pandemic, developed jointly with UNDRR and the United Nations Development Programme (UNDP). It was released in 2020 on the day designated as World Tsunami Awareness Day and has been contributing to disaster prevention and mitigation both in and outside Japan.

In March 2017, our research on effects of coastal forests to mitigate tsunami damage, which is being conducted since April 2015, won an outstanding achievement award in the Green Resilience Award category of the Japan Resilience Awards 2017 hosted by the Association for Resilience Japan. Under the same award program, Tokio Marine Group's industry-academia collaborative initiative with Tohoku University for building a disaster-resilient community won an excellence award in March 2018. Through industry-academia collaboration with Tohoku University as well as collaboration with various industry, government, academia and private-sector stakeholders, Tokio Marine Group will continue to promote efforts to support recovery of disaster-affected areas, increase resilience in local communities and countries across the world and deliver solutions for a safe and secure future.



Chart 1: Simulation of the combined damage in Kesennuma City caused by the earthquake-induced tsunami in the Tohoku region in 2011 (Created by IRIDEs, Tohoku University)



Chart 2: Tsunami Evacuation during COVID-19: A Guide for School Administrators

• Research Presentations at Academic and Other Conferences

We present and disseminate the results of the above research at academic conferences and symposiums both in and outside Japan. In fiscal 2020, we conducted 11 presentations at academic conferences in Japan and overseas and disseminated information at the Fifth National Conference on Disaster Risk Reduction held online in October 2020 and the Sendai Symposium for Disaster Risk Reduction and the Future held in Sendai, Miyagi Prefecture, in March 2021.

We were involved in the planning of the 30th International Tsunami Symposium (ITS2021) held in person and online in Sendai on July 1 to 3, 2021. A total of 300 participants joined this "hybrid" symposium, the highest attendance to date. The event included lectures by experts and researchers open to the public as well as presentations of the findings in person and through posters. During the symposium, we conducted a presentation of the knowledge we have gained through providing disaster prevention and mitigation education and exhibited the history of the industry-academia collaboration between Tokio Marine Group and Tohoku University.

Based on the experience and lessons learned during the 10 years following the Great East Japan Earthquake, we will work to disseminate information on disaster prevention and mitigation in Japan and overseas at various opportunities, including the Sendai Symposium for Disaster Risk Reduction and the Future scheduled for March 2022 in Sendai.

[Major presentation (example)]

[Presentation at the Fifth National Conference on Disaster Risk Reduction and the Sendai Symposium for Disaster Risk Reduction and the Future \(PDF/5.5MB\)](#) (in Japanese)

• Disaster Surveys

We also conduct damage and other surveys and risk assessment when a major disaster strikes in or outside Japan. In June 2016, we conducted a field survey of the damage caused by the Kumamoto earthquakes. Also, in response to the tsunami induced by an earthquake that occurred off the coast of Fukushima Prefecture in November 2016, we conducted a survey on the response of society along with a damage survey. The survey results have been presented in the "The Frontline of Risk Management," a series of reports published by Tokio Marine dR, a Tokio Marine Group company. Additionally, we provided assistance to the Indonesian government in surveying the damage caused by an earthquake-induced tsunami that hit Palu, a city on Sulawesi Island, and by a tsunami at Sunda Strait said to be triggered by the eruption of Anak Krakatau volcano, both of which occurred in

2018. Following Typhoon Hagibis that made landfall in Japan in October 2019, we conducted a local damage survey in disaster-stricken areas in Miyagi Prefecture along the Yoshida and Abukuma rivers.

• Summary of Activities to Date

In April 2012, an endowed research division named the Earthquake-induced Tsunami Risk Evaluation Field (Tokio Marine & Nichido) was established within IRIDeS at Tohoku University. This division has been engaging in research on the following topics.

Period	Research topic
[Phase 1] April 2012 –	<ul style="list-style-type: none"> Research into earthquake and tsunami risk assessment Analysis of the wave height distribution and arrival time of tsunamis caused by major past earthquakes, including the Great East Japan Earthquake Research and development of more reliable damage simulations that take into consideration vulnerabilities and disaster readiness capabilities in society both in Japan and overseas and tsunami risk assessment methods that factor in the probability of occurrence Research into tsunami evacuation (e.g., providing basic information for disaster mitigation planning of coastal areas and cooperating in formulation of tsunami evacuation plans of regional municipal bodies)
[Phase 2] April 2015 –	<ul style="list-style-type: none"> Research on effects of coastal forests to mitigate tsunami damage Research on raising the sophistication of tsunami numerical simulation models (encompassing simulations of tsunami-induced flooding, movement of floating objects and movement of soil) Development of a mobile application (to assess the depth of immersion and immersed surface areas of the 2011 tsunami and subsequent damage to fishing boats)
[Phase 3] April 2018 –	<ul style="list-style-type: none"> Research on damage to farming rafts and eelgrass beds caused by the 2011 earthquake and tsunami Research on assessment of global tsunami hazards and risk Research on human damage in past tsunamis
[Phase 4] April 2021 –	<ul style="list-style-type: none"> Research on comprehensive disaster prevention of local communities through ecosystems in coastal areas Research on quantification of cascading disasters Research on examination of the sustainability of diverse disaster prevention education techniques, including on-demand educational materials International standardization of Japan's disaster prevention and mitigation knowledge and technologies (ISO standard certifying disaster preparedness)

Disseminating Relevant Information

Using the lessons learned from earthquakes and other disasters in the past to help people prepare for disasters, and through employee volunteer activities, Tokio Marine Group disseminates disaster prevention information via the media and holds disaster prevention seminars for children and adults with support from research institutes who are our joint research partners.

◎ Delivering Safety and Security to Children and Small and Medium-Sized Companies

■ Providing School Disaster Mitigation Awareness Lessons through Tohoku University

Utilizing the lessons learned from the Great East Japan Earthquake, Tokio Marine & Nichido's endowed research division (Earthquake-induced Tsunami Risk Evaluation Field) established within IRIDeS, Tohoku University, has been providing school disaster mitigation awareness lessons for children on a continuing basis since fiscal 2014 to build a society resilient to disasters. The lessons have been provided at schools to more than 17,000 children in and outside Japan.

The lessons translate the knowledge cultivated through disaster science research of IRIDeS into educational materials that describe disaster risk from a scientific viewpoint, yet in a manner easily comprehensible by children. An original group work tool incorporating elements of brain science and cognitive psychology, "Disaster Prevention and Mitigation Stamp Rally (stamp collecting game)," has also been developed and is used as a teaching aid. COVID-19, in particular, has resulted in school closures and restricted many activities since fiscal 2020. In response, we newly created and distributed on-demand educational materials and updated our conventional style of providing in-person lessons at school. The introduction of these materials brought about several advantages, such as the ease of use as they are compiled in a succinct manner; versatility that allows teachers to develop disaster prevention education plans themselves and adapt lessons to their school environment; and simultaneous implementation among regions.

As we surveyed and analyzed changes in children's disaster risk awareness before and after the lessons, we discovered that there is a regional distinction in basic levels of risk awareness between disaster-prone regions and disaster-free regions. Both groups show similarly higher risk awareness immediately after the lessons, but a decline in awareness over time is greater in the second group than in the first group. In the face of increasing and diversifying disasters, it is essential to provide disaster prevention education on a continuous basis for promoting disaster prevention and mitigation.

Children who have received our school disaster mitigation awareness lessons are now leading disaster prevention in their local communities. Among similar initiatives undertaken by universities nationwide, our lessons are unique in that these are social contribution activities covering much greater areas. At the Japan Resilience Awards 2018, our initiative won a gold award in the Educational Institutions category. Tokio Marine Group will continue to collaborate with Tohoku University and facilitate activities to raise children's disaster prevention awareness.



• Disaster Prevention Lessons

Based on the lessons learned from the Great East Japan Earthquake, employee volunteers, including agents, have been conducting Disaster Prevention Lessons since 2012 to convey knowledge on disaster prevention to children and help them prepare for a next disaster. Disaster Prevention Lessons ("Earthquake and Tsunami" edition) are a program to raise readiness for disaster prevention among elementary school children. Employee volunteers from Tokio Marine dR developed educational materials, which were then supervised by IRIDeS at Tohoku University. In the lessons, children learn about the mechanisms that cause earthquakes and tsunamis, what to do when an earthquake occurs and what preparations should be made in advance.

In fiscal 2020, we rolled out Disaster Prevention Lessons ("Water and Landslide Disasters" edition), a new program that has been supervised by IRIDeS at Tohoku University and the Disaster Prevention Research Institute at Kyoto University. This is a program for children to learn about the mechanism behind heavy rains, how to cultivate a mental attitude to take action and start evacuating and points to be noted when staying at an evacuation shelter. The aim of our Disaster Prevention Lessons is to cultivate a correct understanding of earthquakes and water disasters among children and the ability to prepare themselves for an impending disaster.

As of March 31, 2021, Disaster Prevention Lessons have been held about 810 times at elementary schools and special needs schools across Japan, with approximately 55,200 children attending. We

will continue to promote the creation of a safe, secure and resilient society and future by engaging in awareness and educational activities for disaster readiness through our Disaster Prevention Lessons.



■ Supporting the Formulation of Disaster Mitigation and Tsunami Evacuation Plans of Regional Municipal Bodies

Immediately following the Great East Japan Earthquake, Tokio Marine & Nichido started engaging in industry-academia collaborative initiatives to support the formulation of recovery and evacuation plans as well as related projects in each disaster-affected area. In Sendai City, the company has been supporting total tsunami countermeasures, including the formulation of the city's recovery plan and evacuation plans for Sendai Port and other facilities as well as the planning of facilities related to multifaceted defense against tsunamis, and has been presenting Sendai as a model city of tsunami countermeasures in and outside Japan. Tokio Marine & Nichido is also providing advice and technical support to the city's new initiatives. They include a drill conducted by the city periodically on response to people deprived of a means to return home in a disaster, an annual evacuation drill held around the day designated as World Tsunami Awareness Day and the use of fully autonomous drones to strengthen the city's ability to disseminate information on tsunami evacuation.

[Sendai City: Supporting Discussion on the Use of Drones for Disseminating Information on Tsunami Evacuation](#)

• BCP Program and Seminar on Formulation of Plans for Strengthening Business Continuity Capability* in Collaboration with Local Governments, Chambers of Commerce and Other Organizations

Tokio Marine & Nichido offers a program to assist in the formulation of business continuity plans (BCP) and a seminar on the formulation of plans for strengthening business continuity capability* for small and medium-sized companies. Sales personnel from the company's branches nationwide serve as lecturers and offer the program and seminar in collaboration with our partners, including respective local governments, chambers of commerce, commerce and industry associations and

financial institutions.

*System to certify plans for strengthening business continuity capability

A system in which the Minister of Economy, Trade and Industry assesses plans for pre-disaster measures for disaster prevention and mitigation formulated by small and medium-sized companies and certifies them as plans for strengthening business continuity capability. Certified companies will receive a tax break, financial support and support in the form of additional points in the screening for a subsidy.

•Booklet Entitled “Rethink Now! Earthquake in the Foreseeable Future and Preparation for It” and “Easy, Understandable BCP Planning Sheet”

We have developed “Rethink Now! Earthquake in the Foreseeable Future and Preparation for It,” an awareness-raising booklet designed to renew our understanding of the basics of earthquake risk in Japan, and “Easy, Understandable BCP Planning Sheet,” a tool for small and medium-sized companies to grasp an overall picture of a BCP in one sheet and make their first step in formulating their own BCPs. The booklet and planning sheet cover not just earthquakes but also other disasters, including water disasters now occurring more frequently, as well as COVID-19 and other infectious diseases. These tools are also intended to enable companies to raise the level of their own BCPs as well as their entire supply chain’s BCPs and to make these BCPs more viable by disseminating and instilling the idea of BCP among their employees. Through our employees and agents, we distribute these combined tools to companies, local governments, chambers of commerce and commerce and industry associations.

•Online Seminar by the Tokio Marine Research Institute

Every year, the Tokio Marine Research Institute has held jointly with Tokio Marine & Nichido a seminar to provide the latest findings about natural disaster risk to company employees and citizens. In fiscal 2020, given the spread of COVID-19, the two companies held a seminar online on November 4, 2020. Entitled “Current Status and Outlook of COVID-19,” the seminar served to deepen an understanding of the disease and provided information on such topics as economic countermeasures required in response to COVID-19 through lectures by experts.

[Seminar by the Tokio Marine Research Institute \(in Japanese\)](#)

■Website and Clear File Folder for Disaster Prevention

•Creating a Society with High Disaster Consciousness – For Tomorrow’s Smiles: Disaster Readiness and Mitigation Information Website, and Clear File Folder for Disaster Prevention

Since March 2013, Tokio Marine & Nichido has been operating the “For Tomorrow’s Smiles: Disaster Readiness and Mitigation Information Website” with the aim of contributing to the creation of a

secure, safe and sustainable society and providing an opportunity for people to think about disaster readiness and mitigation.

This site has been supervised by the endowed research division named the Earthquake-induced Tsunami Risk Evaluation Field established within IRIDeS at Tohoku University, with which Tokio Marine & Nichido has entered into a collaborative agreement. It uses illustrations, comics and games to offer easily understood explanations of the mechanisms behind “earthquakes, tsunamis, volcanoes, typhoons, tornadoes, torrential downpours and heavy snowfalls, as well as infectious diseases,” along with such other topics on how we should prepare ourselves for and respond to disasters. Other information to help promote disaster awareness includes a simple and useful tool to calculate the necessary amount of emergency food to be stockpiled at home.

[For Tomorrow’s Smiles: Disaster Readiness and Mitigation Information Website \(in Japanese\)](#)



As a result of its joint research with IRIDeS at Tohoku University, Tokio Marine & Nichido has also created the Clear File Folder for Disaster Prevention, which lists emergency goods households should have on hand at all times and specific measures to take in the event of a natural disaster, including an earthquake or tsunami.

The folder is available in five versions, Earthquake, Tsunami, Emergency Goods, Earthquake (“Action” edition) and Water and Landslide Disasters, and is useful for keeping important documents in case of a disaster. These file folders are distributed during Disaster Prevention Lessons, a program to raise readiness for disaster prevention hosted by the company and conducted by employee and agent volunteers, and used in marketing operations as novelty goods to customers, thereby offering ideas of disaster prevention measures that combine the latest knowledge of a university research institute and an insurance company to the public in an easy-to-understand manner.



Multi-Stakeholder Dialogue

Tokio Marine Group participates in discussions on climate change, natural disaster risks and climate-related disclosures and proactively engages in multi-stakeholder dialogue aimed at reducing and mitigating the risks placed on economic and social life or encouraging measures against climate change.

Webinar Hosted by the Asian Development Bank Institute (ADBI)

Tokio Marine & Nichido also engages in discussions to promote sustainable investment in the Asia-Pacific region. In line with this activity, the company participated in a webinar, "Strengthening Sustainable Investment under the COVID-19 Crisis," held by the ADBI on February 8–10, 2021 and presented some points of the discussion that had just begun at the TCFD on revisions to its recommended metrics and targets. The company also shared its knowledge on such topics as challenges associated with promoting disclosure of climate-related financial impacts now required by the international investment community.

"Climate Change and Disaster Prevention" Session at the Asia-Pacific Adaptation Network (APAN) Forum

As part of its efforts to cultivate greater recognition for climate change adaptation measures in the Asia-Pacific region, Tokio Marine & Nichido participated in the APAN Forum held online jointly by the United Nations Environment Programme (UNEP), APAN and Japan's Ministry of the Environment on March 8–12, 2021. During the forum, the company provided a session entitled "Status and Challenges for Linking Scientific Knowledge to Strengthening Socio-economic Resilience to Climate-related Disasters" and used specific examples to explain the importance of companies' adaptation measures from the standpoint of an insurance company. It also presented an alert system for mega natural disasters, which it can provide in real time as an insurance company, and drew the attention of the audience.

Discussion to Promote ESG Reporting in the Asia-Pacific Region

As one of the activities to promote ESG reporting, including climate-related disclosures, in the Asia-Pacific region, Tokio Marine Holdings participated in an online event, "The present and future of ESG reporting," hosted by Taiwan-based CSRone on March 29, 2021. As a member of the TCFD, the company shared knowledge with experts from the Climate Disclosure Standards Board (CDSB), Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) and

other organizations on issues related to ESG reporting, which companies based in the Asia-Pacific region, including Taiwan, must tackle. CSRone is a sustainability promoting organization with many Taiwanese companies as its members. The virtual conference was held amid the sharply growing interest in ESG reporting, such as TCFD-recommended disclosures, and became a timely opportunity to provide relevant information.

Discussion at the Climate Change Commission of the Government of the Philippines for Promoting Climate-Related Disclosures

Tokio Marine & Nichido is engaging in capacity building activities to promote disaster risk financing in the APEC region. Through the APEC network, the company was invited by the Climate Change Commission of the government of the Philippines to attend its virtual roundtable conference on August 18, 2021, and provided information conducive to promoting TCFD-recommended disclosures in the country. To many government and corporate participants, the company presented the then ongoing discussion related to revisions of the TCFD's metrics and targets and promoted an understanding of ideal climate-related disclosures that will help investors make investment decisions.

Supporting the Formation of a Mexican TCFD Consortium Led by the Bank of Mexico

In October 2019, the APEC Finance Ministers' Meeting was held in Santiago, Chile. At its official side event, Tokio Marine & Nichido presented how TCFD-recommended disclosures have been promoted in Japan through companies' voluntary efforts, with a focus on the activities of the TCFD Consortium. The information was relayed to the Bank of Mexico, the country's central bank, via an organization promoting sustainable financing in the private sector of APEC member nations in Latin America, and Mexico thereafter started developing a concept of its own consortium based on the Japanese model. The movement gained momentum in around March 2021, and with the related know-how provided by the company through virtual lectures to the central bank and monetary authorities of Mexico, the country established the Consorcio TCFD Mexico on December 7, 2021. The new consortium is expected to be an important first step in spreading TCFD-based disclosures in the APEC region.

TCFD Summit

On October 5, 2021, the third TCFD Summit hosted by Japan's Ministry of Economy, Trade and Industry was held online (hybrid of live streaming and video distribution). Tokio Marine Holdings served as a moderator in a panel discussion entitled "Efforts to improve the quality of TCFD disclosure." The session first reviewed the background of the needed revisions to the TCFD's recommended metrics and targets and an overview of these revisions and then went over the movement in Japan toward

making such a disclosure virtually obligatory. Discussions ranged from confirming the importance of managing and disclosing Scope 3 GHG emissions in becoming carbon neutral by 2050 to raising questions as to what measures should be considered to increase investors' rating for a company's contribution to CO₂ reductions.

■ Initiatives and Events Related to Natural Disaster Risk and Climate Change Risk

• ClimateWise: Thought Leadership "The Role of Insurers in Strengthening Business Resilience to Climate Risk"

Tokio Marine & Nichido is the only insurance company in Asia participating in the U.K.-based ClimateWise climate change initiative.

Tokio Marine & Nichido has been implementing measures against climate change in accordance with the ClimateWise Principles that are based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Principle ① Be accountable

Principle ② Incorporate climate-related issues into our strategies and investments

Principle ③ Lead in the identification, understanding and management of climate risk

Principle ④ Reduce the environmental impact of our business

Principle ⑤ Inform public policy making

Principle ⑥ Support climate awareness amongst our customers/clients

Principle ⑦ Enhance reporting

• Providing Recommendations to Society via the World Disaster Risk Reduction (Bosai) Forum and the National Conference on Disaster Risk Reduction

At the Third National Conference on Disaster Risk Reduction held in Tokyo on October 13 and 14, 2018, the Fourth National Conference on Disaster Risk Reduction held in Nagoya on October 19 and 20, 2019 and the Second World Disaster Risk Reduction (Bosai) Forum held in Sendai in November 2019, Tokio Marine & Nichido's endowed research division (Earthquake-induced Tsunami Risk Evaluation Field) established within IRIDeS, Tohoku University, ran a booth to hold an exhibition on "Research Activities and Social Contribution Related to Disaster Prevention and Mitigation through an Industry-Academia Partnership." The Fifth National Conference on Disaster Risk Reduction in Hiroshima was held online in November 2020 due to the COVID-19 pandemic, and Tokio Marine Group gave a presentation on "Research Findings on Earthquake and Tsunami Risk Assessment, and Education and Awareness Raising Related to Disaster Prevention and Mitigation." Jointly with Tohoku University, Tokio Marine Group participated in the Sixth National Conference on Disaster Risk Reduction held in Kamishi, Iwate Prefecture, in November 2021.

 [Tokio Marine's ClimateWise Report Annual Reporting 2020-2021 \(PDF / 618KB\)](#) 

2-2 Tokio Marine Group's Social Initiatives

2.2.1 Improving Social Value

2.2.1.1 What We Aim for toward Improving Social Value

We believe that society, in which people live and act, needs to ensure a social environment that gives consideration to the safety and health of all people and encourages people to respect each other and take up a new challenge with a sense of security. Tokio Marine Group will work to implement its Corporate Philosophy of building an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential. At the same time, we will make proactive efforts for the entire society, in which we do business, to realize a symbiotic society where everyone respects the other's personality and individuality and supports each other.

① Respect for Human Rights

Tokio Marine Group supports and respects the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights and other relevant rules, and as an employer, promotes respect for human rights in the value chain through its main business in accordance with the Tokio Marine Group Human Rights Policy.

② Promoting Diversity and Inclusion

Tokio Marine Group promotes diversity and inclusion group-wide, believing that for us to further improve the quality of our products and services worldwide, we must enable all of our motivated and talented employees to demonstrate the maximum of their potential regardless of gender, age, nationality, race, disability, sexual orientation, gender identity or any other attributes.

③ Promoting the Development and Active Roles of Human Resources

Based on Tokio Marine Group's philosophy on human resources, "Tokio Marine Group – Our People," we are working on the strategic development of diverse human resources, both in Japan and overseas, toward the realization of a global insurance group.

④ Promoting Health and Productivity Management

Tokio Marine Group regards employees as one of our most valuable assets and their health as a critical management issue. We seek to ensure the physical and mental health of employees so that they can work enthusiastically with higher levels of satisfaction and motivation, support health promotion efforts of customers, local communities and society as a whole and help to resolve related social issues. By doing so, we ultimately aim to achieve the Group's sustainable growth. In addition, from the perspective of revitalizing regional economies and local communities, we provide support to companies working to improve health and productivity management.

⑤ Contributing to the Creation of a Safe and Secure Society

Tokio Marine Group provides products and services that anticipate changes in the social environment or customer needs by utilizing the solutions offered by respective Group companies, including insurance. The Group will contribute to the realization of a society based on good health and longevity through activities to raise awareness about cancer in Japan and around the world, activities to spread knowledge about nursing care and offering advice through medical professionals. We also aim to include everyone both socially and economically, irrespective of age, gender or disability. To this end, employees around the world are proactively working on activities that nurture future generations and support the elderly, the deaf and blind, persons with disabilities, athletes and expectant mothers in conjunction with NGOs.

⑥ Improving Quality from the Customer's Perspective

Aiming to become "a company that delivers sustainable growth by providing safety and security to customers and by always remaining their first choice," Tokio Marine Group takes feedback from customers seriously and works to improve the operational quality on a constant basis. We strive to build trust-based partnerships with agents and improve our operational quality together in order to truly provide safety and security from a customer standpoint.

⑦ Measures and Response to COVID-19

In order to sustain its function integral to social infrastructure, Tokio Marine Group will continue to undertake critical operations, including receiving loss reports, paying insurance claims and protecting insurance policies, while working to prevent the spread of COVID-19 and ensure the safety of employees.

2.2.1.2 Overall Picture of Initiatives for Improving Social Value

◎ Domains of Initiatives

Tokio Marine Group will promote its social initiatives in seven domains, namely respect for human rights, promoting diversity and inclusion, promoting the development and active roles of human resources, promoting health and productivity management, contributing to the creation of a safe and secure society, improving quality from the customer's perspective, and measures and response to COVID-19.



◎ Overview of Key Initiatives in Each Domain

Respect for human rights

Tokio Marine Group fully understands international action principles and guidelines concerning human rights and participates in and contributes to initiatives concerning social responsibility, and by doing so, fulfills its role toward realizing a sustainable society.

- Promote initiatives in accordance with the Tokio Marine Group Human Rights Policy
- Comply with the Tokio Marine Group Code of Conduct
- Respond to the Modern Slavery Act of the United Kingdom and Australia

Promoting diversity and inclusion

The group-wide promotion of diversity and inclusion (D&I) includes eliminating the gender gap, creating a workplace in which older employees and persons with disabilities can take active roles as well as promoting employment regardless of nationality or race, facilitating mid-career recruitment and training of employees with diverse experience and promoting employment of persons with disabilities.

- Set up a structure to promote D&I, including establishment of the Diversity Council, and cultivate an appropriate corporate culture
- Accelerate efforts to create an environment that enables female employees to take up a new challenge based on their willingness and capabilities
- Promote active roles and employment of diverse human resources, including older people and persons with disabilities

Promoting the development and active roles of human resources

We are working on the strategic development of diverse human resources, both in Japan and overseas, to grow as a global insurance group. The Group's overall human resources development and utilization are managed by the Group Chief Human Resources Officer (CHRO), while the Board of Directors and Management Meeting of each Group company monitor the individual implementation status.

- Enhance employee satisfaction and motivation through a fair personnel system and management
- Provide continuous support for the growth of each employee based on the human resources development cycle
- Promote the global human resources strategy
- Promote work style reform to enable diverse employees to work with high productivity and achieve growth

Promoting health and productivity management

Tokio Marine Group has been making efforts to create an environment in which employees can work with enthusiasm by providing both physical and mental healthcare for its employees. In addition, from the perspective of revitalizing regional economies and local communities, we provide support to companies working to improve health and productivity management.

- Promote health measures, such as the "Get Healthier" initiative and health support for women, and create a comfortable workplace environment
- Rotate the PDCA cycle for evaluation and improvement of initiatives related to health and productivity management
- Provide support for customers' health and productivity management

Contributing to the creation of a safe and secure society

Tokio Marine Group provides products and services that anticipate changes in the social environment or customer needs in relation to medical treatment, household budget, longevity and health by utilizing the solutions offered by respective Group companies, including insurance. We also undertake a range of social contribution and awareness-raising activities.

- Conduct activities to raise awareness of cancer and other diseases across the world, including Japan
- Respond to poverty issues by such efforts as selling microinsurance in farming communities in India
- Continue support activities for the recovery of areas affected by the Great East Japan Earthquake
- Engage in social contribution activities for the elderly and awareness-raising and educational activities for dementia on a volunteer basis

Improving quality from the customer's perspective

Tokio Marine Group establishes basic policies for the protection of customers' interests and develops a system to thoroughly promote being customer-oriented and to pursue various aspects including customer protection. In addition, in accordance with the Tokio Marine Group Policy for Management of Conflicts of Interest and through compliance with these policies by directors, officers and employees, Tokio Marine Group works to manage transactions involving conflicts of interest to ensure that clients' interests are not unduly harmed.

- Formulate and announce the customer-oriented business conduct policies and promote efforts under these policies
- Develop a structure to utilize customer feedback for improving products and services

Measures and response to COVID-19

To sustain its function integral to social infrastructure, Tokio Marine Group is continuing to undertake critical operations while working to prevent the spread of COVID-19 and ensure the safety of employees. We also add necessary revisions to our products and conduct support activities to deliver safety and security to local community members.

- Continue to undertake critical operations, including receiving loss reports, paying insurance claims and protecting insurance policies
- Make donations by Tokio Marine Group companies and employees
- Provide online medical consultation services and webinars
- Offer COVID-19 vaccination sites free of charge

2.2.1.3 Targets for Improving Social Value

Respect for human rights

Formulate the Group's policy concerning human rights

Constantly rotate the PDCA cycle with regard to respect for human rights

Promote human rights due diligence

Measures and response to COVID-19

Thoroughly implement infection preventive measures and continue to undertake critical operations

Add revisions to products in response to COVID-19

Make donations, etc., in response to COVID-19

Improving quality from the customer's perspective

Thoroughly promote customer-oriented operations

Rotate the PDCA cycle for improvement with regard to customer feedback

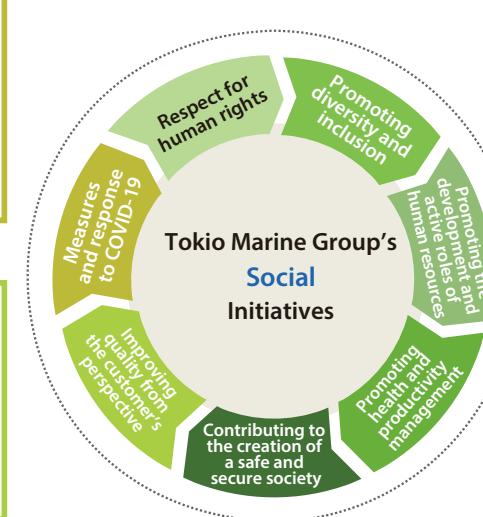
Utilize customer feedback for improving products and services

Contributing to the creation of a safe and secure society

Provide products and services matched to customer needs

Provide microinsurance

Attain total employee participation rate in social contribution activities of more than 100%
(Attaining the rate for seven consecutive years)



Promoting diversity and inclusion

Increase the ratio of women in management and higher-level positions to 30% in fiscal 2030
(Tokio Marine & Nichido)

Be selected as "Nadeshiko Brand" or "Semi-Nadeshiko Brand"

Promote employment of persons with disabilities: Attain legally mandated employment rate, etc.

Promoting the development and active roles of human resources

Raise employee satisfaction levels: Score 4.3 or higher in a culture and value survey

Achieve 100% execution of working practices^{*1} related to working hours
(Tokio Marine & Nichido)

Support balancing work with childcare: Maintain Kurumin certification

Promoting health and productivity management

Achieve health-related targets^{*2}

Continue to be selected as "Health & Productivity Stock"
(Being selected for six consecutive years)

Provide and increase the level of sophistication of solutions related to health and productivity management

*1 Go Go Challenge Day (employees finish work at 5:30 p.m. or within 7.5 hours of actual working once per week) and Season Challenge (all lights off and employees finish work at 8:00 p.m. for one month four times a year)

*2 Individuals' health (improving presenteeism and work engagement) and organizational health (improving organization's vibrancy level)

2.2.2 Respect for Human Rights

In implementing our Corporate Philosophy, we have formulated the Tokio Marine Group Sustainability Charter as principles of conduct required from the perspective of social responsibility and we strive to respect and promote the recognition of human rights for stakeholders.

2.2.2.1 Basic Approach to Human Rights

In implementing our Corporate Philosophy, we have formulated the Tokio Marine Group Sustainability Charter as principles of conduct required from the perspective of social responsibility, and strive to respect human rights for all people, including customers, shareholders/investors, insurance agents, business partners, employees, local communities/society and future generations.

Tokio Marine Holdings endorses and respects the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Labour Standards, the UN Guiding Principles on Business and Human Rights and ISO 26000, and has signed the United Nations Global Compact. Tokio Marine Group fully understands international action principles and guidelines concerning human rights and participates in and contributes to initiatives concerning social responsibility, and by doing so, fulfills its role toward realizing a sustainable society.

Tokio Marine Group Sustainability Charter (excerpt)

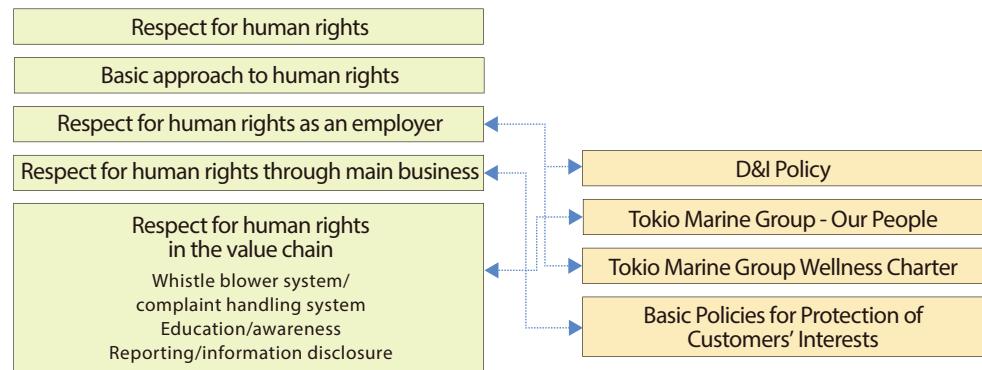
Tokio Marine Group is committed to fulfilling its corporate social responsibility (CSR) by implementing its Corporate Philosophy to achieve sustainable growth together with the development of society in accordance with the following principles:

Respect for Human Rights and Dignity

- We respect and actively promote the recognition of human rights for all people.
- We strive to ensure an energetic working environment that is both safe and healthy and to promote training and education of our employees.
- We respect the right to privacy and strive to enforce this right through the management of personal information.

In December 2021, Tokio Marine Group formulated the Tokio Marine Group Human Rights Policy in accordance with such guidelines as the UN Guiding Principles on Business and Human Rights. In doing so, the Group clarified its efforts toward respect for human rights as an employer, respect for human rights through its main business and respect for human rights in the value chain.

Corresponding Relationship between the Content of the Tokio Marine Group Human Rights Policy and Various Policies



Tokio Marine Group Basic Policy on Human Rights

As our Corporate Philosophy states, with customer trust as the foundation for all its activities, Tokio Marine Group (the "Group") continually strives to raise corporate value. The foundation for implementing this Corporate Philosophy is respect for the human rights of all people, such as customers, society (including business partners and civil society organizations), employees, shareholders and investors, and future generations, and we are committed to respecting human rights across all of our business activities. The "Tokio Marine Group Basic Policy on Human Rights" (the "Policy") is based on the Corporate Philosophy and Code of Conduct and outlines our approach to respect human rights throughout our business activities, including our entire value chain.

Each officer and employee (including temporary staff) of Tokio Marine Group companies is expected to act in line with this Policy to ensure that our business activities comply with the Group human rights commitment.

We also expect our business partners to support and practice the principles expressed in this Policy and aim to work together towards the promotion of respect for human rights.

■ Our Commitment to Respect Human Rights

Tokio Marine Group is committed to respect human rights as stipulated in the International Bill of Human Rights^{*1} and the ILO's Declaration on Fundamental Principles and the Rights at Work^{*2}. We also support international standards such as the Guiding Principles on Business and Human Rights, and will base our efforts on these principles. We are also a signatory to the United Nations Global Compact and support its ten principles.

Tokio Marine Group does not tolerate any form of forced or compulsory labor, human trafficking, child labor, discrimination or harassment, or any other conduct that undermines human dignity. We also respect fundamental rights concerning freedom of association and the right to collective bargaining in accordance with applicable local laws and regulations.

Tokio Marine Group respects human rights in its business activities including insurance underwriting and investment and financing through the signing and supporting of, among others, the United Nations Environment Programme Finance Initiative (UNEPFI), the Principles for Sustainable Insurance (PSI) and the United Nations-supported Principles for Responsible Investment (PRI). We also endeavor to address human rights issues, where possible, through the provision of insurance products as well as investment and financing.

^{*1}The International Bill of Human Rights is the name given for the set of three documents: the Universal Declaration of Human Rights, and its corresponding two international treaties, namely the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights..

^{*2}The ILO Declaration on Fundamental Principles and Rights at Work sets forth four categories as a minimum standard to be observed in relation to labor: "freedom of association and the effective recognition of the right to collective bargaining," "the elimination of forced or compulsory labour," "the abolition of child labour," and "the elimination of discrimination in respect of employment and occupation".

Tokio Marine Group shall comply with applicable laws and regulations in the countries and regions in which it operates. If requirements of the local laws and regulations are in conflict with internationally recognized human rights, we will seek ways to honor the principles of internationally recognized human rights while complying with local laws and regulations. The Board of Directors of Tokio Marine Holdings are informed of the compliance status of this Policy and has overseeing responsibility of the Group's human-rights-related efforts. Each department of each Group company promotes activities related to respect for human rights in a proactive manner and in cooperation with one another.

■ Our Approach to Respect Human Rights

Tokio Marine Group strives to conduct appropriate human rights due diligence to identify, assess, prevent and mitigate, and account for negative human rights impacts related to its business activities. We shall also comply with country-specific laws and regulations related to human rights due diligence, wherever applicable to our operations. Where we identify that our business activities have caused or contributed to negative impacts on human rights, we endeavor to remediate such impacts through appropriate processes and by holding dialogue with relevant stakeholders.

■ Respecting Human Rights as an Employer

In order for Tokio Marine Group to protect customers and society from all forms of emergencies, it is important that employees respect the diverse values and work styles of others, find their work rewarding and work with enthusiasm with colleagues. It is also essential to gain trust from all people and society by always acting in a way to respect human rights. Tokio Marine Group shall comply with laws and regulations concerning working conditions, including working hours and wages. We provide a dynamic working environment that is both safe

and healthy and we promote training and education for our employees. Therefore, the officers and employees of Tokio Marine Group are expected to respect human rights as set out in this Policy while their human rights are also subject to protection under this Policy.

- Prohibition of forced labor and human trafficking: Forced labor is not permitted, nor is any form of slave labor, including bonded labor and human trafficking.
- Prohibition of child labor: We do not tolerate child labor and shall observe the minimum working age as stipulated by law. We do not allow young workers to engage in hazardous work.
- Freedom of association and the right to collective bargaining: We respect fundamental rights concerning the freedom of association and the right to collective bargaining of Group employees in accordance with applicable local laws and regulations. We shall not engage in any intimidation or retaliation against union representatives or members who exercise these rights.
- Prohibition of discrimination and harassment: We do not discriminate in any way based on sex, gender, sexual orientation or gender identity, age, profession, nationality, race, thought, creed, religion, social status or birth, or physical or mental disability. We do not tolerate any form of harassment, whether it be physical or mental, including sexual harassment and power harassment.
- Respect for diversity and promotion of inclusion: We respect the individuality and diversity of each Group employee and create an environment in which all employees can fully exert their capabilities regardless of gender, age, nationality, disability, or other attributes. Our employees are passionate and bring a challenging spirit to their endeavors and we will be purposeful in our efforts to provide them with equal opportunities for career development and ongoing personal growth. Tokio Marine Group's approach to human resources is also outlined in "Tokio Marine Group - Our People."

■ Integrating Human Rights into Our Core Business

Tokio Marine Group treats all customers fairly in the provision of its products and services and does not discriminate against any customer based on unreasonable grounds.

We strive to be a "Good Company" which is trusted by all people and society by supporting customer and society in times of need. We strive not only to prevent and mitigate negative

human rights impacts associated with our products and services, but also promote the human rights of all of our customers and contribute to an inclusive society by providing products and services to meet its needs for safety and security.

Across our insurance business and others, in compliance with applicable laws, rules and regulations as well as the Tokio Marine Group Privacy Policy, we shall safeguard private information and specific personal information, etc., including customers' information, and we shall not use such information except on a need basis to carry out our business operations, in order to avoid any breach of privacy.

Tokio Marine Group endeavors to consider environmental, social and governance ("ESG") issues, including human rights, in its decision-making and other processes related to insurance underwriting and investment and financing operations.

■ Respecting Human Rights in Our Value Chain

Tokio Marine Group aims to fulfill its social responsibility and achieve sustainable development together with its business partners.

Tokio Marine Group expects its business partners to support and implement the principles expressed in this Policy and aims to work together towards the promotion of respect for human rights.

Tokio Marine Group also strives to prevent the occurrence of slave labor and human trafficking in its own business and value chain (supply chain) and encourages various stakeholders to work towards addressing such issues.

■ Grievance Mechanisms

Tokio Marine Group has established internal and external hotlines (whistle-blowing hotlines) where officers and employees of Group companies can report and consult on matters that may involve human rights concerns. The Group provides its officers and employees with multiple contact points and reporting channel options including internal and external hotlines, as well as a company audit hotline. We prohibit any disadvantageous treatment or retaliation against relevant officers, employees and those who cooperate in investigations because of such reports or consultations. In addition, we strictly manage the confidentiality of reports and consultations by ensuring anonymity and sharing information only to the extent neces-

sary for effective investigations and corrective measures. Tokio Marine Holdings monitors the handling of the reports and provides support for the appropriate installation and operation of the whistle-blowing system, thereby establishing a mechanism that allows officers and employees of each Group company to report concerns without fear of retaliation.

■ Education & Training

Tokio Marine Group will provide the necessary training and capacity building for the implementation of this Policy to the officers and employees of each Group company. We further endeavour to provide the latest information and tools related to human rights and foster a culture of respect for human rights.

■ Communication and Disclosure

Tokio Marine Group will continuously monitor the implementation of its Policy and make improvements as necessary to ensure its effectiveness. In addition, we regularly disclose our efforts to respect human rights both internally and externally to ensure transparency and accountability.

■ Amendment or Repeal

This Policy may be amended or repealed by the Board of Directors of the Company. Notwithstanding the foregoing, the General Manager of the Corporate Planning Department may approve minor amendments to the Policy.

This Policy was approved by the Board of Directors of Tokio Marine Holdings, Inc.

Adopted December 21, 2021

We express the following in the Tokio Marine Group Code of Conduct, which summarizes important matters given the highest priority in our day-to-day business. Under the code, directors, officers and employees act in an honest and fair manner in conformity with laws and social norms and undertake fair business activities.

Tokio Marine Group Code of Conduct

<Scope of application: Tokio Marine Group directors, officers and employees of Tokio Marine Group companies (includes dispatched employees)> (excerpt)

In the event of a violation of this Code of Conduct, laws, regulations and internal rules, the companies of Tokio Marine Group shall take necessary measures in accordance with internal rules, which include investigating the facts, formulating countermeasures, submitting reports to supervisory authorities, taking disciplinary measures against the involved parties and formulating measures to prevent recurrences.

Respect for Human Rights and the Environment

We shall respect the human rights of our customers, directors, officers, employees and all other people. We shall also act in consideration of the global environment.

- **Anti-discrimination**

Human rights are values widely recognized around the world, and any discrimination on the grounds of gender, sexual orientation, gender identification, age, profession, nationality, race, thought, creed, religion, social status or birth as well as any act constituting an infringement of human rights should never be tolerated.

- **Anti-harassment**

Sexual harassment, abuse of authority or any other kind of harassment or intimidation should never be tolerated.

- **Private information and specific personal information, etc.**

In compliance with applicable laws, rules and regulations as well as the Tokio Marine Group Privacy Policy, we shall safeguard private information and specific personal information, etc., including customers' information, and we shall not use such information except on a need basis to carry out our business operations in order to avoid any breach of privacy.

- **Protection of the global environment**

Acknowledging that the protection of the global environment is an important responsibility, we shall comply with applicable laws, rules and regulations, and respect the harmonization with and the improvement of the global environment in all of our activities.

2.2.2.2 Management Stance concerning Respect for Human Rights and Various Initiatives

Tokio Marine Holdings has established the Operations Task Force and Human Rights Subcommittee under the Group Sustainability Committee for formulating the Group's policy for respecting human rights and discussing how to promote initiatives. In addition, the Company formulates action policies concerning human rights, compliance and risk management, and accordingly, monitors business operations of Group companies on a regular basis to identify any issues related to respect for human rights and implement measures to counter any risk thereof.

Human Rights Due Diligence

Tokio Marine Group has established a system to ensure human rights due diligence based on the UN Guiding Principles on Business and Human Rights.

For Tokio Marine Group, human rights due diligence means an ongoing, preventive and voluntary process to avoid or reduce any negative impact of corporate activities on human rights and to become a "Good Company." According to this process, Tokio Marine Group conducted a human rights risk assessment with the assistance of Caux Round Table Japan and Ernst & Young ShinNihon in 2017 and 2022 respectively and plans to update it periodically considering impacts of significant changes to its business operations, etc.

The assessment covered domestic and overseas group companies, and we identified potential human rights issues that are most relevant to our key stakeholders, which we need to tackle in order to prevent risks from occurring. For details, please see the results of our human rights risk assessment conducted in 2022.

[Tokio Marine Group: Human rights risk mapping \(2022\)](#)

Respect for Human Rights within the Group

At each Group company, all employees and other co-workers are working to build a vibrant corporate culture without discrimination or harassment.

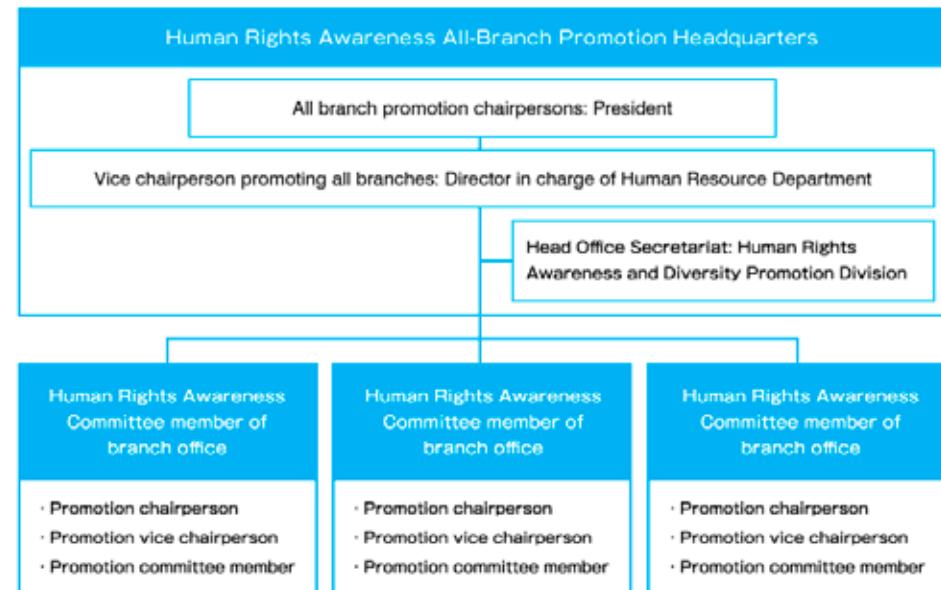
At Tokio Marine & Nichido, we formulate the Basic Policies and Measures Related to Human Rights at the beginning of each fiscal year, and under the human rights awareness promotion structure,

provide support to all branches for their relevant efforts made in relation with operations that involve human rights and inspect the status of their efforts at the end of the fiscal year. We go through the plan-do-check-act (PDCA) cycle on a constant basis to survey the status, identify issues and take improvement measures.

Principal Initiatives

- Human rights awareness training (to be attended by all employees), fair hiring selection practices and achieve normalization within the Group
- Promotion of employment and retention of persons with disabilities, prevention of, education on and appropriate response to various types of harassment, diversity and inclusion, and execution of daily business operations with an awareness of human rights

Human Rights Awareness Promotion Structure



■ Process to Monitor the Promotion of Human Rights Awareness (Tokio Marine & Nichido)

- ① Establish and thoroughly implement policies for promoting human rights awareness.
- ② Develop an organizational structure to promote human rights awareness with the president as the responsible person.
- ③ Implement human rights awareness training for all directors, officers and employees at least once a year.
- ④ Formulate and thoroughly implement policies aimed at implementing fair recruitment selection practices and establish the Human Rights Awareness Committee for Fair Selection and Recruitment.
- ⑤ Promote normalization (increasing employment of persons with disabilities and improving their workplace environment in terms of both "software" and "hardware").
- ⑥ Establish rules for the prevention of harassment in the workplace and set up an in-house consultation desk.

• Human Rights Awareness Training

Every year, each member company of Tokio Marine Group holds human rights training in the workplace and e-learning training, in which all employees and other co-workers take part to build a vibrant corporate culture without discrimination or harassment. Training is based on themes that reflect social issues and employees learn about a wide range of areas, which include acquiring knowledge concerning a number of human rights issues in Japan of discrimination against people belonging to outcast communities, normalization, LGBT and harassment issues as well as issues regarding foreign residents and the Sustainable Development Goals (SDGs).

At Tokio Marine & Nichido, we have established a promotion structure mainly comprising the Human Rights Awareness All-Branch Promotion Headquarters and the Human Rights Awareness Promotion Committee members of each branch office. We work to foster a culture of respecting human rights by continuing to achieve 100% participation every year for the human rights awareness training held in the workplace. Other efforts include holding rank-based training, such as executive seminars, publishing the latest information on human rights and related tools on our in-house intranet and making them always available for all employees. In addition to employees, we provide various training tools to agents to help them provide human rights awareness training.

[Sustainability Performance Data \(Human rights training participation rate, etc.\) >>](#)

• Fostering a Culture to Respect Human Rights by Soliciting and Awarding Human Rights-Related Slogans

During Human Rights Week that takes place from December 4 to 10 every year, we solicit human rights-related slogans from all employees and their families within Tokio Marine Group. The aim is to facilitate an understanding of the importance of respecting human rights and raise human rights awareness in the workplace, at home and within local communities. We select excellent slogans and disseminate them through our in-house intranet, Group newsletters and posters to be put up in each workplace as an effort to instill and spread the awareness of respecting human rights.

• Keeping the Human Rights Perspective in Daily Business Operations and Thoroughly Ensuring Prevention of Discriminatory Practices

Tokio Marine & Nichido has in place a document inspection system to check for any expression (including illustrations, photos and videos) or wording undesirable from the perspective of human rights in its advertisements and insurance soliciting documents for customers as well as in its daily business operations. The system also performs a check to make sure the company does not obtain unnecessary personal information. Moreover, we have established a system to appropriately report and respond by prescribing rules for handling cases of discrimination events that are discovered or encountered and making these known internally.

■ Hotline System (Whistle Blower System)

In order to solve human rights issues, such as sexual harassment and other various types of harassment, we have set up a Hotline System (Whistle Blower System), through which employees seek the advice of internal and external experts, and have been striving to realize a better workplace environment for employees.

■ Respect for Human Rights in the Value Chain

Tokio Marine & Nichido issues the Principle of Transactions for business partners (suppliers and subcontractors) from the perspective of social responsibility. The Principle of Transactions requests that business partners promote initiatives that encompass human rights as well as "compliance with laws, regulations and social norms," "promoting fair and honest transactions," "thorough information management" and "consideration for the environment."

[Sustainability in the Value Chain >>](#)

■ Respect for Human Rights in Sustainable Investment and Financing

Giving consideration to environmental, social and governance (ESG) issues in investment and financing is becoming increasingly important from the perspective of improving long-term risk/return.

Tokio Marine & Nichido places great importance on the social role and responsibilities that the insurance industry is expected to fulfill, and in June 2012 signed as a drafting member the Principles for Sustainable Insurance (PSI) advocated by the United Nations Environment Programme Finance Initiative (UNEP FI). In April 2011, Tokio Marine Asset Management signed the United Nations-supported Principles for Responsible Investment (PRI) initiative, accepting these principles as an asset management company. As an insurance firm that has taken ESG issues into account in its insurance underwriting, investment analysis and other actions, Tokio Marine & Nichido signed the PRI in August 2012. Through PRI and PSI related activities, Tokio Marine Group is strengthening its initiatives for human rights in investment and financing.

[Efforts for Sustainable Investments >>](#)

■ Supporting Initiatives for Reducing Human Rights Risk in Building Supply Chains

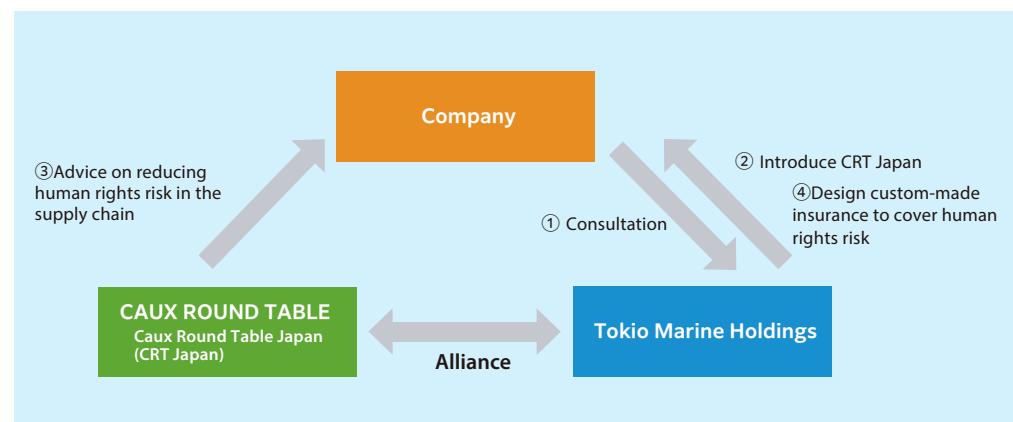
In solving human rights problems such as forced labor and child labor that are spreading globally, rather than relying solely on initiatives by government institutions, there are increasing demands that global companies take responsibility and respond to these problems throughout their entire supply chains. There are also various instances in which inadequate handling of these issues causes a major decline in the brand value of global companies and leads to product boycotts.

Accordingly, in fiscal 2017 Tokio Marine & Nichido formed a business alliance with CRT Japan, a specified NPO, and has been providing support for initiatives for reducing human rights risk, such as forced labor and child labor, which could occur within global companies' supply chains that span the world.

Tokio Marine & Nichido introduces CRT Japan to companies working to promote "responsible supply chains." These companies receive advice from CRT Japan and establish systems that aim to reduce human rights risk throughout their entire value chain.

Then, Tokio Marine & Nichido designs and provides custom-made insurance for companies that receive advice from CRT Japan. This insurance covers the additional costs of establishing crisis measures when hidden human rights risks are discovered at second- and third-tier manufacturing subcontractors overseas despite having already taken adequate measures for human rights risk when building supply chains.

As a result, companies can use this insurance to cover various expenses needed for responding quickly and accurately to prevent the occurrence of a major reputational risk when a human rights issue arises in the supply chain. In the future as well, Tokio Marine Group will continue to support the building of supply chains of global companies.



Response to the Modern Slavery Act 2015 of the United Kingdom and Modern Slavery Act 2018 of Australia

■ Modern Slavery Statement for FY2020

Tokio Marine & Nichido has been publishing its statement every year since 2016 under the Modern Slavery Act 2015 of the United Kingdom. Starting from 2020, the company also annually reports (registers) its modern slavery statement to and with the Australian government under the country's Modern Slavery Act 2018. Tokio Marine & Nichido will continue to report its modern slavery statement without fail, and together with its employees and business partners, will implement initiatives to prevent slave labor and human trafficking.

[Tokio Marine & Nichido's statement under the UK Modern Slavery Act 2015](#)

[Tokio Marine & Nichido's statement under Australia's Modern Slavery Act 2018](#) (Australian government's online register site)

Modern Slavery

Modern Slavery refers to enslavement and servitude, all forms of forced labor and human trafficking, etc. The International Labour Organization (ILO) reported in a 2014 survey that there were approximately 21 million victims of forced labor worldwide (as of 2012) while annual illicit profits reached US\$150 billion (estimate), which shows that even in present times slave labor and human trafficking are serious social problems.

• Modern Slavery Act 2015 of the United Kingdom

In March 2015, the British government enacted the Modern Slavery Act 2015 to prevent forced labor and other present-day slave labor as well as human trafficking. The act went into effect in October 2015. Section 54 of the act requires commercial organizations that undertake business in the United Kingdom and that have annual sales of £36 million or more to publish a statement of steps taken each fiscal year to prevent slave labor and human trafficking in their own businesses and value chain (supply chain).

• Modern Slavery Act 2018 of Australia

Following the United Kingdom, the Australian government enforced the Modern Slavery Act 2018 in January 2018. The act requires entities based or operating in Australia, which have an annual consolidated revenue of more than ASD 100 million, to report (register) every fiscal year on how they assess risks of modern slavery in their operations and supply chains as well as actions to address these risks.

2.2.3 Promoting Diversity and Inclusion

2.2.3.1 Diversity Policy

Tokio Marine Group believes that for us to further improve the quality of our products and services worldwide, we must develop all of our motivated and talented employees to the maximum of their potential regardless of gender, age, nationality, disability or any other attributes. Specific initiatives pertaining to the group-wide promotion of diversity and inclusion (D&I) include eliminating the gender gap, creating a workplace in which older employees and persons with disabilities can take active roles as well as promoting employment regardless of nationality or race and facilitating mid-career recruitment and training of employees with diverse experience.

Definition of D&I

Tokio Marine Group defines diversity and inclusion (D&I) as below. This definition serves as the basis of various initiatives toward D&I.

What is diversity?	What is inclusion?
Attributes, qualities and experiences that shape the individuality of each employee 	Creation of workplaces where all aspects of diversity are accepted, cultivated and respected so that all employees can maximize contributions to our customers, business partners and society 

D&I Vision

Tokio Marine Group has formulated the D&I Vision based on four important elements consisting of Attract, Empower, Develop/Promote and Retain, which we will strive to realize through our D&I initiatives. In conjunction with "Our People," which expresses Tokio Marine Group's philosophy on human resources, we will make a group-wide commitment to D&I and evolve our initiatives toward the attainment of D&I. Through the realization of Attract, Empower, Develop/Promote and Retain, we aim to become a truly inclusive global insurance group.

A Truly Inclusive Global Insurance Group

Attract	Empower	Develop/Promote	Retain
We aim to be a company that everyone can fully demonstrate their inherent capabilities and that is chosen by a diversity of human resources regardless of individual attributes.	We will create a truly inclusive working environment where all employees can fully thrive, establish an environment necessary for contributing to customers and society and delegate employees an appropriate degree of discretion.	We will offer support that enables each and every employee to achieve growth through their work by providing all employees with a variety of experiences and learning opportunities as well as venues to play active roles.	We will build strong bonds of trust between the company and employees, and employees will be evaluated fairly and compensated appropriately based on their contributions.

"Our People"

- Human resources are Tokio Marine Group's most valuable asset and serve as the driving force for realizing the Group's "Good Company" vision.
- Tokio Marine Group will secure essential human resources in all business areas to provide safety and security to customers and society.
- Tokio Marine Group provides employees, who tackle challenges with passion and motivation, with active roles and opportunities conducive to growth.
- Tokio Marine Group aims to be a truly global company that respects diversity and inclusion. We will continuously walk an endless path toward becoming a "Good Company" by creating an environment where diverse human resources can fully demonstrate their inherent capabilities.

2.2.3.2 D&I Promotion Structure

D&I Promotion Structure

Tokio Marine Group established the position of the Group Chief Diversity and Inclusion Officer (CDIO) and Diversity Council in April 2021 to accelerate D&I-related initiatives and create an environment that enables all Group employees to leverage their diverse backgrounds and fully exercise their capabilities. The Diversity Council is an advisory body chaired by the Group CEO and placed under his direct control. Under the leadership of the CDIO, the council discusses important D&I themes with members representing Group companies in and outside Japan and promoting D&I while forming a consensus across the Group.

At the first session convened in August 2021, we confirmed the role of the Diversity Council and discussed the formulation of the D&I Vision and future action plans. The D&I Vision was devised based on these discussions.

Furthermore, we distributed the D&I Booklet to all Group employees in Japan and overseas to promote a deeper understanding of the significance and purpose of D&I and to encourage changes in the awareness and behavior of each employee. Tokio Marine Group aims to achieve sustainable growth by promoting D&I across the entire Group.



First session of Diversity Council convened in August 2021

Fostering a D&I Culture

Changing the awareness and behavior of each employee is essential in fostering a culture of D&I, and the entire Group has been undertaking various initiatives in this regard. Since 2017, for example, we have been holding the Tokio Marine Group Diversity and Inclusion Forum for general managers, which deals with such topics as diversity management. Simultaneously, we have been providing training on unconscious bias and extended the scope of the training to all employees holding management-level positions in fiscal 2020. We also have a plan to extend the scope to all employees in the future.

Since fiscal 2020, Tokio Marine & Nichido has been implementing a series of measures called "Boost Diversity" under the slogan "Let's change ourselves and let's change others." As a part of such efforts, the company has been holding not only lectures on the theme of working together with diverse people to learn about the promotion of the employment of persons with disabilities and LGBT issues but also a workshop for women in management-level positions to explore their own, unique leadership roles and a lecture on impostor syndrome for female employees. These measures have become an opportunity for individual employees to think about their own awareness and behavior. Tokio Marine Group will continue to promote initiatives for fostering a culture of D&I.

■ Eliminating the Gender Gap

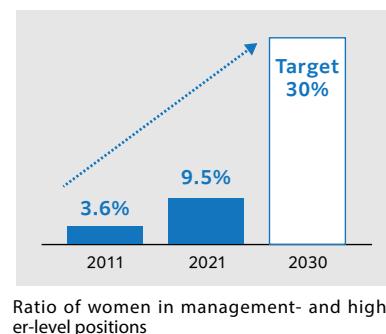
Tokio Marine Group regards the promotion of D&I as synonymous with its growth strategy. As such, the Group CEO has been stressing the importance of such efforts at various meetings and seminars in the form of a top management message. Among matters related to D&I, we place particular emphasis on elimination of the gender gap and have been tackling this as a universal issue for the entire Group. We have been making proactive efforts over time to create an appropriate environment and promote human resources development so that every female employee at each Group company can autonomously build their careers and thrive in an even wider range of fields.

• State We Envision through Elimination of the Gender Gap

Tokio Marine & Nichido has been striving to eliminate the gender gap in seeking to achieve a state in which women commonly participate in every decision-making process. The company aims to realize this state by encouraging each female employee to continue to grow while feeling motivated to work and strives to improve the quality of its decision-making by inviting employees possessing diverse senses of value to take part in the process. The company's efforts in this area are twofold. One is to have women participate in every decision-making process, and the other is to increase the engagement of each and every female employee.

As for women's participation in every decision-making process, Tokio Marine & Nichido has set a quantitative target of increasing the ratio of women in management- and higher-level positions to 30% in fiscal 2030. Accordingly, the company has been stepping up its efforts to create an environment where they can take up a new challenge based on their willingness and capabilities. These include role assignment and year-long on-the-job training (OJT) based on individual career visions, job transfers across departments and various training.

For increasing the engagement of female employees, the company has been implementing related initiatives, including the nurturing of an appropriate culture, in order to allow each person to continue to move forward while upholding her vision of what she wants to become.



2.2.3.3 D&I Initiatives

■ Eliminating the Gender Gap: Initiatives and Results

Aside from initiatives undertaken individually by Group companies, Tokio Marine Group as a whole is providing a variety of opportunities for female employees. In fiscal 2019, we launched Tokio Marine Group Women's Career College (TWCC), an internal program for female employees of Tokio Marine Group companies in Japan. It provides the opportunity for willing and aspiring participants to think about and increase awareness of their own careers as they motivate each other and gain an insight into diverse values and philosophies.

As a result of these initiatives, more than 500 women are currently holding management-level positions and playing active roles at Group companies in Japan. Tokio Marine Holdings has two female directors and one Audit & Supervisory Board Member, while Tokio Marine & Nichido has two female Audit & Supervisory Board Members and five executive officers. Both companies are integrating diverse views into their corporate management.

In recognition of such group-wide efforts to eliminate the gender gap and performance in terms of results, Tokio Marine Holdings was selected four times as a "Nadeshiko Brand" in fiscal 2013, fiscal 2015, fiscal 2017 and fiscal 2018. Further, the Group CEO announced his advocacy of a declaration of action stating that a group of male leaders dedicated to empowering women would accelerate the active participation of women who shine as well as the vision of the 30% Club Japan established in May 2019.



Tokio Marine & Nichido has earned the Diversity Management Selection 100, an award sponsored by the Ministry of Economy, Trade and Industry (METI). For this award, METI selects and commends "companies that have raised corporate value through diversity-oriented management." Tokio Marine & Nichido has earned this award based on high regard for its efforts such as enabling numerous women to



continually take active roles by helping protect motherhood, enhancing systems for supporting child rearing and transforming the overall roles of employees, and for promoting the employment of persons with disabilities while raising consciousness of the principle of normalization.

In addition, Tokio Marine & Nichido Career Service and Tokio Marine dR were granted "Eruboshi" certification by the Minister of Health, Labour and Welfare in April 2016 and January 2017, respectively, as outstanding companies in terms of conditions related to promoting the active participation of women. The certification has three stages depending on the number of assessment items fulfilled and both companies received the top certification.

[Sustainability Performance Data \(Number of directors and managers\) >>](#)

[!\[\]\(129b5c615a454e46a1c5a569fea4d422_img.jpg\) Tokio Marine Group's Data on Empowering Female Employees \(PDF/76.2KB\)](#) (in Japanese) 

Overseas Initiatives

The U.S.-based PURE Group of insurance companies has been promoting diversity, equity and inclusion (DEI) initiatives to build a working environment where all people have equal opportunities for learning, developing and succeeding, and feel welcome, secure and supported so they can perform their best work. These DEI initiatives are based on the following four concepts.

① Representation & Inspiration

Our workforce should be at least as diverse as our communities, and gender and racial diversity in our leadership team should serve as a highly visible expression of our commitment.

—Recruitment in 2021 reflected the racial makeup of the United States while nearly two-thirds of employees promoted to a certain level of management were women.

② Inclusion & Belonging

We want employees to feel passionate about their jobs, committed to the organization, and willing to invest discretionary effort into their work. We believe that people can only perform to their full potential in an environment where they feel safe, are treated fairly, and are respected.

—In 2021, the company launched the Employee Resource Group (ERG) and one-third of employees actively participated in ERG and more than 50% of the target employees participated under ethnic-based themes.

③ Equitable Treatment

Employees should have equitable access to opportunities and rewards should be equitably distributed.

—The Human Resources Development Team recognized that the provision of educational opportunities was biased toward younger employees and revised its education into a program suited to employees of all ages. Thanks to these efforts, a growing number of older employees have a strong desire to make valuable contributions to the company.

④ Community

We have a responsibility to the world around us and aim to strengthen our communities through a coordination of philanthropy and volunteer efforts.

—In 2021, 7% of employees took 830 hours of volunteer leave by providing them with opportunities for online volunteering that also combined practice in team building.

Utilizing Diverse Human Resources

Realizing an Age-Inclusive Workforce

Tokio Marine Group considers actively promoting the continued employment of older members to be an important management issue in maintaining the sustainable growth of the Group as a whole. In addition to encouraging continuous self-advancement and changes in consciousness and behavior on the part of employees themselves, the Group intends to provide fields of activity in which employees can utilize their past experience and strengths to generate new added value while maintaining high levels of motivation.

Promoting the Employment of Persons with Disabilities

Aiming to "resolve social issues by promoting the employment of persons with disabilities and creating supportive working environments to contribute to the realization of an inclusive society where everyone can live with a sense of security," Tokio Marine Group is promoting the employment of persons with disabilities at Group companies and working to raise consciousness of normalization. Of particular note, Tokio Marine Business Support Co., Ltd., a special subsidiary based on the Disabled Persons Employment Promotion Law, is supporting Group development by providing services that include administrative support, printing, logistics and commodity sales.

Promoting the Employment of Persons with Disabilities through a Special Subsidiary

In January 2010, we established Tokio Marine Business Support with the aim of promoting the employment of persons with intellectual and developmental disabilities, and in March 2010, the company was the first in the non-life insurance industry to be approved as a special subsidiary under the Disabled Persons Employment Promotion Law (343 employees as of June 1, 2021).

A total of 206 employees with disabilities (as of June 1, 2021), mainly persons with intellectual and developmental disabilities who are considered to have fewer employment opportunities among persons with disabilities, are working at the Tokyo head office and at the Nagoya, Osaka and Kyushu branch offices. These employees are supporting Group companies by performing such operations as data input and processing, document enclosure and shipping and printing.

Further, employees with disabilities started selling coffee as part of a welfare program to Tokio Marine & Nichido employees in 2017. Marking the fourth year of activity in 2020, the company has increased

the number of cafés to broaden the field of activities for persons with intellectual and developmental disabilities. Based on its corporate philosophy to 1) be an organization that provides support instead of being a support recipient, 2) be a company in which employees can have their dreams and take pride in and 3) expand opportunities for taking active roles, the company is focusing on creating an environment in which employees can work enthusiastically with a sense of satisfaction. It also intends to become a company in which everyone can grow through work while keeping a sense of gratitude and remaining considerate to others.

[Sustainability Performance Data \(Rate of employment of persons with disabilities\) >>](#)

[Tokio Marine Business Support \(in Japanese\)](#)

Promoting Normalization

Tokio Marine & Nichido Systems has actively been seeking to promote normalization for persons with disabilities by making areas barrier free, hiring physically challenged persons as IT engineers and having visually impaired persons provide in-house massage services.

From September 2009, the company has been running the internal café, Smile Café, and Smile Office Service, which provides general administrative services such as producing name cards, making printouts and digitalizing paper documents through members with disabilities. Smile Café is used by around 250 people every day and is a place where employees can relax. It also sells bread and sweets made at a nearby welfare facility. Smile Office Service is expanding the types of work it handles every year and has gained the trust of employees.

By having general employees and members with disabilities work together, synergistic effects are being created in terms of cheering up each other and enhancing work satisfaction.

[Tokio Marine & Nichido Systems \(in Japanese\)](#)



2.2.4 Promoting the Development and Active Roles of Human Resources

2.2.4.1 Our Stance on Human Resources

■ Developing and Utilizing Diverse Human Resources

Tokio Marine Group's philosophy on human resources has been positioned as "Tokio Marine Group – Our People." Based on this philosophy, we are working on the strategic development of diverse human resources, both in Japan and overseas, toward the realization of a global insurance group. The Group's overall human resources development and utilization are managed by the Group Chief Human Resources Officer (CHRO), while the Board of Directors and Management Meeting of each Group company monitor the individual implementation status.

[D&I Vision >>](#)

2.2.4.2 Fair Personnel System and Management

Tokio Marine Group aims to enhance employee satisfaction and motivation through a fair personnel system and management. The Group also endeavors to realize a corporate culture in which all employees respect human rights through various initiatives such as human rights training.

■ Stably Securing Management Personnel Possessing Global Management Capability

Tokio Marine Group works to realize employees' diverse work styles and enhance their job satisfaction mainly through a fair personnel system. Moreover, we respond to changes in the environment and ensure appropriate management of personnel and labor risks. Through these initiatives, we strive to increase productivity and corporate value.

The environment surrounding Tokio Marine Group, in particular, has been undergoing rapid changes, including technological advancements, globalization and demographic shifts. Consequently, it has become increasingly important to accurately capture these highly uncertain changes in the external environment and reflect them in corporate management. As a system to stably develop management personnel with high levels of expertise and management capability to respond to such significant changes on a global scale and drive the Group's management, Tokio Marine Holdings introduced a new personnel system in April 2019.

[Sustainability Performance Data \(Number of employees, basic employee data, etc.\) >>](#)

■ Raising Employee Satisfaction Levels

Tokio Marine Group conducts a culture and value survey of employees around the world every year. In fiscal 2021, approximately 33,000 employees from 42 Group companies participated in the survey. Conducting an across-the-board survey makes it possible to understand the entire Group's inclination toward Group culture as well as each Group company's culture and values and enables us to promote various initiatives to realize the "Good Company" vision.

Group companies in Japan have created a group-wide platform for the implementation of a Group employee attitude survey once each year. In fiscal 2020, the survey was given to 5,990 employees in 15 companies with individual companies such as Tokio Marine & Nichido and Tokio Marine & Nichido Life conducting a similar initiative independently.

In place of its previous employee attitude survey, in fiscal 2020 Tokio Marine & Nichido started using the Motivation Cloud service provided by Link and Motivation Inc. The service is designed to accurately capture employees' job satisfaction and motivation, in other words the status of employee engagement, and support the timely implementation of effective measures. It also has a feature to identify the status through a comparison with other companies. In the Best Motivation Company Award 2021 hosted by Link and Motivation, Tokio Marine & Nichido was ranked second in the Large Companies category.

Although employee satisfaction levels are high on the whole throughout the Group, we are aiming to further boost employee satisfaction by reflecting opinions of employees regularly gathered by each company in overall management and personnel measures and by providing feedback related to organizational management.

[Sustainability Performance Data \(Employee attitude survey results\) >>](#)

■ Sound Labor-Management Relations

In Tokio Marine Group, Tokio Marine & Nichido and other Group companies conduct good-faith negotiations and discussions with labor unions on a wide range of topics, from payroll, personnel systems and occupational health and safety to management policies, to achieve sound corporate growth and maintain and improve various working conditions of union members.

[Sustainability Performance Data \(Labor union participation rate\) >>](#)

■ Utilizing People Analytics for Strategic Work Force Planning

Tokio Marine Group needs to implement its strategic workforce planning more effectively and efficiently and accordingly, the opportunities of utilizing People Analytics are expanding. Tokio Marine Group utilizes People Analytics for evaluating organizational busyness and analyzing appropriate workforce allocations best suited for organizational sizes. It is difficult to fully rely on People Analytics to implement strategic workforce planning at Tokio Marine Group. However, the effectiveness and efficiency of its strategic workforce planning are improved by utilizing People Analytics.

■ Utilizing AI Technology for Recruiting and Hiring

Tokio Marine Group utilizes artificial intelligence technology for selecting interview candidates from new graduate applicants.

■ Utilizing People Analytics for identifying current workforce skills gaps

Tokio Marine has been conventionally and closely exchanging information with each department/branch and/or regional headquarters, and filling vacant positions by transferring employee from other departments and/or replenishing by hiring) after grasping the shortage of human resources including skills and analyzing from multiple viewpoints including comparative analysis among organizations and markets analysis, etc.

■ Utilizing People Analytics for competitive intelligence

Tokio Marine has formed HR Intelligence Team within its Human Resources Department to collect information on human resources inside and outside of the company, share such information with general managers and Group Chief Human Resources Officer as needed, and develop, analyze, and implement HR-related policy/strategy if necessary.

2.2.4.3 Development of Human Resources

The power of our people is the driving force for protecting customers and local communities in times of need as a "Good Company." The Tokio Marine Group Spirit has been built up by overcoming numerous adversities and constantly taking on challenges since our earliest days that focus on the five areas of taking on challenges, openness and dynamism, customer orientation, social contribution (contribute to society and people) and a global perspective.

This spirit has been passed down over the generations and even now is the starting point for

individual ideas and the source of human resources with a high sense of purpose who boldly take on challenges.

In addition, based on the Tokio Marine Group Spirit, we have fostered over many years a nurturing culture in which both "individual employees" and "companies and organizations" grow and develop. We are working to spread and pass down this nurturing culture to the entire Group with the aim of having our Group companies around the world work together on the development of human resources.

■ Aiming to Be a Company Where All Employees Continue to Grow

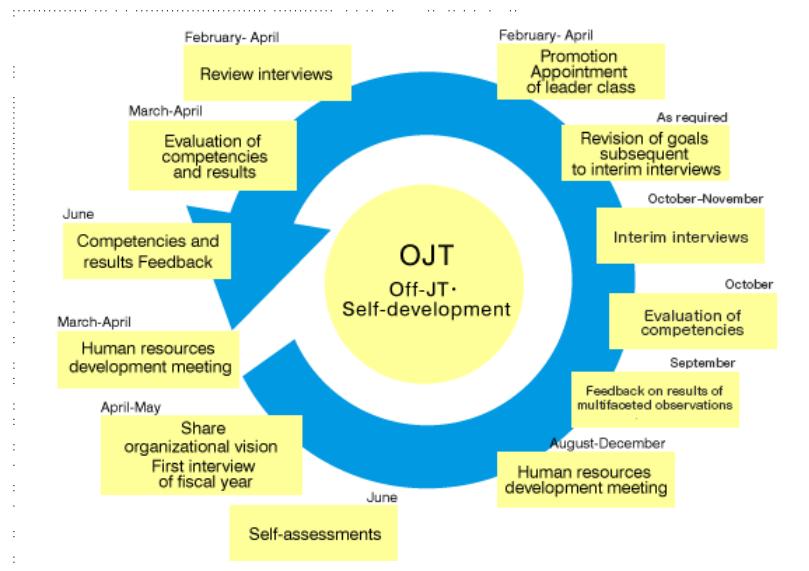
For Tokio Marine Group, people and the trust built up by those people are the source of all our competitiveness, and thus human resources development is an extremely important theme. Each Tokio Marine Group company is building skill development programs and personnel systems appropriate for the characteristics of their respective businesses based on the Tokio Marine Group Spirit.

As an example, Tokio Marine & Nichido aims to be a company where all employees continue to grow and has accordingly been making efforts to develop human resources. The goal is to become a company which provides customers with a sense of security, is selected by customers and constantly grows, as stated in its mid-term business plan.

Specifically, Tokio Marine & Nichido meticulously aligns the career visions of individual employees, what they want to become and their strengths and weaknesses. This is done based on the human resources development cycle that uses regular interviews throughout the year between supervisors and their subordinates as milestones. While assigning challenging roles that lead to the growth of respective subordinate, the company provides continuous support for their growth and follows up on their progress.

Tokio Marine & Nichido also creates and provides an extensive range of programs related to human resources development, including broad training opportunities that respond to employees' diverse needs and career visions as well as e-learning and other learning tools. From the viewpoint of offering diverse growth opportunities, the company mainly sends young employees to short-term overseas training programs and to business schools in Japan and abroad, universities in non-English-speaking countries and other institutions on an ongoing basis.

*1 Human Resources Development Cycle (Tokio Marine & Nichido): Aiming for a Positive Cycle of Human Resources Development



[Sustainability Performance Data \(Employee training\) >>](#)

*2 Domestic and Overseas Trainee System (MBA/LLM Course)

This is a trainee system that solicits participants from among employees and provides those willing to take up the challenge of the opportunity to do so. The system sends employees to a Master of Business (MBA) or Master of Laws (LLM) program offered by Japanese or overseas graduate schools, enabling them to gain specialized knowledge in the management, financial affairs and legal fields and form a network with people outside the company, which will be useful for business in the future.

Example Case of Human Resources Development Program: "Cafeteria for Learning"

Recently, along with changes in the working environment and working styles, knowledge and skills that employees should gain have become more diversified. Given such circumstances, Tokio Marine & Nichido has adjusted its approach toward human resources development. With the aim of realizing further personal growth of employees under their individual initiative, the company revamped its

human resources development system, which had mainly consisted of uniform training programs based on years of service or position. The new system allows employees themselves to choose what they need to learn from among various themes.

More specifically, in April 2021 Tokio Marine & Nichido introduced "Cafeteria for Learning," a new training system for all its employees, comprising about 40 programs. Through the system, the company has enhanced a lineup of voluntary participation programs for employees to choose from based on their career visions and strengths. In this way, the system is designed as a scheme to encourage their personal, self-motivated growth.

In response to the promotion of working from home and telecommuting practices, the system offers more online programs to eliminate location and time constraints and ensure greater ease of learning for employees. In keeping with changes in the business environment, the company has organized the system mainly with programs on digital transformation (DX), diversity & inclusion (D&I), management and other elements that will be of particular importance for employees in coming years, and seeks the growth of employees together with the company. With the system serving as a venue for diverse employees across Japan to connect to and learn from each other, Tokio Marine & Nichido also intends to further foster an open and free-spirited culture where they mutually support the pursuit of a challenge and growth.

Specific Examples of the "Cafeteria for Learning" Programs

Name	Target	Overview
The New Ship	All employees	A seminar-style program by an external expert serving as a lecturer for the development of DX personnel. Designed to operate in conjunction with a separate platform implemented internally, which uses an app to promote learning and communication, it nurtures human resources who can drive DX within Tokio Marine & Nichido.
Co-Creation Program	All employees	A program to work jointly with external members to solve issues facing NPOs. It cultivates employees' leadership through contribution to local communities and society while also encouraging them to practice our Corporate Philosophy in an environment that differs from their day-to-day operations.
Tokio Marine 2100	Young employees of overseas Group companies across the world	A program in which young employees working for Group companies across the world get connected online, beyond national borders, to talk about the Group's vision and other topics. It aims to further advance D&I throughout the Group on a global scale.

Overall Picture of "Cafeteria for Learning"



Cafeteria for Learning

Design own learning, learn together and take up a challenge first

Basic: Competencies each wants to demonstrate	Expert: Fields for which each wants to gain deeper knowledge and skills
<ul style="list-style-type: none"> <input type="checkbox"/> Packages of programs aimed to increase the repeatability of employees' thinking and behavior at a higher level <input type="checkbox"/> Supports on-the-job training (OJT) while utilizing all types of learning tools, including micro learning <input type="checkbox"/> Divided into groups according to the degree of impact on the organization of related processes, allowing employees to select a desired program based on an interview with a supervisor regardless of their positions 	<ul style="list-style-type: none"> <input type="checkbox"/> Programs on six strategic themes essential in achieving employees' and the company's growth <input type="checkbox"/> Allows employees to explore their own strengths and expertise and participate in a program they want to learn in more detail <input type="checkbox"/> Lineup and content to be updated as necessary according to changes of the times and in the surrounding environment
"Independence x cooperation" package "Drive organization" package "Manage organization" package	Basic business skills (ability to think, language proficiency, etc.) Cross-border interaction and creativity (DX, D&I, etc.) Independence in terms of career (career plan, etc.) Management (empowerment, etc.) Human resources development (coaching skills, etc.) Organizational development (team dialogue, etc.)

Job Request System

Tokio Marine & Nichido provides employees with opportunities to choose their jobs to realize their own career vision. The company has introduced the Job Request System to support employees in forming and building their careers and to help strengthen the independence of employees based on choice and self-responsibility. It is a key personnel system for maintaining and expanding the energy of employees by allowing them to apply for jobs they want to try. In particular, locally based employees in jobs not subject to relocation can take on the challenge of a new job in a different location, or continue working after changing localities due to reasons such as marriage or a spouse's relocation, by applying through the Job Request System (U-turn and I-turn transfers*).

Additionally, when soliciting applicants for fiscal 2021 (for a transfer in April 2022) under the system, the company added the Remote Job Request option for employees who had not been able to apply to the Job Request System because relocation was not possible for family reasons. The option provides those employees an opportunity to take on the challenge of a new job by fully utilizing the system of remote working without relocation.

In addition to the Job Request System, the company offers employees the opportunity to declare their wishes regarding job transfers and future career visions from the perspective of putting the right people in the right jobs based on their career visions and transfer wishes.

[Sustainability Performance Data \(Job Request System\) >>](#)

Project Request System

Tokio Marine & Nichido has introduced the Project Request System that allows willing employees across Japan to take part in a project of the corporate departments at the head office as part of their job, while continuing to work for their own department. There are about 40 such projects in the first half of fiscal 2021. By introducing and expanding the use of this system, the company aims to achieve human resources development and other objectives shown below.

- Realize the challenging aspirations of employees on their own initiatives
- Accelerate the speed of growth of employees and provide broader options for their future career visions
- Help employees to form a network of people and improve their expertise and skills through the promotion of a project
- Spur innovation and improve the quality of output by encouraging employees with diverse capabilities to take part in a project

*U-turn and I-turn

U-turn transfers	An application type transfer in which employees in jobs not subject to relocation can take on the challenge of new jobs outside the traditional framework with a temporary relocation on the condition that they must return to their original localities
I-turn transfers	An application type transfer in which employees in jobs not subject to relocation can continue working after changing localities due to reasons such as marriage or a parent's or spouse's relocation. Employees are able to relocate while maintaining their position in the company at the same level of compensation.

*Not all employee relocation requests are approved.

2.2.4.4 Global Human Resources Strategy

Promotion of Global Human Resources Strategy

Amid the increasing importance of overseas business, Tokio Marine Group considers it essential to build a human resources base that supports development into a global insurance group through the hiring and developing of diverse human resources at Group companies around the world. To achieve this goal, we formulated a global human resources strategy and have been promoting various measures on an ongoing basis since 2012.

Pillars of Tokio Marine Group Global Human Resources Strategy

- ① Develop Global Leaders
- ② Develop highly professional human resources for each function in line with expertise
- ③ Expand the base of the global talent pool
- ④ Establish systems and infrastructure to spread the Company's Corporate Philosophy

For "Develop Global Leaders," we are implementing a number of measures aimed at development that include training for Global Leader candidates selected from Group companies worldwide. In addition, Tokio Marine Group started the Global Job Rotation Program in fiscal 2011 from the perspective of actively utilizing motivated and capable overseas local talent. These and other initiatives are being undertaken to develop and utilize highly professional human resources for each function in line with expertise. The Group also provides a variety of development opportunities with the aim of broadening the horizons of this group of global human resources. This includes short-term overseas training programs for Global Course third-year employees of Tokio Marine & Nichido, which started in fiscal 2012, and the dispatch of overseas trainees.

A specialized department to take charge of global human resources was established at Tokio Marine Holdings to steadily promote these measures. At the same time, the company regularly holds the Global Human Resources Conference by gathering the human resources department managers of major Group companies to discuss measures to strengthen cooperation among human resources

departments, human resources development common to the Group, personnel strategies and other matters. Going forward, the company will continue to promote the global human resources strategy while actively incorporating the opinions and requests of Group companies around the world.

Securing Human Resources Who Will Lead the Future

Tokio Marine & Nichido provides internships for participants to experience its various businesses in the actual workplace.

The company creates an internship program for each workplace accepting students. Each program offers a menu of activities, such as participating in a meeting with outside parties, an online office tour, roundtable discussions with diverse employees of different backgrounds, web conferences with employees working overseas and case studies through group work. In fiscal 2020, the company offered, mainly online, a three-day premium internship in seven cities across Japan and a two-day internship at branch offices nationwide, and accepted a total of some 1,300 students. Tokio Marine & Nichido's internship programs are highly appraised by students, job placement media and other parties as an "internship that encourages the growth of participants," as it requires high levels of input and output.

Tokio Marine & Nichido will continue to provide opportunities for participants to resolve issues and explore new solutions through workplace experiences and exchange with employees, and contribute to the development of future generations.

2.2.4.5 Transforming Working Styles

Tokio Marine Group has been striving to transform working styles with the aim of driving sustainable growth of the Group and employees by having diverse human resources work with high productivity.

■ Initiatives in Pursuit of Highly Productive Working Styles

Tokio Marine Group is pushing ahead with various initiatives in pursuit of highly productive working styles in order to provide even higher added value to customers.

As examples, Tokio Marine & Nichido initiated Go Go Challenge Day (employees finish work at 5:30 p.m. or within seven and a half hours of actual working once per week) and Season Challenge (all lights off and employees finish work at 8:00 p.m. for one month four times a year) so as to establish the custom of each employee controlling his or her own work hours independently. In doing so, the company aims to achieve 100% execution of these working practices.

In addition, we allow the use of a dedicated app that enables the confirmation, sending and receiving of company email from the individual's mobile device when on the move or with a client. From an infrastructure perspective, we provide company mobile devices, and from a system perspective, home and mobile working are given as options to all employees without imposing a limit on the allowed number of times. We aim to ensure that diverse personnel can work at high productivity levels by establishing an environment in which people are free to choose work location and work times.

By encouraging each employee to effectively utilize the extra time created through these initiatives for personal growth (higher motivation to work, better health and enriched life) and linking their personal growth to higher added value we provide to customers, we aim to achieve sustainable growth of both the Group and employees.

[Sustainability Performance Data \(Annual average actual working hours\) >>](#)

■ Personnel Systems Enabling Diverse Employees to Work with Independence

To support the realization of diverse working styles for each employee, Tokio Marine Group companies have established a range of systems including the introduction of a system enabling employees to flexibly change daily working hours (working hours free choice system) as well as childcare and nursing care leave, volunteer work leave and special consecutive paid holidays. In particular, Tokio Marine & Nichido aims for 100% of employees to take special consecutive paid holidays, which allows them to take five consecutive days off for any reasons. In addition, the company added considerable flexibility to the operation of the working hours free choice system in April 2021 and made the nursing care leave and leave to care for sick or injured family members available in the unit of hours in January 2021, thereby setting up an environment where employees can work with even greater flexibility.

Through these systems, each employee has the ability to choose the best working style to fit the circumstances he or she has been placed in. This has enabled us to create an environment in which employees with diverse values and a variety of experiences, including childcare and nursing care, can continue to make a meaningful contribution.

[Sustainability Performance Data \(Nursing care leave system\) >>](#)

* I-turn transfers: An application type transfer in which employees in jobs not subject to relocation can continue working after changing localities due to reasons such as marriage or a parent's or spouse's relocation.

■ Support for Balancing Work and Childcare

Tokio Marine Group supports the balance between work and childcare at each Group company. In recognition of proactive initiatives for employees' childcare support, Tokio Marine & Nichido, Tokio Marine & Nichido Life, Tokio Marine Millea SAST, Tokio Marine dR, Tokio Marine & Nichido Systems, Tokio Marine & Nichido Medical Service, Tokio Marine & Nichido ANSHIN 110 and Tokio Marine Asset Management were granted the Next Generation Certification (Kurumin) subsequent to accomplishing the General Business Owner Action Plan based on the Next Generation Nurturing Support Measures Promotion Law by the Minister of Health, Labour and Welfare. Of these companies, Tokio Marine &



Tokio Marine & Nichido



Tokio Marine & Nichido
Tokio Marine & Nichido Systems

Nichido and Tokio Marine & Nichido Systems have been accredited with the Platinum Kurumin for introducing and utilizing systems that support both work and childcare and maintaining these efforts at a high standard.

Tokio Marine & Nichido has established the "mama & papa career advancement support system" as a system backing the growth of employees wanting to work and advance their careers while raising children. Specifically, we have set up systems that go above and beyond what is mandated by law and support measures realizing a smooth return to work as well as a good balance between work and childcare. The number of people using these systems is increasing every year.

- A special paid leave system up to 2 weeks before maternity leave in excess of legally required minimum
- A childcare leave system up until the child turns one year and two months, as a general rule, that may be extended up to two years depending on circumstances
- A shortened work hours system that can be used from pregnancy to the end of the fiscal year when the child is in the third year of elementary school
- A paid parental leave 5 days from the start of paternal leave in excess of legally required minimum
- A paid parental leave up to 7 days before the spouse gives birth in excess of legally required minimum
- Introducing a system allowing the viewing of company information from home during childcare leave
- Implementing a telecommuting system for all employees
- Holding seminars and opinion exchange meetings for system users and their superiors and partners

Childcare Facilities and Contributions

Tokio Marine & Nichido lends out a part of its facilities as a childcare facility that can be used by its employees.

In order to support the creation of an environment where work and childcare can be balanced early on after childbirth, Tokio Marine & Nichido provides its employees with "Childcare Concierge Service," a consultation service for finding a childcare facility that suits each employee.

Tokio Marine & Nichido provides its employees with services that allow each employee to use one of approximately 800 affiliated childcare facilities, babysitters and other services nationwide at a discounted rate.

Tokio Marine & Nichido also provides its employees with "Mama Mentor" system that creates an environment where a new mom employee can easily consult with a senior mom employee on balancing work and childcare.

In recognition of these systems and the company's other proactive initiatives for employees' childcare support, Tokio Marine & Nichido has received the following awards thus far.

Date	Sponsor	Category	Award
July 2015	Gunma Prefecture	System of certifying dynamic "G Companies" in Gunma Prefecture in fiscal 2015	Gold certification
October 2015	Kobe City	System of commending enterprises encouraging active engagement of both male and female employees in fiscal 2015	Selected by Kobe City as an enterprise encouraging active engagement of both male and female employees
April 2016	Osaka City	System certifying leading companies in empowering females in Osaka City	Selected as a 2-star Ikumen certified company
January 2017	Aichi Prefecture	System certifying companies empowering females in Aichi	Certified by Aichi Prefecture as a company empowering females
July 2017	Nagoya City	System certifying companies promoting a good work/life balance in Nagoya	Certified by Nagoya City as a company promoting a good work/life balance
February 2018	Gunma Prefecture	System of certifying dynamic "G Companies" Gold certification in Gunma Prefecture	Outstanding award for being an excellent workplace for fiscal 2017
April 2018	Iwate Prefecture	System certifying companies empowering females in Iwate	Certified by Iwate Prefecture as a company empowering females
February 2019	Toyohashi City	System certifying and awarding companies supporting childcare in Toyohashi City	Certified by Toyohashi City as a company supporting childcare
February 2020	Gifu Prefecture	System certifying excellent companies promoting a good work/life balance in Gifu	Certified as an excellent company
March 2020	Shiga Prefecture	System certifying companies promoting a good work/life balance in Shiga	Certified as an excellent company

* Listing of awards received in the past six years

[Sustainability Performance Data \(Retiree rehiring system, maternity leave system, etc.\) >](#)

2.2.5 Promoting Health and Productivity Management

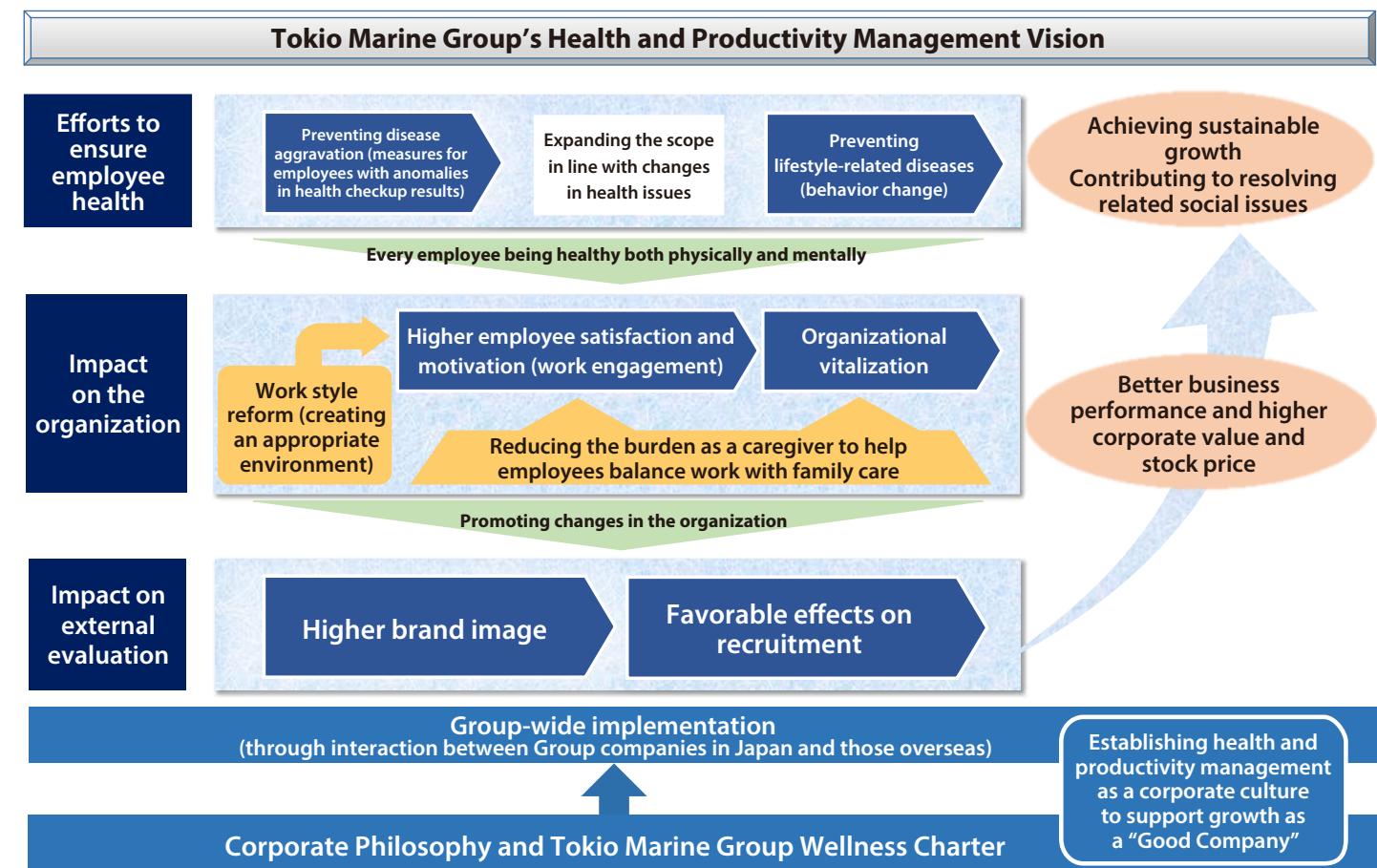
2.2.5.1 Our Stance on Promoting Health and Productivity Management

Maintaining and enhancing the physical and mental health of our employees, the driving force enabling us to continue as a company that provides safety and security to customers and is trusted and chosen by customers, is a critical theme of the utmost priority.

Each Tokio Marine Group company has been making efforts to create an environment in which employees can work with enthusiasm by providing both physical and mental healthcare for its employees.

○ Tokio Marine Group's Health and Productivity Management Vision

Tokio Marine Group regards employees as one of our most valuable assets and their health as a critical management issue. We seek to ensure the physical and mental health of employees so that they can work enthusiastically with higher levels of satisfaction and motivation, support health promotion efforts of customers, local communities and society as a whole and help to resolve related social issues. By doing so, we ultimately aim to achieve the Group's sustainable growth.



◎ Tokio Marine Group Wellness Charter

In order to instill Tokio Marine Group's vision of and thinking behind health and productivity management throughout Group companies in and outside Japan, we have formulated the Tokio Marine Group Wellness Charter as health-related guidelines for employees. To disseminate the charter to Group companies overseas, we created both Japanese and English versions.

Tokio Marine Group regularly holds training sessions for employees responsible for health and productivity management at each Group company in Japan. In addition to applying health and productivity management measures throughout the Group and improving content, we have distributed a video message from the CWO in English for employees at overseas Group companies and put together a feature story on health and productivity management in the Group newsletter, among various efforts, to help employees internalize the philosophy behind the Tokio Marine Group Wellness Charter throughout Group companies in and outside Japan.



[Tokio Marine Group Wellness Charter](#)

Declaration of Health and Productivity Management

Tokio Marine & Nichido, a major Tokio Marine Group company, is promoting an array of initiatives under its Declaration of Health and Productivity Management, which states that employees represent the most important driving force in becoming and continuing to grow as a "Good Company" chosen by customers, and that Tokio Marine & Nichido proactively seeks to maintain and promote the physical and mental health of employees and their families.

◎ Relationship between Tokio Marine Group's Health and Productivity Management Vision and Health-Related Measures

Tokio Marine & Nichido considers there are two axes to the kind of health it pursues through its health and productivity management efforts, namely the health of individual employees and the health of the organization. Accordingly, the company has established the following four items as its ultimate health-related target indexes and defined numerical targets for three of them. It is necessary to implement measures to reduce absenteeism related to non-occupational illness or injury. Equally important is creating systems and a corporate environment that enables employees to take time off when necessary. These elements are vital in developing workplaces that enable employees to thrive and have long careers. For this reason, Tokio Marine & Nichido will focus on the analysis of factors without setting specific targets for the time being.

Ultimate health-related target indexes		Targets for 2023
Health of individual employees	Improvement in presenteeism*1	63.0
	Improvement in absenteeism	—
	Enhancement of work engagement*2	2.75
Health of the organization	Enhancement of the organization's vibrancy level*2	3.00

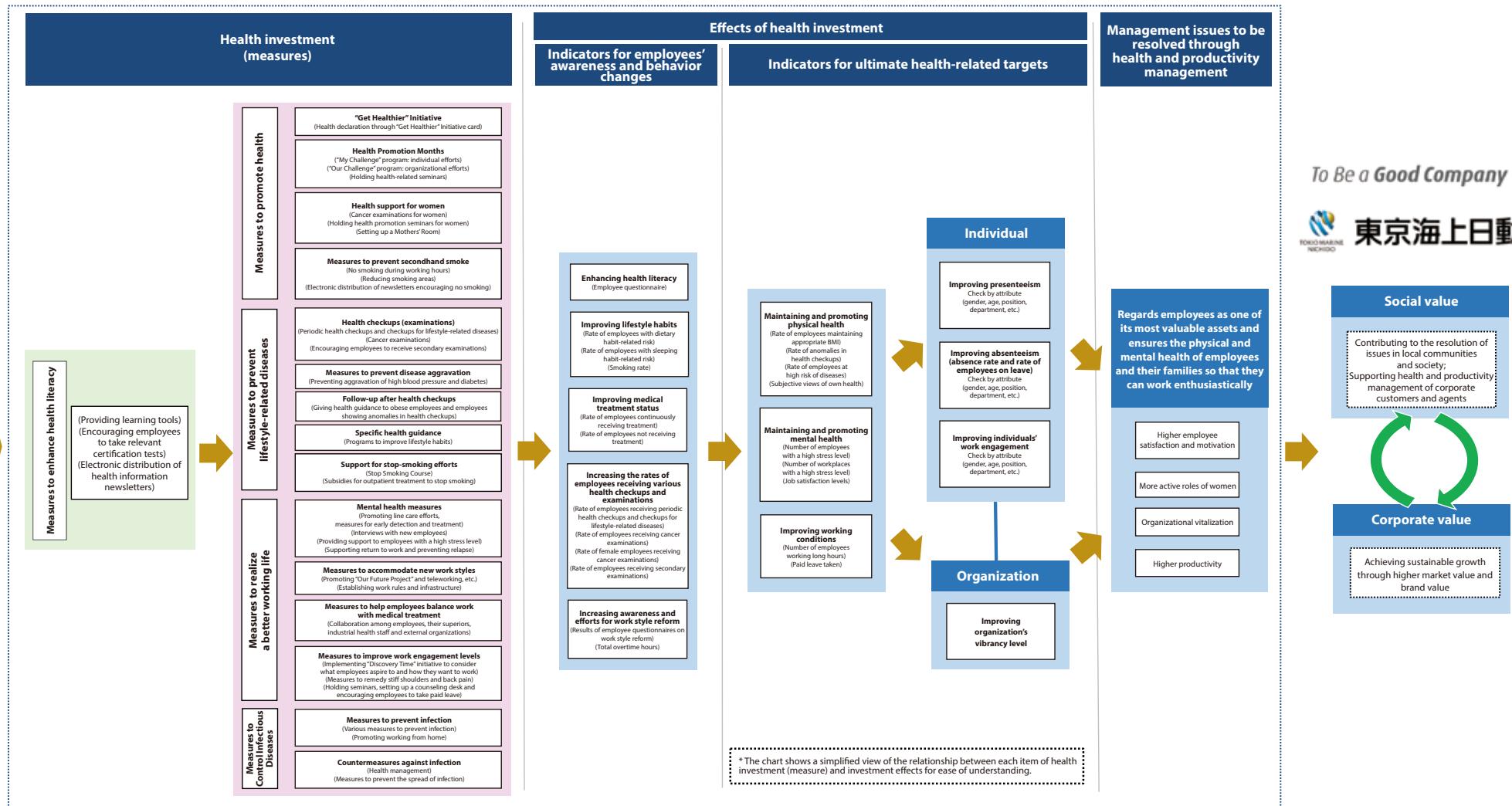
*1 Absolute presenteeism identified by the WHO Health and Work Performance Questionnaire (WHO-HPQ) (maximum: 100)

*2 Responses to employee questionnaires (maximum: 4.0)

For the four indexes, Tokio Marine & Nichido collaborated with the Health Insurance Association and analyzed health-related data, including the results of health checkups. It has been shown that presenteeism, absenteeism, work engagement and the organization's vibrancy level are all statistically related to lifestyle-related disease risk, mental health risks and the work environment.

Tokio Marine & Nichido has always worked to promote health through four priority measures. They are "measures to promote health" based on a population approach to improving lifestyle habits; "measures to prevent lifestyle-related diseases" that prevent the aggravation of lifestyle-related diseases and encourage various types of health checkups; "measures to realize a better working life," which include mental health measures; and "measures to enhance health literacy" that constitute the basis for all health-related behavior. As the analysis of data has confirmed that these efforts contribute to the enhancement of individual and organizational performance, these health-related measures have taken on increased importance.

Relationship between Tokio Marine Group's Health and Productivity Management Vision and Health-Related Measures

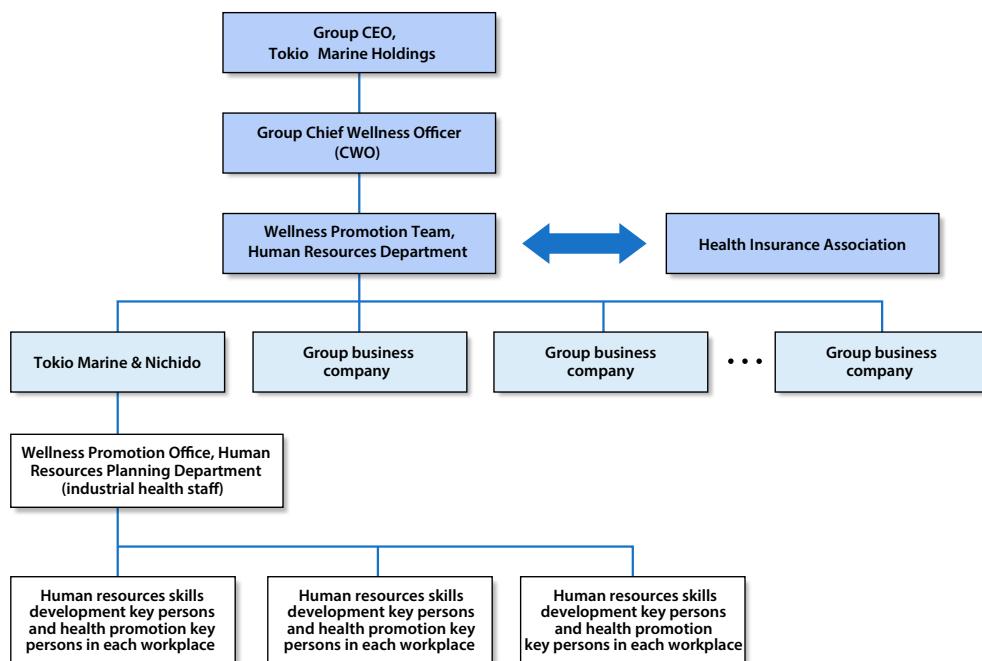


Group-wide implementation (through interaction between Group companies in Japan and those overseas)

◎ Promotion Structure

Overseen by the Group CEO, our efforts to promote health and productivity management are led by the Group Chief Wellness Officer (CWO), who is also the Group Chief Human Resources Officer (CHRO), and the Wellness Promotion Team set up within Tokio Marine Holdings. We are also making collaborative health promotion efforts jointly with the Health Insurance Association.

Additionally, with the aim of extending efforts to ensure employee health to all employees working across Japan, Tokio Marine & Nichido has established a system of collaboration between industrial health staff (including industrial physicians and public health nurses) stationed at 46 locations nationwide and key persons appointed in each workplace respectively for human resources skills development and health promotion. Using this Tokio Marine & Nichido's effort as a benchmark, we are implementing a similar system in other Group companies in a phased manner.



2.2.5.2 Health and Productivity Management / Occupational Health and Safety Initiatives and External Evaluation

◎ Efforts to Ensure Employee Health

For its efforts to ensure employee health, as described in Tokio Marine Group's Health and Productivity Management Vision, Tokio Marine & Nichido has defined the following priority measures based on "Data Health" plans created in collaboration with the Health Insurance Association as well as the results of analysis of health checkup and various other health-related data.

• Measures to Enhance Health Literacy

We regard health literacy as a basis of health actions and work to raise the level of health literacy among employees so that they become mindful of their own health and that of people around them, willingly learn about health measures and voluntarily make health promotion efforts.

• Measures to Promote Health

We believe ongoing efforts by employees themselves are essential in maintaining and promoting their health. We strive to enhance the health of all employees by implementing measures to support their efforts, providing necessary tools and encouraging individual and organizational efforts.

• Measures to Prevent Lifestyle-Related Diseases

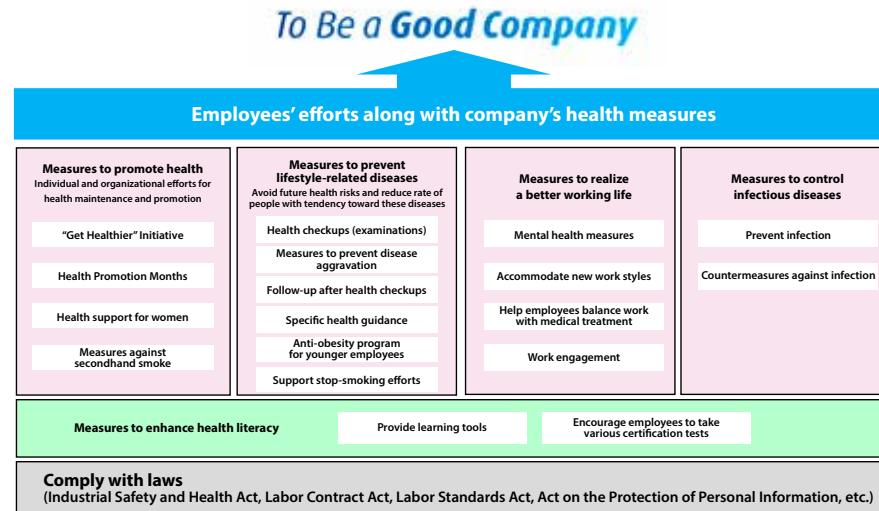
A lifestyle-related disease is a health issue that greatly affects both the current life of an employee and his or her life after retirement. As an effort to prevent the onset and aggravation of lifestyle-related diseases, we proactively provide support by industrial health staff as necessary based on the results of health checkups.

• Measures to Realize a Better Working Life

In order to ensure the physical and mental health of employees, attention needs to be paid not only to the health status of individuals but also to factors affecting it, such as the workplace environment and their attitude toward work. We implement mental health measures led by supervisors in each workplace and industrial health staff and help employees balance work with medical treatment so as to enable them to work with vitality and with a higher level of work engagement and lead a fulfilling life.

• Measures to Control Infectious Diseases

We take thorough measures to prevent infection, implement countermeasures against infection and encourage vaccination to protect employees from influenza, COVID-19 and other infectious diseases in order to minimize their impact on the continuity of our business operations.



• Legal Compliance

The Industrial Safety and Health Act, Health Promotion Act and other relevant laws and regulations form the basis of all our initiatives in this area. We comply with these laws and regulations in every aspect, from conducting periodic health checkups and stress checks to protecting personal information.

Each Group company has established an industrial safety and health management framework in accordance with the Industrial Safety and Health Act to fulfill its obligation to ensure the appropriate consideration of safety. Specifically, Group companies appoint an industrial physician and health officer and set up a health committee at each domestic business site with more than 50 employees. The committee, composed of an industrial physician, health officer, persons in charge of health management and persons selected from the employee labor union, meets once per month to deliberate on measures for physical and mental health maintenance and promotion and improving the workplace environment as well as measures for preventing health disorders, including those resulting from overwork.

◎ Examples of Major Health Measures

■ "Get Healthier" Initiative

[Goals]

Reduce the number of employees facing imminent lifestyle-related risks. ⇒ Increase the number of employees with healthy BMI value. ⇒ Reduce the number of employees with lifestyle-related diseases. ⇒ Improve presenteeism and absenteeism.

[Details]

This is an all-participation health promotion initiative designed to enable employees to maintain and promote their health. As part of this initiative, we have been holding the Health Promotion Months campaign in every October and November for more than 30 years since 1990. We have also been working to increase the rate of participation and achieve better effects in improving lifestyle habits by making adjustments to how we conduct the initiative. Adjustments to date include providing menus of activities ("My Challenge" and "Our Challenge" programs) to support individual and workplace efforts, respectively. We have also appointed health promotion key persons in each workplace and introduced a web-based version. Furthermore, we organize a President's Award program and have introduced an AI-based health app course. In fiscal 2020, we started providing a course to learn lifestyle habits suited for the times of COVID-19.

[Benefits]

Statistical analysis has confirmed that participants of the various "My Challenge" courses tended to benefit from improvements in lifestyle habits related to the corresponding course they participated in. For example, many employees who participated in the Walking Course in fiscal 2018 saw improvements in their physical activities and exercise habits at the time of health checkups conducted in the following year (Figure 1). Also, participants in the Sleep Improvement Course showed an improvement in their sleeping habits in the following year and participants in the Eat Breakfast Every Morning Course improved their eating habits.

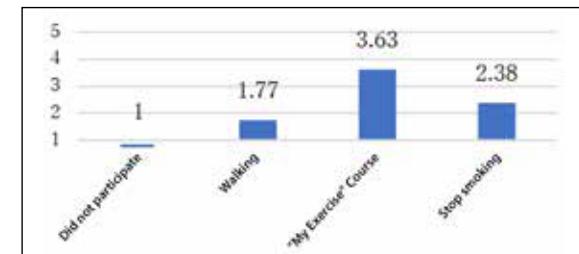


Figure 1: Potential for improvements in participants' exercise habits in the following fiscal year's health checkup

Compared with employees who did not participate in any of the "My Challenge" courses, participants of the Walking Course, "My Exercise" Course and Stop Smoking Course were 1.77 times, 3.63 times and 2.38 times, respectively, more likely to show an improvement in their exercise habits.

Additionally, many obese participants in the Radio Calisthenics Course and "My Exercise" Course (a course that participants set their own exercise goals) were shown to reach a desirable weight in the following fiscal year's health check-up. In this way, participation in the "My Challenge" program has proved to be an effective means to not only improving lifestyle habits but also decreasing obesity (Figure 2).

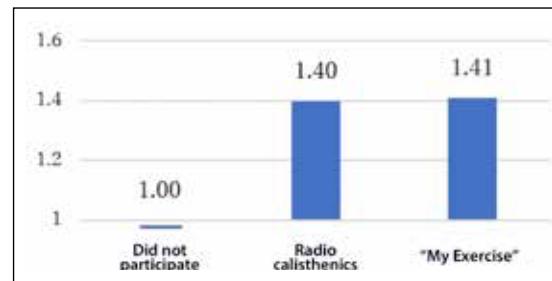


Figure 2: Likelihood of an obese employee to reach a desirable weight in the following fiscal year's health checkup

Compared with employees who did not participate in any of the "My Challenge" courses, participants of the Radio Calisthenics Course or the "My Exercise" Course were both 1.4 times more likely to reach a desirable weight.

The "Our Challenge" program, which encourages participation per organization, has been shown to be an effective means toward improving lifestyle habits. Many participants in the Lose Weight Course saw their eating habits improve while employees participating in the Walking Course were shown to have improved in their physical activity habits. Results of data analysis suggest that the "Get Healthier" Initiative is effective in preventing presenteeism and work engagement from getting worse and is expected to both reduce lifestyle-related disease risks and increase productivity.

Cost Effectiveness of the "Get Healthier" Initiative

According to the data analyzed by Tokio Marine & Nichido, employees who had below average presenteeism in fiscal 2017 fared even worse in fiscal 2019. In contrast, the worsening of the presenteeism was kept in check by 25.5% for approximately 1,500 employees who participated in the "My Challenge" program of the "Get Healthier" Initiative for two consecutive years in fiscal 2017 and 2018.

If the positive change in the presenteeism of these 1,500 employees was converted into a monetary value, its cost effectiveness amounts to about 160 million yen annually, even with the deduction of the costs incurred by their participation in the "Get Healthier" Initiative. The findings showed that the "Get Healthier" Initiative, which is a population approach with a relatively low per-employee cost, was actually very cost-effective for a specific group of employees. We will continue to formulate effective and efficient measures through the analysis of cost effectiveness.

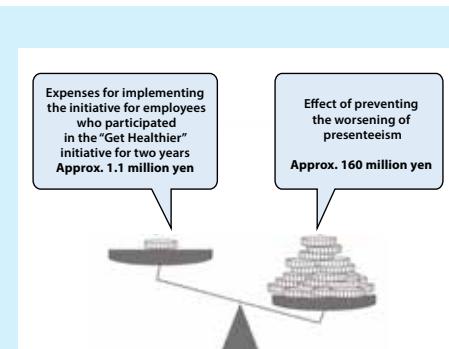


Figure 3: Cost effectiveness of the "Get Healthier" Initiative

The worsening of the presenteeism was kept in check for approximately 1,500 employees who participated in the "Get Healthier" Initiative for two consecutive years. The benefits (approx. 160 million yen) greatly outweighed the expense of implementing the initiative for these employees (approx. 1.1 million yen).

[Future initiatives]

According to an employee questionnaire, approximately 90% of participants in fiscal 2019 were "satisfied" or "somewhat satisfied" with the "Get Healthier" Initiative. Going forward, we will also consider ways to present data demonstrating the benefits of participating in the initiative as an effective means of preventing lifestyle-related diseases. In this way, we will exercise ingenuity to ensure that employees are able to voluntarily, as opposed to passively, participate in the initiative and have fun, which in turn is expected to improve the satisfaction level of participants.

■ Measures for Employees at High Risk of Lifestyle-Related Diseases

[Goals]

Increase the percentage of employees getting medical treatment while reducing the percentage of employees not getting medical treatment. ⇒ Reduce the percentage of high-risk employees. ⇒ Improve presenteeism and absenteeism.

[Details]

We conduct an interview by an industrial physician with all applicable high-risk employees and encourage appropriate medical treatment and behavior change by recommending medical consultation, collaborating with their primary doctors and providing health guidance through public health nurses. We follow through until there is an improvement in their data. We set a predetermined threshold for blood pressure and blood sugar levels and categorize high-risk employees according to age, whether they have undergone treatment and other criteria. After that, we decide the intervention methods that are most necessary for the employees in each category.

Moreover, the results of multi-year analysis on health checkup data revealed that 50% of employees showing high blood pressure (levels II and III in some guidelines) did not apply to these levels in the previous year. To prevent aggravation and suppress an increase in the number of employees developing higher blood pressures, our public health nurses are providing health guidance and disseminating related information via e-mail to employees with level-I high blood pressure.

[Benefits]

In fiscal 2018, 63.8% of employees with high blood pressure and 42.5% of employees with high blood sugar levels were diagnosed as not having symptoms in the following fiscal year (Figure 4).

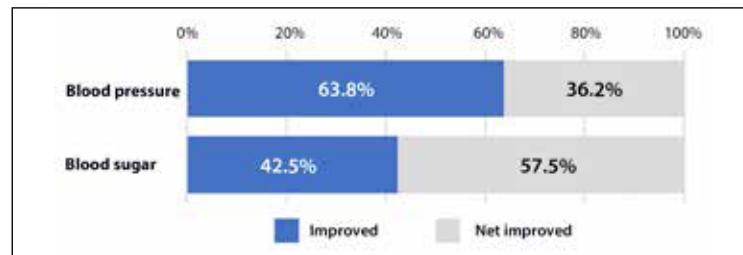


Figure 4: Percentage of employees who participated in measures to address high-risk conditions in fiscal 2018 who showed improvements in the following fiscal year

[Future initiatives]

With the average age of our workforce rising, measures to aid high-risk employees are becoming increasingly important. Looking ahead, we will continue to implement two-pronged measures to provide support for the health of our workforce. One is to arrange an intervention to aid high-risk employees and another is to prevent an inflow of more employees into the high-risk group so that employees can thrive over long careers.

■ Anti-Obesity Program for Younger Employees

[Goals]

Reduce the percentage of employees at risk of obesity due to exercise and eating habits. ⇒ Increase the percentage of employees maintaining a desirable BMI. ⇒ Reduce the percentage of high-risk employees. ⇒ Improve presenteeism and absenteeism.

[Details]

The program is designed to help younger employees below the age of 40 to reduce weight to a desirable level. It started in fiscal 2013 and the total number of participants up to fiscal 2019 has reached approximately 1,500. Over the course of the three-month program, participants work to change their lifestyle habits, including diet and physical exercise, to reduce weight and counter metabolic syndrome.

[Benefits]

Of the participants in fiscal 2019, 88.7% completed the program and 70.7% succeeded in losing weight, which showed the program was very beneficial. Additionally, 56.0% and 38.3% of participants improved their eating habits and their exercise habits, respectively. It is expected that the participants will continue losing weight even after the end of the program.

[Future initiatives]

An analysis of presenteeism factors indicates that risks related to obesity and eating habits can aggravate the presenteeism. The anti-obesity program for younger employees is thus expected to indirectly improve the presenteeism. The program in fiscal 2020 was suspended due to the COVID-19 pandemic, but it will be resumed in fiscal 2021.

◎ Other Health-Related Measures

■ Health Support for Women

[Applicable priority measures]

Measures to promote health; Measures to enhance health literacy

[Details]

Our measures to support the health of female employees include holding seminars, providing a variety of related information and establishing a hotline dedicated to receiving health-related consultations from female employees.

In fiscal 2019, we invited an outside expert specialized in the management of working women's health to give a seminar on supporting women's health. The seminar was held with the participation of all employees via our corporate satellite network (CSN). In fiscal 2020, we held multiple online seminars on practicing mindfulness as part of a stress management program.

Regarding the examples of providing a variety of information, we send internal notifications, individual notices of an upcoming health checkup and e-mail messages as a means to encourage female employees to receive examinations for breast and uterine cancers. In an effort to increase their motivation to receive the screening, we include in these notices various data, such as the prevalence and mortality of these cancers; the cure rate following early detection; screening rate by age group; and Q&As about cancer examinations. By sending related information to all employees, we intend to communicate and facilitate an understanding of our health support measures for female employees in the hope that they provide an opportunity for employees to think about the health of women around them, including families and colleagues. Besides providing information, we set up a hotline dedicated to receiving health-related consultations from female employees so that they can feel at ease in seeking advice.

The "Get Healthier" Initiative, a part of the Health Promotion Months project, includes the Women's Health Course that focuses on health issues unique to women, promotes efforts to maintain the balance of physical and mental health and provides opportunities to improve the everyday habits of female employees.

In addition, Tokio Marine & Nichido set up a Mothers' Room within its head office where many female employees are working. It is a space used by female employees for lactation or resting when they are not feeling well because of a hormonal imbalance. It has been well received as a comfortable space, and it also fulfills the need to return to work early after giving childbirth.

Mental Healthcare

[Applicable priority measures]

Measures to realize a better working life

[Details]

Each Tokio Marine Group company actively promotes mental health measures as we recognize the importance of pursuing the maintenance and improvement of employees' mental health in terms of corporate management. Specific efforts include setting up a mental health counseling desk and using stress checks to promote self-care and analyze issues at an organizational level in order to maintain a good workplace environment. Going a step beyond line care efforts in the workplace, we have established a system for new employees, in particular, to check their health conditions periodically and provide early support using a multi-faceted approach involving public health nurses, persons in charge of human resources and other relevant parties.

For employees working in the claims service departments, we have also launched a mind care program to enable them to always maintain good mental health conditions as professionals when facing customers who have encountered an accident or disaster.

Tokio Marine & Nichido has established the Basic Policy on Mental Health Measures. Under this policy, supervisors at respective workplaces and industrial health staff collaborate to proactively implement various measures. These include efforts to maintain sound mental health, measures to encourage early detection and treatment as well as measures to care for employees with mental health issues. Since 2012, the company has also been making efforts to improve work engagement, which is considered a primordial prevention measure for mental illnesses. As data analysis has revealed a link

between worsening mental health and absenteeism, we will continue to implement the plan-do-check-act (PDCA) cycle and help employees work with enthusiasm.

Creating a Comfortable Workplace Environment

[Applicable priority measures]

Measures to realize a better working life

[Details]

Tokio Marine Group is not only satisfying various standards stipulated under laws and regulations related to the workplace environment but also promoting the creation of a comfortable workplace environment that takes into consideration lighting, noise, ventilation, temperature, humidity and other ergonomic aspects. At the same time, we are working to prevent health problems caused by sedentary work by installing stand-up meeting spaces and other office facilities to increase the amount of physical activity and encouraging employees to have a break standing up.

Further, we are committed to increasing job satisfaction as part of efforts to improve our workplaces. As an example, Tokio Marine & Nichido established the "Our Future Project" to encourage the use of digital technology to streamline work and realize new work styles. The company is taking concerted efforts to eliminate the use of paper and seals in all of its tasks to facilitate more efficient work operations.

As we have been implementing telecommuting for all of our employees, we have worked to enable them to flexibly choose where and when to work by enhancing the "hardware" aspects of work, which include providing laptops and smartphones and increasing the availability of web communication tools. To support the "software" aspects of work, we have enhanced the "My Select" system to enable employees to choose their own working hours. In this way, we are actively encouraging flexible work styles that best suit our employees' lifestyles.

We have also been taking a holistic approach to ensure smooth communication, which becomes an issue when encouraging flexible work styles, including the "Discovery Time" initiative involving all the branch offices. The initiative is aimed at achieving various beneficial effects, such as facilitating active communication in workplaces, improving the quality of work relationships and enhancing employees' work engagement.

We are striving to find out how the prolonged remote working due to COVID-19 has been mentally and physically impacting employees at Group companies both in and outside Japan as well as how they are trying to alleviate the effects. We will appropriately respond to identified issues and consider applying good practices to other Group companies.

[Sustainability Performance Data \(Percentage of employees who received health checks, industrial accidents, etc.\) >>](#)

◎ Evaluation and Improvement of Health and Productivity Management Initiatives (PDCA)

While discussing with management the analysis results of various health-related data, including the results of health checkups, stress checks and employee questionnaires, Tokio Marine & Nichido defines key performance indicators (KPIs) for its entire health and productivity management efforts (e.g., improvement of presenteeism), intermediary KPIs (e.g., rate of anomalies in health checkups) and indicators for awareness and behavior changes (e.g., improvement in lifestyle habits and rates of employees receiving health checkups and other examinations) linked to these intermediary KPIs and respective targets.

The company monitors the trends of KPIs for individual measures, verifies the effectiveness of each measure and works for improvement while rotating the PDCA cycle. As for its entire health and productivity management efforts, the company also rotates the PDCA cycle by continuously evaluating and analyzing the corresponding KPIs, reviewing the conditions by attribute (gender, age, department, position, geographical area, etc.) and checking if there are health issues for which new measures should be considered. Toward realizing Tokio Marine Group's Health and Productivity Management Vision, which serves as a framework to evaluate its initiatives to enhance its corporate value in a sustainable manner, the company also verifies the impact on external evaluation on a continuous basis.

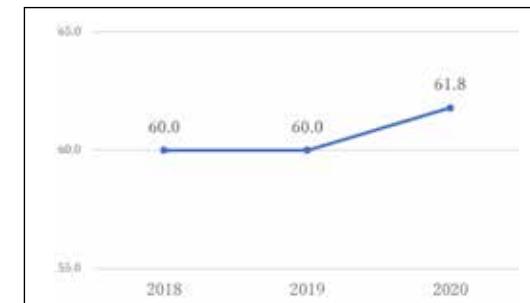
■ Example Verification Results for KPIs for Entire Health and Productivity Management Efforts

[Presenteeism]

Presenteeism improved company-wide from fiscal 2019 to 2020 (Figure 5). The analysis of the results of a health survey conducted during the COVID-19 pandemic suggests that employees who spent more of their working hours at home tended to fare better in terms of presenteeism. The telecommuting system, which has been strongly encouraged as a new work style, may have contributed to the improvement.

A data analysis also indicates that the "Get Healthier" Initiative, a concerted company-wide health effort, effectively improves lifestyle habits and prevents the worsening of presenteeism. We will keep working to get more employees involved in the "Get Healthier" Initiative while verifying other measures that are expected to generate benefits in terms of presenteeism with the aim of increasing the effectiveness of our health measures.

[Cost Effectiveness of the "Get Healthier" Initiative >>](#)

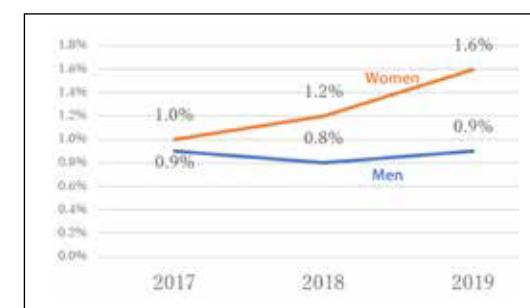


* The figure for fiscal 2020 is preliminary.

Figure 5: Change in presenteeism

[Absenteeism]

Figures for absenteeism (the percentage of employees who miss one or more days of work in a year) have remained unchanged in men but have been increasing in women (Figure 6). Women's absenteeism is largely attributed to illnesses related to pregnancy and childbirth. We believe this is a result of our institutional efforts to make it easier for employees to take leaves of absence and improve our workplace climate in pursuit of workplaces that enable women to have long careers.



* Figures for fiscal 2020 are currently being tabulated.

Figure 6: Change in absenteeism

[Work engagement]

Work engagement at Tokio Marine & Nichido fares better than national and industry averages (Figure 7). An analysis has identified that work engagement is closely related to job satisfaction and work aptitude, both of which have improved from fiscal 2019 to fiscal 2020. It is thereby expected that the company's work engagement will continue to improve.

The "Get Healthier" Initiative has been shown to help prevent the worsening of work engagement. We will conduct a deeper analysis of how the continuation of various measures, such as work engagement seminars and the reform of work styles, influences the index. In this way, we will work to develop effective measures to improve work engagement.

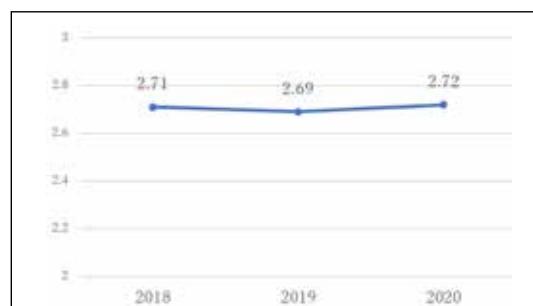


Figure 7: Change in work engagement

* The figure for fiscal 2020 is preliminary.

[The Organization's Vibrancy Level]

The organization's vibrancy level is the newest index that Tokio Marine & Nichido began monitoring in fiscal 2020 as a KPI for health and productivity management (Figure 8). According to an analysis

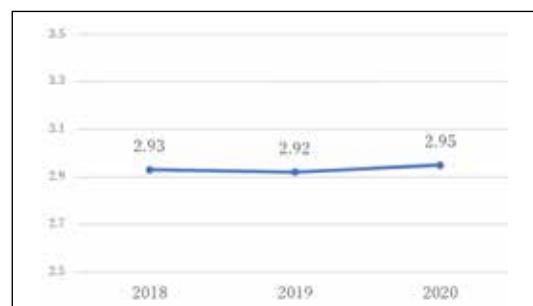


Figure 8: Change in the organization's vibrancy level

* The figure for fiscal 2020 is preliminary.

of factors, an organization's vibrancy is related to its work environment, including relationships in the workplace and support from superiors and colleagues. At the same time, it is also related to the health condition of individual employees that make up the organization, such as the maintenance of a desirable weight as well as the minimization of depression, irritation and other physical and mental health issues. Since the organization's vibrancy level is also strongly correlated with work engagement, another KPI, improving these two indexes has the potential to generate synergistic effects.

To promote individual employees' health and develop better relationships in the workplace, we will remain committed to providing support for female employees' health, mental healthcare, the "Get Healthier" Initiative and other health initiatives as we continue to monitor how these efforts will enhance our performance in the index.

Other Related Indexes

[Sustainability Performance Data \(Employee attitude survey\) >>](#)

Example Verification Results for External Evaluation

- Evaluating the impact of career choice popularity rankings on recruitment (Results of verification: High rankings have been maintained in company popularity surveys among job-seeking undergraduates conducted by Mynavi Corporation and Nikkei Inc. since being selected for the first time as a Health & Productivity Stock.)
- Identifying changes in the number of corporate customers to which Tokio Marine Group has provided support in health and productivity management (Results of verification: There has been an increase in the number of corporate customers being recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program sponsored by the Ministry of Economy, Trade and Industry (METI).)

[Contributing to the Creation of a Safe and Secure Society \(People: Building a Society Based on Health and Longevity\) >>](#)

Health issues change constantly in line with changes in society, companies and the workplace environment. In recent years, in response to the promotion of diversity and inclusion, we have been providing finely tuned support to health-related issues specific to women by leveraging our workplace-based industrial health system.

As another measure to support the health promotion efforts of employees, we operate sports facilities, including a sports field and gymnasium, in which we have invested some 360 million yen. We also offer a variety of welfare systems, including welfare programs that provide a menu of activities to encourage the use of fitness clubs. These are believed to have had a positive impact on the effectiveness of individual health and productivity management measures.

In the future as well, we will anticipate an impact of these changes on employee health and support work styles with higher productivity from the health aspect by preventing health issues from becoming prevalent.

◎ Selected as Health & Productivity Stock and Recognized under METI's 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program

As a result of these initiatives, Tokio Marine Holdings was selected as a "2021 Health & Productivity Stock" co-sponsored by METI and the Tokyo Stock Exchange for the sixth consecutive year since 2016 for its outstanding health and productivity management.

At the same time, many Tokio Marine Group companies were recognized under METI's 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program. Tokio Marine Holdings, Tokio Marine & Nichido and Tokio Marine & Nichido Life were selected for the fifth consecutive year; Tokio Marine & Nichido Systems and Tokio Marine & Nichido Medical Service for the fourth consecutive year; Tokio Marine & Nichido Risk Consulting (currently Tokio Marine dR) for the third consecutive year; Nisshin Fire & Marine Insurance, Tokio Marine Assistance and Tokio Marine & Nichido Outsourcing Management for the second consecutive year; and Tokio Marine Asset Management, Tokio Marine Nichido Better Life Service and Tokio Marine & Nichido ANSHIN 110 for the first time. Of these, Tokio Marine Holdings, Tokio Marine & Nichido, Tokio Marine & Nichido Life, Tokio Marine & Nichido Medical Service, Tokio Marine & Nichido Systems and Tokio Marine & Nichido Risk Consulting (currently Tokio Marine dR) were in the top 500 group and certified as "White 500" companies.

In the small- to medium-sized enterprise category, the program



recognized E. design Insurance, Tokio Marine Millea SAST Insurance, Tokio Marine & Nichido Partners Hokkaido, Tokio Marine & Nichido Partners Tohoku, Tokio Marine & Nichido Partners East, Tokio Marine & Nichido Partners TOKIO, Tokio Marine & Nichido Partners Tokai Hokuriku, Tokio Marine & Nichido Partners Kansai, Tokio Marine & Nichido Partners Chugoku Shikoku, Tokio Marine & Nichido Partners Kyushu, Tokio Marine & Nichido Anshin Consulting, MMC Insurance Services, Tokio Marine & Nichido Auto Support Center and Nisshin Fire Insurance Service. Of these companies, Tokio Marine & Nichido Partners Kansai and Tokio Marine & Nichido Anshin Consulting were selected as excellent small- to medium-sized enterprise and certified as "Bright 500" companies.

Efforts to ensure the physical and mental health of employees and their families, enhance health literacy and voluntarily and continuously maintain health are becoming increasingly important as they form the foundation of employee productivity and make Tokio Marine Group's products and services an attractive option for customers. We will use this selection as motivation to work to enhance the health of employees as well as further expand and develop health and productivity management.

2.2.5.3 Efforts to Spread Health and Productivity Management throughout Society

Tokio Marine Group is committed to its own health and productivity management. At the same time, from the perspective of revitalizing regional economies and local communities, we provide support to companies working to improve health and productivity management. For example, we have organized health and productivity management seminars in various locations, engaged in awareness-raising activities in cooperation with local governments, chambers of commerce and other organizations and provided information through our sales representatives. In the Partnership Declaration we created together with business partners, we have announced our commitment to health and productivity management and our support for local companies, which are a part of our initiatives spanning the entire value chain.

◎ Supporting Customers' Health and Productivity Management

As Japan's labor force shrinks, managing employee health and creating a good working environment have become important management issues in order to ensure sustainable corporate growth. Tokio Marine Group has formulated a philosophy and policy with employee health positioned as a core theme for management, and related issues are being addressed.

We were selected as a “Health & Productivity Stock” for the sixth consecutive year in recognition of these efforts. We support the promotion of corporate health and productivity through a range of services in order to deliver the know-how we have gained from these initiatives to customers.

In the Tokio Marine Group Wellness Charter, we declare that we will contribute to the resolution of social issues and realization of a healthier and more prosperous future by supporting health promotion efforts of our customers, communities and society as a whole.

<Initiatives of Tokio Marine & Nichido>

Tokio Marine & Nichido works to raise awareness for health and productivity management and supports relevant efforts of local companies by issuing booklets compiling example initiatives of companies engaging in health and productivity management, hosting related seminars across Japan and cooperating with local governments, chambers of commerce and other organizations. The company also provides support to companies seeking to obtain certification as a Health & Productivity Management Organization. The number of companies we support has been increasing year after year. In fiscal 2020, we provided support to approximately 2,000 corporate customers and, consequently, many of our corporate customers and agents have successfully received the certification.

Additionally, Tokio Marine & Nichido suggests the use of an AI-based health app provided by Link & Communication Inc., a capital and business alliance partner of Tokio Marine Holdings, to its corporate customers to support their employee health management.

<Initiatives of Tokio Marine & Nichido Medical Service (TMS)>

TMS has doctors and other healthcare professionals in-house and carries out business in the medical and health fields. As a total healthcare consulting company, TMS offers health promotion measures to increase health knowledge of corporate customers' employees and encourage their behavior change in addition to a 24/7 telephone health consultation service and a mental health support service.

Since fiscal 2020, TMS both enhanced the lineup of industrial health-related services and expanded the area coverage in order to provide services across Japan to help corporate customers promote health and productivity management from an industrial health perspective.

<Initiatives of Tokio Marine dR (TdR)>

In enforcing health and productivity management more effectively within a company, it is crucial that the company and its health insurance association make collaborative efforts to promote health measures while appropriately capturing employees' health issues.

TdR analyzes various data held by companies and health insurance associations, including health checkup results, prescriptions data and health measure outcomes. The company then performs quantitative evaluation* of the relationship between the data and medical expenses or health inhibiting factors to develop highly effective health promotion measures. By doing so, TdR supports the reduction of health-related risks and improvement of productivity (such as lower presenteeism). TdR also provides support for the establishment of various corporate systems essential for promoting health and productivity management and for implementation of health promotion measures effective to contend with a variety of health-related issues.

* Using insight and knowledge gained through an ongoing joint research project since 2014 with the Healthcare Data Science Research Unit of the Institute for Future Initiatives (formerly the Policy Alternatives Research Institute), The University of Tokyo

◎ Support for Mental Health Management

Tokio Marine & Nichido Medical Service offers the Employee Assistance Program (EAP) to support the mental health management of companies. Besides conducting stress tests as required under the Industrial Safety and Health Law, EAP provides a comprehensive menu of services by a team of experts including psychiatrists, clinical psychotherapists and personnel and labor consultants. These services range from follow-up for employees based on the results of employee stress checks and supporting improvement activities for individual workplace environments to providing supportive care during a leave of absence or when returning to work, preventing recurrence, analyzing stress level tendencies in organizations and consulting on how to create a mental health framework.

As mental health measures for employees, many companies have adopted the support services of Tokio Marine & Nichido Medical Service's expert team. The purpose is to improve their working environment both for prevention and early detection of mental illness caused by workplace harassment and other factors as well as for increasing employee engagement. EAP is currently being used by more than 700,000 employees. The company will continue to offer this program to everyone needing this type of support to assist them in maintaining better mental health.

[\[↗ Tokio Marine & Nichido Medical Service TMS NAVIGATOR \(in Japanese\)\]](#)

2.2.6 Contributing to the Creation of a Safe and Secure Society

2.2.6.1 Basic Approach to the Creation of a Safe and Secure Society

Tokio Marine Group provides products and services that anticipate changes in the social environment or customer needs by utilizing the solutions offered by respective Group companies, including insurance, thereby contributing to the creation of a safe and secure society.

Tokio Marine & Nichido Life supports customers' healthy and enriching lives by working to resolve social issues in an era of the 100-year life.

In addition, the entire Tokio Marine Group engages in a variety of activities as a member of society and respective local communities in order to promote social and economic inclusion of all people. These include activities to raise awareness of cancer and other diseases, spread knowledge about nursing care and support recovery of disaster-affected areas.

2.2.6.2 Building a Society Based on Health and Longevity

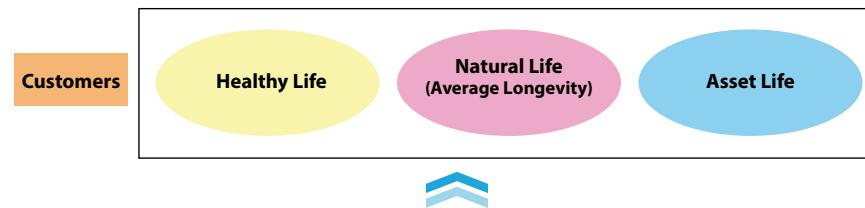
■ Initiative of *Hokenbito* (True Insurance Professionals) Activities: Resolving Social Issues in an Era of the 100-Year Life

Since its founding, Tokio Marine & Nichido Life has sought to protect as many customers as possible. Under the three initiatives called the "Movement to Protect Customers from Cancer," "Life Insurance Revolution to Protect One's Living" and "Life Insurance Revolution Nextage," the company has engaged in activities that focus on "learning," "conveying" and "assisting." In October 2019, the company put a collective name, *Hokenbito* Activities, to its ongoing initiatives. Specifically, these activities include stepping up efforts to protect customers against social issues that emerge and change with the times, including the need to lengthen "a healthy life," "a natural life" and "an asset life" in the current era of the 100-year life.

Hokenbito Activities

***Hokenbito* Activities = Learning, Conveying and Assisting Resolving Social Issues in an Era of the 100-Year Life**

Significant changes involving a declining and aging population have driven us into an era of the 100-year life with an unprecedentedly aging society. To live energetically and by one's own values in such an era, it is essential to lengthen the following three "lives." Tokio Marine & Nichido Life continues to protect customers by providing value that supports these lives.



Tokio Marine & Nichido Life and its agents/consignees make full efforts to protect customers not only by providing death coverage, the basic component of life insurance, to prepare for an emergency but also by delivering **information** and **products** needed in an era of the 100-year life.

■ Initiatives for Living Benefits: For Customers to Live with a Sense of Security after Falling Ill

Cancer and other serious diseases may require outpatient treatment and rehabilitation for a long time after being discharged from the hospital.

Tokio Marine & Nichido Life has been thinking hard about what an insurance company can do to help customers live with a sense of security with their families after falling ill. In October 2012, the company rolled out an initiative called the Life Insurance Revolution to Protect One's Living and has since been conveying the importance of living benefits broadly to customers through a message: "We have a life after being released from the hospital."

The initiative evolved into the Life Insurance Revolution Nextage in November 2017, and the company has been carrying out activities to provide optimum safeguards by protecting customers in all domains. These safeguards encompass "new protection" in preparation for advancements in medical technology, "asset building" in preparation for old age with expectations of longer lifespans and "prevention and pre-symptomatic health" with the aim of maintaining health and preventing illness.

Tokio Marine & Nichido Life's Products to Support a Society based on Health and Longevity

• Launch of *Medical Kit Yell* and *Medical Kit Yell R*, New Medical Insurance Products with Relaxed Underwriting Criteria

On August 2, 2020, Tokio Marine & Nichido Life launched new medical insurance products with relaxed underwriting criteria, which customers can enroll with a simple health conditions notification process even if they have health concerns or chronic illnesses. These products offer enhanced coverage choices matching customer needs, from short-term and long-term hospitalization to outpatient treatment, three major diseases and death. A new, special provision was also added to *Medical Kit Yell* to pay an additional cash contribution to celebrate the continued health of policyholders every five years. The two products extensively support customers' health and medical needs with the simplified notification process, a broader scope of underwriting and such additional services as making a hospital reservation to obtain a second opinion and preventing disease aggravation.

• Launch of *Anshin Disability Insurance* and Revision of *Household Income Term Insurance NEO*

On January 5, 2021, Tokio Marine & Nichido Life initiated sales of a new product, *Anshin Disability Insurance* and revised the existing *Household Income Term Insurance NEO*. The aim was to meet the need for incapacity coverage of many more customers in response to a declining birth rate and aging population as well as diversifying work styles resulting from changing lifestyles.

The two products are now available to meet such a need, with *Household Income Term Insurance NEO* offering incapacity coverage bundled with death coverage and *Anshin Disability Insurance* solely providing incapacity coverage to make up for lost income. For each product, customers can choose from three incapacity plans with a different scope of coverage.

Moreover, in order to offer discounted premiums for customers with better health, Tokio Marine & Nichido Life divided premium rates into four categories depending on the history of smoking and health conditions and relaxed the criteria of underwriting evaluation when medical checkup results are submitted by customers.

• Launch of *Anshin Nenkin Kaigo* and *Anshin Nenkin Kaigo R*

As we enter an era of the 100-year life, half of elderly persons aged 85 or older are judged as being in need of assistance or nursing care. Nursing care and dementia have thus become serious social

issues and increased the need mainly among elderly customers for prolonging coverage for nursing care and dementia. Responding to the growing need, pension-type nursing care insurance that pays a pension to cover continued nursing care expenses was released on August 23, 2021.

The lineup consists of *Anshin Nenkin Kaigo*, a non-refundable product to prepare customers for nursing care at a reasonable premium, and *Anshin Nenkin Kaigo R* that will refund, for the first time in the industry, an unused portion of insurance premiums.

Depending on customer needs, an option can be added to *Anshin Nenkin Kaigo* to receive a cash contribution if customers remain healthy without being deemed to be in need of nursing care. Another option is available for both products to receive a lump-sum payment when diagnosed with dementia or mild cognitive disorder.

Tokio Marine & Nichido Life has also simplified the enrollment procedures, allowing customers to apply for either product in a simple three-step health conditions notification process, and added new services to check brain performance and to maintain and enhance brain functionality. Consequently, these products are capable of satisfying the broad needs of customers to prepare for nursing care and dementia.

• Launch of a New Product, *Anshin Cancer Treatment Insurance*, and New Services

Coverage required for cancer treatment expenses varies between a case in which short-term treatment leads to a complete cure and a case that requires continued treatment for years. Accordingly, Tokio Marine & Nichido Life plans to release *Anshin Cancer Treatment Insurance* in February 2022. The product pays a benefit based on the duration of treatment and enables customers to make rational preparation for treatment expenses, ranging from short-term treatment for mild cancer to long-term treatment for a more severe one. A rider for specific cancer treatments will also be available to provide coverage of up to 100 million yen for the latest treatments, which could be expensive because they are not covered under the public medical insurance system.

For customers enrolled in its cancer insurance, the company will also provide new services, including miSignal™ provided by CRAIF Inc. to check cancer risk, to support early discovery and treatment of cancer.

Tokio Marine & Nichido's Dementia Support Plan and Pension-Type Nursing Care Coverage Plan with Additional Coverage for Dementia

In recent years, the number of people in need of nursing care and suffering from dementia has been on the rise in line with an aging society, and these are the issues that many people can readily relate to. Based on a desire to play a part in resolving this social dilemma, Tokio Marine & Nichido is focused on the provision of products and services corresponding to care and dementia.

In January 2019, Tokio Marine & Nichido launched the industry's first *Dementia Support Plan*, an exclusive insurance for dementia patients and their families, with the aim of helping to realize a society for them to live vibrant lives with peace of mind. This product compensates search costs when a dementia patient goes missing and liability in daily life on the part of the sufferer or their family. In addition, in preparation for when a dementia patient goes missing, the company provides emergency contact stickers from Safety Net Linkage, an organization that has a proven track record in watch-over support for the elderly, as an added service to the product so they are quickly found and taken into protective custody.

In October 2019, Tokio Marine & Nichido started providing a pension-type nursing care coverage plan with additional coverage for dementia. Based on its own research, it was clear that care compensation was not sufficiently meeting the expectations of policyholders. While the need for such compensation increases with age, standard private nursing insurance premiums during elderly years become progressively expensive.

To resolve this issue, the company designed a product with features that include replacing premiums to be paid when in need of care with fixed-term pension payments. This makes it easier to prepare for prolonged nursing care and provides more affordable premiums. Moreover, with the dementia-assistance package bundled to this product, a wide range of exclusive dementia-related services are available to help people live life with the disease, such as maintaining and enhancing brain functionality through special training and performing a self-check on brain performance using the NouKNOW™ digital tool.

Enhancement of Services Provided with Products

Tokio Marine Group provides a broad range of services that come with products, such as those for the promotion of customers' health and for providing support in case of emergency.

- **Medical Assist: Providing 24/7 Telephone Support for Customers Seeking Advice on Illness or Injury**

Medical Assist is a free health and healthcare consultation service that supports the health of policyholders and insureds of Tokio Marine & Nichido and Tokio Marine & Nichido Life, including their families. Assistance is provided via telephone 24 hours a day, seven days a week, including advice on everyday physical accidents, methods for handling emergencies such as sudden illnesses or injuries, information about hospitals, clinics and other medical facilities that examine patients on holidays or late at night, consultation with specialists in a range of more than 30 medical examination fields (by appointment only) and arrangements for transfer to other hospitals on behalf of patients.

Such concerns are addressed by experienced and knowledgeable healthcare professionals including emergency medical specialists who take leading roles in emergency medical institutions, medical specialists qualified as university professors or assistant professors, and nurses with a wealth of clinical experience. Nurses make the initial response to customer inquiries and depending on the case, emergency medical specialists and other medical staff address the issue thereafter as necessary. For example, in the case of providing consultation about a child stung by a bee, an inquiry is first made to the caller about symptoms the child is showing. Then, the caller will be advised whether to seek emergency medical care, while receiving instructions on first aid best suited for the symptoms.

 [Medical Assist: Tokio Marine & Nichido Life](#) (in Japanese)

- **“Medical Note for Tokio Marine Group” Online Service**

“Medical Note for Tokio Marine Group” is an online service that allows customers to easily, directly and individually consult and ask questions to healthcare professionals, mainly medical specialists, from their personal computers and smartphones. Its menu includes an online medical consultation service, a service to make a reservation for customers to obtain a second opinion at a hospital they choose from the list and a service to make an appointment with a listed doctor or hospital of their choice. It is available free of charge for insureds of Tokio Marine & Nichido Life (excluding those of group insurance).

• “Calomama Plus” to Support Customers’ Health Promotion

To support customers’ health management and the prevention of disease aggravation, we have introduced “Calomama Plus,” a health guidance app developed by Link & Communication Inc., in which an AI managerial dietitian supports users’ everyday life in terms of food, exercise and sleep. The app utilizes an original algorithm based on nutrition management data of over 100,000 people and provides the most appropriate advice in real time from among more than 200 million patterns. A fee-based service used for employee health management by more than 6,000 companies, the app is available free of charge to insurees of Tokio Marine & Nichido Life’s medical insurance with relaxed underwriting criteria, pension-type nursing care insurance and whole life insurance for longevity. The app enables customers to choose a program according to their individual objectives and work to promote their health or prevent disease aggravation readily and comfortably.

• Checking Brain Performance

NouKNOW™ is a digital tool provided by Eisai Co., Ltd. to check brain performance (brain health) through four simple card tests. These tests evaluate psychomotor function, attentiveness, visual learning and working memory by using personal computers, tablet devices and smartphones in a relatively short time (about 15 minutes). The tool also provides lifestyle advice for maintaining brain performance in daily life. It is available free of charge for insurees of a pension-type nursing care coverage plan with additional coverage for dementia of Tokio Marine & Nichido as well as pension-type nursing care insurance and whole life insurance for longevity of Tokio Marine & Nichido Life.

• Training for Enhancing Brain Functionality

“Train Your Brain” developed by NeU Corporation is designed to maintain and enhance working memory, attentiveness and other brain functions. The training program content has been supervised by Dr. Ryuta Kawashima, the company’s director and CTO who is well known for a series of brain training video games, and is based on the findings of brain science research over the years.

By continuing this training, users can achieve noticeable positive effects in terms of maintaining and enhancing working memory, attentiveness and other brain functions. The program is available free of charge for insurees of a pension-type nursing care coverage plan with additional coverage for dementia of Tokio Marine & Nichido as well as pension-type nursing care insurance and whole life insurance for longevity of Tokio Marine & Nichido Life.

■ Supporting the Provision of Japanese-Language Medical Services in the United States

The Japanese Medical Practice outpatient clinic operated by Mount Sinai Health System in New York City with donations from Tokio Marine & Nichido has been providing medical services in Japanese since 1990. This clinic, which just celebrated its 30th anniversary, plays a major role in providing medical services to the local Japanese community. Even under the COVID-19 pandemic, it has continued to provide medical services by also utilizing online means and played an additional role of giving vaccinations. The clinic is highly regarded by the Japanese Consulate General in New York as a medical institution providing services to Japanese people.

2.2.6.3 Responding to Technology Innovation

In the face of growing corporate social responsibility and cyber risks to companies, Tokio Marine Group sells insurance products that offer comprehensive coverage for each risk and has launched a portal site, “Tokio Cyber Port,” to disseminate information on cyber security.

As for responding to traffic technology innovation, Tokio Marine Group offers accident support services and services to assist safe driving utilizing telematics and the Internet of Things (IoT). For individual customers, the Group also promotes insurance product and service offerings that facilitate traffic safety and respond to traffic technology innovation, including *One Day Auto Insurance*.

■ Launching an Online Cyber Security Information Portal Site, “Tokio Cyber Port”

In recent years, it is becoming increasingly difficult to completely block cyberattacks, as work style reforms and widespread use of telecommuting have increased online business operations. Cyberattacks targeting companies have also become highly advanced and sophisticated. On the other hand, surveys conducted by non-life insurance industry and other organizations have revealed that the sense of crisis over cyberattacks is still low among Japanese companies as compared to their overseas counterparts. As such, increasing their cyber security awareness and reinforcing their related structures have become an urgent task.

Against this backdrop, Tokio Marine & Nichido launched “Tokio Cyber Port,” an online information lounge that compiles the latest information on cyber security measures, in January 2020. It provides a broad range of the latest information and services related to cyber security, including the latest news on cyberattacks and cyber security, columns by experts, free security services, a telephone consultation service for security incidents, an incident response manual and other useful information.

The aim is to familiarize companies with cyber security and encourage them to utilize "Tokio Cyber Port" for their cyber security measures.

Tokio Marine & Nichido was the first among leading non-life insurance companies in Japan to develop *Cyber Risk Insurance* in 2015 to support many companies in the country's cyber security domain as an insurer forming a part of social infrastructure. The company will continue to contribute to the creation of a safe and secure society by playing the role of backing up innovation of related technologies in Japan.

[Tokio Cyber Port](#) (in Japanese)



Sale of Drive Agent Personal

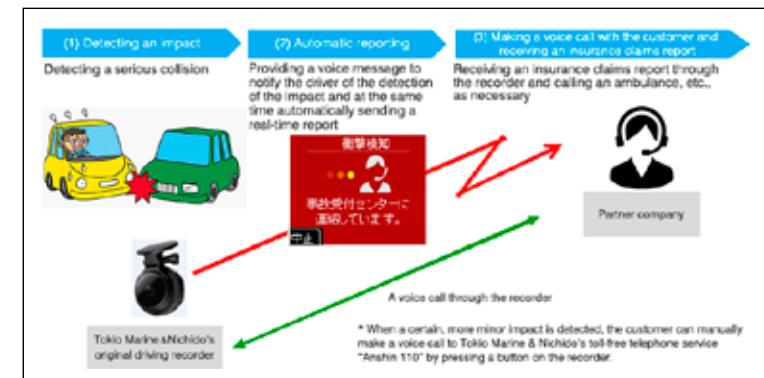
For the first time as a major insurance company in Japan, Tokio Marine & Nichido started providing *Drive Agent Personal*, an advanced service for individual customers utilizing its original driving recorder, as a rider for auto insurance in April 2017. The company lends its driving recorder to each policyholder and provides a set of leading-edge services as shown below.

In recognition of these services as making great contribution to the safety and security of consumers, Tokio Marine & Nichido received the ACAP Consumer-Oriented Activities Award from the Association of Consumer Affairs Professionals (ACAP) in February 2021.

Additionally, as a new offering from April 2021, the company provides a driving recorder equipped with two built-in cameras, which can film not just front views but also side and rear views.

For mitigating damage caused by traffic accidents, Tokio Marine & Nichido is also working to build a system to request a dispatch of an emergency medical helicopter when an accident occurs, using the data from a driving recorder. The company plans to initiate a test operation of the system in April 2022, aiming for its full-scale operation in fiscal 2023.

① Advanced accident response service: Upon detecting a serious collision, the recorder reports the incident automatically to a partner company, allowing the customer to have a voice call with an operator and eliminating his or her anxieties immediately following the accident. The operator also calls an ambulance depending on the situation. Moreover, the recorder automatically sends a video of an accident covering before and after the detection of the collision to Tokio Marine & Nichido and releases, when appropriate, the customer from the burden of explaining how the accident has occurred. This video can also be used for resolution of the accident case.



② Accident prevention support service: The recorder detects sudden braking, acceleration and steering, getting too close to the car in front, not staying centered in a lane and not looking at the road (only with a model having two built-in cameras) in customers' day-to-day driving and issues warning in real time. Tokio Marine & Nichido delivers an even greater sense of security with the addition of a feature to send an SOS signal when the driver suddenly falls ill or is harassed by a reckless driver. When such a trouble occurs, the driver will receive appropriate advice from a partner security company by pressing the corresponding button four or more times in three seconds.

③ Safe driving diagnosis service: The recorder provides safe driving diagnosis reports, which are created by using Tokio Marine & Nichido's original algorithm, based on each customer's tendency toward reckless driving.

Sale of Drive Agent for Corporate Policyholders

We sell *Drive Agent* for corporate policyholders. The product not only includes the same features offered by *Drive Agent Personal* but also provides a system to check safe driving and operational management data on a cloud service. It allows both drivers and responsible managers to review daily driving conditions from the same perspective and enables corporate customers to make company-wide efforts for safe driving.

Development of an Accident Conditions Reproduction System

In March 2020, Tokio Marine & Nichido jointly developed with ALBERT Inc. an Accident Conditions Reproduction System to automatically calculate a reference percentage of responsibility of each driver in a car accident by using artificial intelligence (AI). In calculating this percentage, AI automatically reproduces the accident based on such data as the video sent from the company's driving recorder lent through *Drive Agent Personal* and *Drive Agent* for corporate policyholders. Automatic reproduction of the accident by the system can significantly reduce the burden on the customer to explain how the accident has occurred when reporting it. The system also enables Tokio Marine & Nichido to quickly check a reference percentage of responsibility automatically determined by AI, which in turn will lead to swift resolution of the accident case and payment of insurance claims to the customer. In recognition of the system's innovativeness, the company received the Most Excellent Award at the Nikkei Superior Products and Services Awards 2020 organized every year by Nikkei Inc. to recognize new products and services showing particularly outstanding performance.

Tokio Marine & Nichido will continue to bring greater safety and security to customers' car life through the provision of this telematics-based service.

Efforts to Ensure Swift and Appropriate Claims Payments by Utilizing AI

Tokio Marine Group is working to resolve a social issue of false insurance claims by utilizing AI and digital technology. Combating false claims has become an important issue in the entire non-life insurance industry from the perspectives of operating a sound and stable non-life insurance system, maintaining trust in the insurance business and ensuring fairness. With methods of making false claims becoming increasingly complex and sophisticated in recent years, a broad understanding of these methods and a high level of expertise are required to implement countermeasures. P.T. Asuransi Tokio Marine Indonesia (TMI) and Tokio Marine & Nichido are striving to increase the level of sophistication of their countermeasures by incorporating AI and digital technology, along with enhancing the expertise of responsible personnel working in the departments tasked with insurance claims payments.

Solution Adopted by TMI

In emerging countries in Asia and elsewhere, a rise in false insurance claims has become a social issue, posing a challenge for insurance companies. In response, in March 2020 TMI adopted an AI-driven fraud detection system of Shift Technology of France in its claims handling process for auto insurance.

The system gives a score (possibility of fraud) along with its rationale for each claim, allowing TMI's fraud response team to concentrate on more suspicious cases. Through the solution, TMI has detected and handled many more false claims that had been difficult to find in the conventional manual process (about 50 times more compared to before it was adopted). This significant result has consequently led to more swift insurance claims payments to customers and appropriate levels of premiums (for maintaining social trust and ensuring fairness). The solution has also generated many side benefits, such as deterring fraud by externally announcing the use of the system and incorporating lessons learned from the identified false claims into insurance underwriting rules. TMI collaborates with Shift's data scientists on a daily basis to improve the fraud detection accuracy, utilize external data and deal with the emerging trends of fraud in the market. These constant efforts are geared toward realizing the Group's core mission of "To Be a Good Company," providing better insurance services to customers in Indonesia and resolving social issues in the country.

Image 1



Image 2



Example of fraud detection in accident images: An analysis by AI indicated that images 1 and 2 were derived from the same image and that the front part in each image has been deliberately doctored to disguise as being repaired.

• Solution Adopted by Tokio Marine & Nichido

In October 2021, Tokio Marine & Nichido adopted an AI-driven fraud detection system in its claims handling process for auto insurance (developed by U.S.-based Metromile Inc.) and accident insurance (developed in-house).

More specifically, these systems extract certain elements from policy details, loss and injury reports and other relevant information, which could lead to fraud, and give a score for each case to quickly identify cases that require closer scrutiny. Previously, responsible personnel in the relevant departments had checked every case for its connection with false claims. The adopted solution, on the other hand, allows different and effective response to each case. It will lead to a further improvement in the quality of claims services as suspicious cases are handled more carefully while even more considerate response is made to legitimate ones. The company is also proceeding with the development of advanced technology for use with AI to increase its accuracy of identifying legitimate cases eligible for early claims payments.

Tokio Marine & Nichido will continue to fuse AI and digital technology with people's ability and endeavor to provide swift and comfortable claims services to customers.

■ Sale of One Day Auto Insurance

Tokio Marine & Nichido provides *One Day Auto Insurance* (driver insurance available in the unit of days), which can be purchased anytime via smartphone and at convenience stores. This auto insurance product allows infrequent drivers using cars owned by their parents or friends to purchase insurance at the reasonable cost of 800 yen a day (24 hours) for just the number of days needed. The product was launched in January 2012 by Tokio Marine & Nichido as the first of its kind in the non-life insurance industry in Japan, and the cumulative number of subscriptions exceeded 9 million (as of August 2021).

Our *One Day Auto Insurance* received the Nikkei Veritas Award for Superiority at the Nikkei Superior Products & Services Award 2011, an annual award organized by Nikkei Inc. to recognize exceptional new products and services. In addition to the novelty of enabling customers to buy the auto insurance at a



reasonable price, with greater ease and when and where needed, the product was highly acclaimed for its ability to help resolve one social issue of increasing traffic accidents involving uninsured drivers.

In March 2020, we started providing Alexa skills to subscribe to *One Day Auto Insurance* using voice through Amazon Echo-series and other Alexa-equipped devices, including speakers, home electric appliances and tablet devices. *One Day Auto Insurance* has become the first insurance product in Japan that can be purchased by using voice commands.

Through this product, Tokio Marine & Nichido will continue to contribute to the reduction of uninsured drivers involved in traffic accidents and ensure safety and security by providing products and services that are useful in people's daily lives and business activities.

[↗ Tokio Marine & Nichido: One Day Auto Insurance](#) (in Japanese)

2.2.6.4 Responding to Poverty Issues

■ Development of Weather Insurance and Microinsurance Jointly with IFFCO-TOKIO

In 2001, Tokio Marine Group established IFFCO-TOKIO General Insurance Co., Ltd. (IFFCO-TOKIO), a non-life insurance company, as a joint venture with Indian Farmers Fertiliser Cooperative Limited (IFFCO), which has a nationwide network of 38,000 member cooperatives, and began offering auto, fire and other insurance in India.

From the start, the business tackled the issue of how to resolve the lifestyle of uncertainty faced



IFFCO-TOKIO headquarters



Accident insurance available as an attachment of fertilizer sold in collaboration with IFFCO

by farmers in India through the mechanism of insurance and looked into the development of weather insurance and microinsurance (i.e., insurance available at low cost). These products are becoming essential in stabilizing the lives of people in farming communities, with 20.2 billion rupees (approximately 30.2 billion yen) in premiums written in fiscal 2020.

In 2001, the company, in collaboration with IFFCO, started sales in India's rural communities of *Sankat Haran Bima Yojna*, low-cost accident insurance available for 1 rupee (about 2 yen) per year as an incidental to fertilizer. Since then, the company has released other microinsurance products, including *Janta Suraksha Bima Yojna*, property insurance available for 100 rupees (about 150 yen) per year; and *Mahila Suraksha Bima Yojna*, accident insurance aimed at women in farming communities.

IFFCO-TOKIO offers *Barish Bima Yojna/Mausam Bima Yojna*, an index-based weather insurance product that takes into account the impact on grain harvest yields in farming communities due to unseasonable climate in the wet monsoon season (June to September) and the dry *rabi* season (October to April).

Development of this revolutionary product leveraged IFFCO-TOKIO's capabilities in market surveys aimed at local farmers and Tokio Marine Group's years of expertise in insurance underwriting accumulated in Japan to evaluate climate risks such as precipitation volume and temperature in all areas of India. To gain communities' understanding of the weather insurance mechanism and spread its use, the company has been conducting briefings for farmers in every state in India on an ongoing basis together with banks, NGOs and other partners.

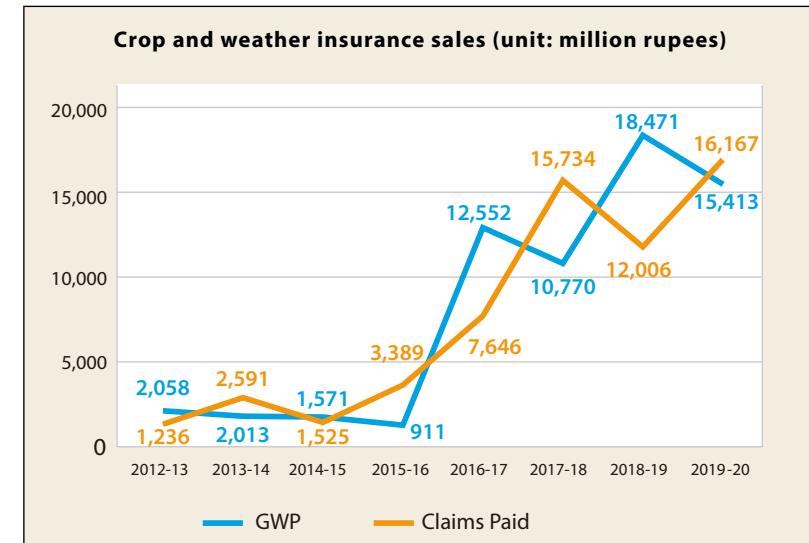
Currently, the company sells weather insurance, mainly its own as well as other government-sponsored products such as *Pradhan Manti Fasal Bima Yojana* (RMFBY) and Weather Based Crop Insurance Scheme (WBCIS), to more than 4 million farming households per year.



Members of the Rural Marketing Team of IFFCO-TOKIO and Rural Community Area Managers of IFFCO (in front of IFFCO's grain depot center)

Crop and weather insurance details

FY2020: GWP INR 15,413 million, Claims Paid INR 16,167 million



Efforts to Increase Prevalence of Medical Insurance for Low-Income Earners

Rashtriya Swasthya Bima Yojna (RSBY) is a medical insurance scheme for low-income earners sponsored by the government of India. It was launched in 2008 in India through joint efforts among insurance companies, medical institutions and the government. Subscribers to RSBY only need to pay 30 rupees (about 45 yen) per household as a registration fee with coverage up to 30,000 rupees annually (about 45,000 yen) for a maximum of five persons per household in case medical services are required for injury or illness.

IFFCO-TOKIO began selling RSBY in 2011 and launched add-on medical insurance in 2014 under *Biju Krushak Kalyan Yojana* (BKKY),



Insurance soliciting

another insurance scheme for low-income families sponsored by a state government. The company has delivered security to people with low incomes.

In addition, IFFCO-TOKIO has been offering *Ayushman Bharat - Sarbat Sehat Bima Yojana* (AB-SSBY), a medical insurance scheme for low-income families, in the state of Punjab since fiscal 2019. The state government subsidizes all AB-SSBY premiums, enabling them to receive medical treatments of up to 750,000 yen per year per family free of charge.

These have become essential medical insurance schemes for people who previously could not receive sufficient medical services because of their economic situation.

■ Initiative to Support Low Incomes in the United States

The Tokio Marine North America Services (TMNAS) Finance Team has implemented an initiative to support low income households via the reduced tax burden with Philadelphia Insurance Companies (PHLY) and their long-time business partner Affordable Equity Partners (AEP).

The housing complexes developed by AEP and their partners are financed through the sale of the tax credits to PHLY, and when completed are rented to low income members of the communities. PHLY benefits via the reduced tax burden made possible by the tax credits purchased from AEP. So far, PHLY has invested over US\$2.65 million, which has gone toward the 2,500 units across six states in the United States. The relationship is a "win-win-win" for PHLY, TMNAS and AEP and the 2,500 families living in the beautiful new facilities.



2.2.6.5 Social Contribution and Awareness-Raising Activities

◎ Medical and Nursing Care

■ Providing Companies with Various Solutions to Help Their Employees Balance Work with Caregiving

Amid the rapidly aging society, leaving full-time employment for elder care has become a social issue of increasing prevalence. According to the government's statistics, about 100,000 workers leave their job every year for the reason of elder care, while about 3.46 million people work while taking care of their elderly parents or relatives. For companies, it is an issue of losing the core group of their workforce since people leaving their job are mainly in their 40s and 50s. These caregivers, on the other hand, also bear a significant burden both economically and mentally because they have no idea for how long their days of caregiving will continue.

New! 会社の介護支援制度の中で
講解されがちなものについて
正しい活用方法を
クイズ形式で学びます

New! 仕事と介護の両立セミナー
介護の心構え編

New! 仕事と介護の両立セミナー
施設入所編

No.1 in viewers 仕事と介護の両立セミナー
基礎知識編

No.2 in viewers 仕事と介護の両立セミナー
遠距離介護編

No.3 in viewers 仕事と介護の両立セミナー
認知症介護編

Tokio Marine Nichido Better Life Service provides the following solutions for helping employees of corporate customers balance work with caregiving by leveraging know-how accumulated in the operation of caregiving services for the elderly.

- Service to understand the actual caregiving situation
- Creating a handbook for balancing work with caregiving
- Consultation service for caregiving: Online consultation and individual consultation by industrial care managers
- Seminars on balancing work with caregiving: For employees and managers

Of these services, seminars on balancing work with caregiving, which are created at Tokio Marine Nichido Better Life Service's own dedicated studio and distributed online, have garnered high praise for their easy-to-understand, specific explanations by a caregiving specialist.

■ AED & Basic Life-Saving Workshop to Build a Society That Can Practice Life-Saving Skills

Tokio Marine & Nichido provides a workshop to practice using automated external defibrillators (AEDs) and to perform cardiopulmonary resuscitation (CPR). Approximately 280 employees from Tokio Marine Group have attended the workshop in fiscal 2020.



■ Movement to Protect Customers from Cancer

• Background of the Initiative

As part of efforts to fulfill its social mission as an insurance company providing cancer insurance, Tokio Marine & Nichido Life has been supporting the Pink Ribbon Movement since March 2005. Extending these activities, we have decided to steadily offer comprehensive solutions for customers' concerns. As a first step, upon the release of an insurance product to support cancer treatment in September 2007, we rolled out a company-wide, ongoing and perpetual initiative called the Movement to Protect Customers from Cancer.

• Basic Policy

In Japan, cancer is considered a national disease and is a source of much grief. The fact has fueled our desire to protect our customers from cancer to help ease the suffering of cancer patients and to assist their families going through the ordeal. For us, the social role of an insurance company now extends beyond insurance payments to working to prevent cancer and providing mental support. Accordingly, Tokio Marine & Nichido Life has launched the Movement to Protect Customers from Cancer. The movement consists of the following three steps: (1) Getting to know cancer; (2) Talking about cancer; and (3) Helping with cancer countermeasures.

• Collaboration with Local Authorities

An urgent task is to improve cancer examination rates in order to detect the disease at an early stage. However, the checkup rate is lower than 50% targeted by the government and local authorities. Based on the belief that joint action with as many people as possible is indispensable for improving the situation, Tokio Marine Group has signed agreements with 44 prefectural bodies and 18 cities (as of March 31, 2021) and has been actively promoting collaboration with them to call more attention to cancer and raise examination rates.

In October 2009, Tokio Marine & Nichido Life and Tokio Marine & Nichido became promoting partners for Corporate Actions for Cancer Checkups, a national project commissioned by the Ministry of Health, Labour and Welfare to raise the cancer examination rate to more than 50% through joint efforts by the government and companies. By taking part in this public-private partnership, we intend to contribute to the improvement of the cancer examination rate in Japan.

• Nationwide Regional Activities

Tokio Marine & Nichido Life encourages cancer education activities in its daily sales operations with the aim of disseminating cancer knowledge and increasing cancer examination rates. In addition to periodic cancer-related study sessions, exchange meetings and seminars for agents/consignees at branch offices across the country, we hold an annual national conference of employees and agent/consignee representatives who are actively and responsibly engaged in these cancer awareness efforts.

For the 14th conference scheduled in 2020, in light of the spread of COVID-19 we held mainly online conferences at branch or area levels around Japan instead of an in-person gathering in Tokyo. These conferences featured video content provided by the head office, including lectures by cancer survivors and explanations on “the risk of incapacity to work and the importance of insurance,” as well as creative and motivational area-specific programs. Through these efforts, we strived to foster a strong sense of mission among more agents/consignees by conveying our intent and extending their knowledge.

• Agreement with the Shizuoka Cancer Center

In 2007, Tokio Marine & Nichido Life and Tokio Marine & Nichido Medical Service (TMS) concluded a comprehensive agreement on joint research into the best ways to provide consultation, support and information regarding the treatment of cancer with the Shizuoka Cancer Center. This joint research program has focused on such areas as jointly developing tools to communicate in plain language the importance of preventive medicine and medical checkups as well as knowledge on cancer.



Shizuoka Cancer Center

• Promoting the Pink Ribbon Movement

Tokio Marine & Nichido Life has been promoting the Pink Ribbon Campaign in support of J.POSH, an NPO engaged in pink ribbon movements for breast cancer awareness in Japan, to convey the importance of medical exams and early detection of breast cancer. Tokio Marine Group employees, led by Tokio Marine & Nichido Life employees, have held street campaigns nationwide and handed out awareness leaflets* since 2005.



* The certified NPO J.POSH collaborates with medical institutions nationwide on the Japan Mammography Sunday (J.M.S) initiative to create an environment enabling women who are busy on weekdays to have mammograms on the third Sunday in October. Tokio Marine & Nichido Life also supports this initiative and hands out a list of available medical institutions.

• Providing Encouragement to Cancer Patients by Making Terry Cloth Caps

Since 2009, Tokio Marine & Nichido Life has joined initiatives undertaken by the Iwate Hospice Association, a citizens' group in Morioka City, Iwate Prefecture, to support cancer patients and their families and help them gain courage to fight against the disease. The company has been making terry cloth caps for patients undergoing anticancer drug treatment.



Every year, participants from Tokio Marine & Nichido Life and other Tokio Marine Group companies and their families stitch the caps together and donate more than 1,000 caps as Christmas presents to cancer hospitals nationwide through the Iwate Hospice Association.

• Education Support for Orphans

Tokio Marine & Nichido Life established a fund in 2016 to financially support children who have lost one or both parents due to illness, including cancer, and offers benefit-type scholarships to university students and others with the cooperation of the Japan Philanthropic Association. Benefit-type scholarships of 300,000 yen per year are provided to students.

■ Donation to Organizations Helping Children with Incurable Diseases and Elderly People

Donations from Tokio Marine & Nichido Life's employees and agents are used to support activities of organizations helping children undergoing medical treatment and elderly people. Employees of the company also provide support to the activities of these organizations through participation and other means. Donations have been made to the following organizations since fiscal 2016.

- NPO CliniClowns Association
- NPO The Support Network for NANBYO Children of Japan
- NPO Dementia Friendship Club

■ Providing Japan's First Fund Specialized for Cancer Treatment

As an initiative to contribute to the achievement of the SDGs, in July 2019 we established the Tokio Marine Investment Trust to Fight Cancer (without currency hedging)/(with currency hedging) for investment in companies with a high probability of making a significant contribution to the resolution of cancer treatment, a major social issue.

The fund aims to ensure return through investment in companies with strengths in the cancer treatment field (diagnostic examination, profiling, medical technology and pharmaceuticals) where there are expectations of significant growth and progress due to increasingly aging societies worldwide and advancements in genetic analysis technology. Another aim is to contribute to the achievement of Goal 3 of the 17 SDGs, namely "Ensure healthy lives and promote well-being for all at all ages."

In addition to indirect contribution through investment in companies, we plan to make direct contribution by donating a portion of the management fees to National Cancer Center Japan, Japan Cancer Society and other cancer research institutes.

Such direct assistance makes it possible to help organizations that find it difficult to get support through investment as well as to enable continued support through the management fees that are paid regularly every year.

■ Supporting and Collaborating with the Center for iPS Cell Research and Application (CiRA), Kyoto University

In January 2015, Tokio Marine & Nichido donated a total of 100 million yen to Kyoto University's iPS Cell Research Fund, covering a five-year period. In addition, the company called for donations to the fund from employees of Tokio Marine Group companies and other individuals and made an additional donation exceeding 2 million yen in 2021.

Tokio Marine & Nichido is also collaborating with a project called the iPS Cell Stock for Regenerative Medicine (transferred from CiRA to the CiRA Foundation (CiRAF), also at Kyoto University, in April 2020) to stockpile induced pluripotent stem (iPS) cells for medical use. The project involves collecting blood from donors having a special type of human leukocyte antigens (HLAs), which is thought to cause less immune rejection. In August 2016, in addition to Kyoto University Hospital, blood collection also started at the medical corporate foundation Kaijo Building Clinic, a tie-up medical institution of Tokio Marine Group. The provision of iPS cells for regenerative medicine started in August 2015, and the stock has grown to cover about 40% of people in Japan. Current efforts include promoting a plan to provide iPS cells with reduced risk of immune rejection by using genome editing technology and conducting technology development with the goal of enabling the provision of iPS cells of patients themselves at the cost of around 1 million yen by 2025.



Presenting a certificate for the donation for fiscal 2020
(Held online to prevent the spread of COVID-19)

CiRA is working on research every day to enable the practical application of iPS cell technology. Through our donations to the research fund, we hope to ease the suffering of people with intractable diseases and injuries and contribute to the establishment of a research environment that can stably obtain a pool of excellent researchers and research supporters and to the further advancement of research in this area. At the same time, we will continue to provide support to health, medical and other related fields to deliver safety and security in the form of risk management, including insurance, and through collaboration among Group companies.

N Program to Support Young Physicians to Gain Clinical Experience in the United States

In collaboration with the Mount Sinai Health System, Tokio Marine & Nichido has been offering the N Program since 1991. This is a medical residency program to promote exchange between the two countries in the medical field by dispatching every year young Japanese doctors with the desire to gain clinical experience in the United States. In general, people wishing to experience clinical training in the United States are selected by way of a nationwide recruitment system. The N Program is handled differently, however, and has become an invaluable program for young Japanese doctors who want to undergo clinical training at an educational hospital in the United States. The N Program has made remarkable progress thanks to the cooperation of teachers at U.S. medical institutions and the efforts of residents who participated as trainee physicians. To date, the total number of trainees and graduates of this program has grown to over 190.

[N Program](#) (in Japanese)

○ Recovery Support

Tokio Marine Group engages in recovery support for disaster-affected areas, including employee volunteer activities.

■ Initiatives to Support Recovery of Areas Affected by the Great East Japan Earthquake

Tokio Marine Group has been engaging in activities to support areas affected by the Great East Japan Earthquake. Starting from May 2011 immediately following the disaster, Group company employees, agents and their families across the country have provided support to disaster areas in Otsuchi-cho (Kamihei-gun) and Rikuzentakata City in Iwate Prefecture and Ishinomaki City and Kesennuma City in Miyagi Prefecture. Their activities include removing disaster debris, cleaning up houses damaged in the tsunami, removing mud from houses and street drainage gutters, assisting in agricultural and fishery related work, sorting books for donation to libraries in disaster areas and cleaning damaged and mud-covered photographs and documents.

Tokio Marine & Nichido is also supporting two NPOs engaging in activities to restore tsunami-devastated coastal forests in Natori City and Watari-cho, respectively, along the coast of Miyagi Prefecture.

In Natori City, the Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA) has been leading the Ten-Year Restoration Project of the Coastal Forests of Tohoku Region.

In the project, the company has been participating in activities to restore coastal pine tree forests in the city and to facilitate regional revitalization through the recovery of agricultural land and creation of job opportunities in disaster areas. Under its policy to "never forget the event at any cost and continue to do whatever we can do even in any small way," the company has been making an annual monetary donation since fiscal 2011. In fiscal 2016, an employee volunteer program was launched, and a total of 43 employees have conducted activities such as removing weeds.

The NPO Watari Greenbelt Project has been engaging in an initiative to restore tide-control forests along the coastal areas and promote the recovery and new community development of Watari-cho, Watari-gun, Miyagi Prefecture. Since fiscal 2013, Tokio Marine & Nichido has been soliciting and sending employee volunteers on a tour to assist in the initiative. During each tour, they visit the coastal areas devastated by the tsunami, remove weeds in planned tree-planting areas and help with cultivating saplings that will be planted along the coast. Up until March 2020, the company has conducted 23 such tours, with the participation of a total of 361 employees, including Group employees, agents and their families.

[Watari Greenbelt Project](#) (in Japanese)



Also, employees of Tokio Marine & Nichido and Group companies made paper lanterns from milk cartons for the Prayer Lanterns Lighting, a memorial event for the Great East Japan Earthquake held in Morioka City, Iwate Prefecture. More than 2,450 lanterns were sent to the Morioka Recovery Support Network, the secretariat of the event. On the day of the event, 36 employees and their families from branches as well as agents in Morioka and other locations volunteered to set up and light lantern candles.



◎ Developing Youth and Promoting Sports

Tokio Marine & Nichido promotes social contribution activities through three foundations with such aims as helping young people grow, encouraging international cultural exchange and promoting sports in the local community.

We also encourage children who will take the lead in the next generation to think about environmental issues, disaster preparedness and traffic safety through our lesson programs delivered to schools and other environmental initiatives.

■ Nurturing Future Generations, Encouraging International Exchange and Promoting Sports in Local Communities through Foundations

Tokio Marine Kagami Memorial Foundation was established in 1939 and initiated an academic research grant program in 1940 and a scholarship program in 1941. The foundation provides scholarships to students at Japanese universities and graduate school exchange students from ASEAN nations and assists academic studies by researchers.

Tokio Marine & Nichido Educational Development Fund, established in 1984, offers assistance to elementary school and junior high school children orphaned through traffic accidents and for educational research by educators.

The Tokio Marine Sports Foundation was established in 1937 with the aim of promoting sports and educational activities among the public to help bring bright and enriched lives to the people of Japan. The two facilities owned by the foundation, Nasu Sports Park and Toda Boathouse (a water sports facility), are used by a wide range of groups from young children to senior citizens. The foundation is also involved in local support exchange events planned by members of Tokio Marine & Nichido's sports teams and charity concerts given by the company's orchestra.

Overview and Activities of Each Foundation

Foundation Name	Summary	Activities in Fiscal 2020
Tokio Marine Kagami Memorial Foundation	<ul style="list-style-type: none"> Provides scholarships to students at Japanese universities and graduate school exchange students from ASEAN nations Provides academic research aid and earthquake research aid to young social science researchers 	Scholarships awarded: 154 Research assistance: 8 projects
Tokio Marine & Nichido Educational Development Fund	Provides assistance for educators and to children orphaned through traffic accidents	Financial assistance for education and research: 108 Scholarships for children orphaned through traffic accidents : 116
The Tokio Marine Sports Foundation	Promotes sports activities in local communities	Number of persons using Nasu Sports Park: 16,021 Number of persons using Toda Boathouse: 2,005

[↗ Tokio Marine & Nichido Risk Consulting's "Risk Assessment of Renewable Energy Facilities" \(in Japanese\)](#)

[↗ Tokio Marine & Nichido Educational Development Fund \(in Japanese\)](#)

[↗ The Tokio Marine Sports Foundation youth exchange project through sports activities \(in Japanese\)](#)

■ Holding Aerospace Classes with the Local Community to Nurture People Interested in Aerospace

Tokio Marine & Nichido aims to contribute to the advancement of local economies and society by actively participating in regional revitalization efforts.

Going forward, further growth is expected in the Tokai region, where the aerospace industry is concentrated. Tokio Marine & Nichido has been running aerospace classes for elementary and junior high school students that provide education and include experiments related to aerospace. The idea behind the initiative is a desire to increase the opportunity for children to become interested in aerospace since it is the younger generation who will bear responsibility for the future of the aerospace industry.

The project makes use of know-how accumulated in risk management relating to the aerospace industry and of Tokio Marine & Nichido's own industry-government-academia network built on ties with Aichi Prefecture and Nagoya University, and has been made possible owing to its community-based work that includes contributing to human resources development.

In August 2021, an aerospace class was held at the Gifu-Kakamigahara Air and Space Museum, which let a total of 40 elementary school students learn about space and satellites and have a simulated experience of the training and missions of astronauts. By providing a venue to generate more aerospace-related human resources in the Tokai region, the classes are expected to contribute to the advancement of Japan's aerospace industry.



■ Workshop to Create Local Community Safety Maps to Promote Crime and Disaster Prevention and Traffic Safety

Since September 2007, Tokio Marine & Nichido has been co-sponsoring the "Daijoubu Campaign," a movement led by The Mainichi Newspapers, and supporting activities to protect children and local residents from disasters and crimes.

As part of this campaign, Tokio Marine & Nichido began holding the Workshop to Create Local Community Safety Maps across Japan in fiscal 2011 in collaboration with The Mainichi Newspapers and the 38 radio stations of the Japan FM Network Association (JFN).

At a training seminar by Professor Nobuo Komiya of Rissho University, an expert in criminal sociology, Tokio Marine & Nichido employees and local elementary school children learn how to identify dangerous areas based on two keywords of "easily accessible" and "not openly visible." Afterwards, they apply the concept to identify dangerous areas around schools and create their own local community safety maps*. It is an initiative to protect their own safety from a crime by learning about the concept of dangerous areas.

Tokio Marine & Nichido will continue to contribute to the safety and security of local communities through this and similar initiatives.

* A local community safety map, developed by Professor Nobuo Komiya of Rissho University, is a map to show "dangerous," crime-prone areas, which have been picked based on the two keywords of "easily accessible" and "not openly visible."



[Daijoubu Campaign](#) (in Japanese)

■ “Group Work on Managing Risks and Opportunities”: Career Development Program for Junior High and High School Students

Tokio Marine Group has been contributing to the promotion of career education mainly for junior high and high school students by providing its own career education program, “Group Work on Managing Risks and Opportunities,” which was developed jointly with universities, NPOs and educators.



In the program consisting of card games and teamwork activities, students become owners of a bakery and have to think about ways to operate the bakery successfully over a long period, including how to use insurance. The lesson simulates responses to various risks associated with owning a business, enabling the students to discover issues for themselves and solve them collaboratively. From fiscal 2017, the program has been expanded throughout Japan, with a cumulative total of 1,600 students receiving career education to date.

■ Ashinaga Charity & Walk

Tokio Marine & Nichido participated in a charity walk event, Ashinaga Charity & Walk, hosted by Meiji Yasuda Life Insurance Company. From Tokio Marine Group, a total of 2,295 employees took part. A monetary donation of 1,197,627 yen was collected and used to support orphans as described below.



① Donated to Ashinaga to be used for the following purposes to support orphans:

- Construction and operation of Tohoku Rainbow House, a healing space for children orphaned by the Great East Japan Earthquake
- Scholarship loans for orphans who want to attend high school, university, junior college or other educational institution
- ② Allocated as financial assistance to orphans living in prefectures affected by the Great East Japan Earthquake through donations to orphan support funds

■ Supporting Child Line Support Center Japan

Tokio Marine & Nichido has been inviting the specified NPO Child Line Support Center Japan to give a lecture about the organization's activities every year since 2012. They discuss some of the anxieties and other issues brought up by youths through Child Line, a dedicated phone line that children can call free of charge from anywhere in Japan. After this, Tokio Marine Group employees serve as volunteers for delivering cards inscribed with the Child Line telephone number to children. Employees from Tokio Marine Asset Management, Tokio Marine Business Support, Tokio Marine & Nichido Communications and Tokio Marine & Nichido Human Resources Academy also volunteer for sending the cards to the children.

[\[Child Line\] \(in Japanese\)](#)



■ Disaster Education Support for Children in China

• Disaster Prevention Lessons in China

In 2016, Disaster Prevention Lessons for elementary and junior high school students were officially launched in China by Tokio Marine & Nichido Fire Insurance Company (China) Limited (TMNCH). It is the first case that Tokio Marine & Nichido's disaster awareness-raising program is implemented overseas and represents the synergy generated by a sustainability project within Tokio Marine Group. Disaster Prevention Lessons in China are an initiative that involves direct participation of TMNCH employees and fully leverages the experience accumulated over the 10 years since the company's founding to complement insufficient disaster prevention education at schools, raise local community awareness for disaster prevention and to fulfill its social responsibility. TMNCH has developed its own education materials that take into account the characteristics of disasters in China, and by incorporating such original content, made these lessons appealing to children to encourage their learning.



The initiative started five years ago, but all five branches of TMNCH are already participating in the activity, with 39 employees, representing one-tenth of all employees, having received training as volunteer lecturers. As of the end of fiscal 2020, more than 1,700 children have received the lessons at 22 schools in nine provinces and cities (32 administrative divisions and municipalities) in China.

• Educational Assistance for Children of Migrant Workers in China

Since 2009, Tokio Marine Group has been collaborating with the All-China Youth Federation to support children of migrant workers (children living in farming villages while their parents work in the city). We have established support facilities in over 300 locations throughout China, and Group employees engage in various volunteer activities every year. In June 2021, 11 employees, including Keiko Fujita, the Tokio Marine & Nichido Fire Insurance Company (China) representative, undertook volunteer efforts at an elementary school in Sichuan Province in China. It was a meaningful classroom interchange that included Disaster Prevention Lessons on the themes of firefighting and safety during school summer holidays with 52 children and was highly praised by a local Communist Youth League.



■ Support Activities for Orphans

Nisshin Fire has continued to support children who have lost one or both of their parents in traffic accidents through the NPO Association for Assistance to Children Orphaned in Traffic Accidents since 2008. Going forward, the company will continue supporting children orphaned in traffic accidents through this NPO.

■ Serving as a Special Sponsor of the JOC Junior Olympic Cup Swimming Tournament

Tokio Marine & Nichido started providing support to the Japan Swimming Federation as one of the initiatives undertaken to commemorate its 110th anniversary in 1989, and has been doing so as one pillar of social contribution activities based on its desire to contribute to the sound development of Japan's youth by promoting swimming. Specific efforts include serving as a special sponsor of the National JOC Junior Olympic Cup Swimming Tournament held twice a year (spring and summer) and providing support for the costs of attending competitions and training camps for Junior Olympic athletes.

[↗ Go! Go! Junior Swimmers!](#) (in Japanese)

[↗ Swimming Support Site "Forever, with Swimming"](#) (in Japanese)



■ Participating in Room to Read's Educational Support Program in Developing Countries

Tokio Marine & Nichido has participated in the educational support effort led by the international NGO Room to Read since fiscal 2010. During the 11 years from fiscal 2010 to fiscal 2020, the company has made donations every year totaling 101,577,830 yen, thereby providing educational support for a total of about 2,750 girls to help them attain independence in the future, offering a study environment for children by opening 17 reading rooms and supporting the introduction of six literacy education programs in India, Bangladesh and Vietnam.

For girls not attending school for economic reasons or because they are tied to household duties as a result of their parents' lack of understanding, the program offers financial aid for tuition fees and endeavors to convey the importance of education to their families through home visits. These efforts have allowed girls to continue their education, with many achieving excellent performance in their schoolwork to make their dreams a reality.



India, Bangladesh and Vietnam are three mangrove planting regions covered under the company's ongoing Mangrove Planting Project initiated in 1999. Through the Mangrove Planting Project and educational support program, Tokio Marine & Nichido thus carries out the dual-purpose global social contribution activities of nurturing both trees and people.

[↗ International NGO Room to Read](#)

Social and Economic Inclusion of All People

○ Social Contribution Activities for the Elderly and Awareness-Raising Activities for Dementia

Tokio Marine Group undertakes social contribution activities for the elderly and awareness-raising activities for persons suffering from dementia as part of volunteer activities supporting the safety and security of the local community and families.

■ Contributing to the Creation of Communities That Understand Dementia: Courses to Foster Support for Dementia Care

Tokio Marine Group provides support for the Million-Supporter Caravan for Dementia, which is promoted by the Ministry of Health, Labour and Welfare and the nationwide Caravan Mate Liaison Council, and conducts courses to foster support for dementia care as a volunteer activity to support the safety and security of local communities and families. With the ultimate goal of creating neighborhoods where people with dementia and their families can live with peace of mind, the program is designed so that employees who take the course have the correct knowledge about dementia to share with friends and families as well as support and give compassionate consideration to people with dementia and their families in work and private life.

During the one-and-a-half-hour program conducted in each work department, mainly in Tokyo, attendees watched a DVD, listened to a lecture given by an employee (called a "caravan mate") who has received special training on this subject and participated in a role-playing session. As of March 2021, a total of around 5,700 Group company employees have participated in this educational



program and become supporters for dementia care. We intend to promote this program further, as it gives us a good opportunity to deepen our understanding of the aging population and dementia and think about how we accordingly deal with our customers and our own families.

[↗ Million-Supporter Caravan for Dementia \(in Japanese\)](#)

■ Activities Associated with an Elderly Watch Support Network Project

Tokio Marine Assistance concluded an agreement related to an elderly watch support network project in Shinagawa Ward, Tokyo, in November 2015 with Shinagawa Ward and the Shinagawa Ward Council on Social Welfare and activities continue to this day.

The project aims to create a system of support through mutual cooperation to make life easier for elderly persons living alone. Neighborly consultation services are made available and inconveniences are kept to a minimum in the area they are familiar with living.

The company utilizes its excellent phone response skills amassed in the course of its core call center business and employees serve as volunteers for making regular calls to the elderly as part of a service confirming their safety being implemented by Shinagawa Ward's "Sasaai Hotto Station*." Employees make regular phone calls to the homes of users living in Shinagawa Ward, and if there is no answer or they detect an abnormal change during the conversation, they immediately report it to "Sasaai Hotto Station" so that the situation can be handled as smoothly as possible. In 2020, the volunteer service was implemented 34 times for a total of 84 people following expansion of the service area and the yearly rise in the number of users to whom they make phone calls.

This project will be carried out on a continuous and steady basis as a means of contributing to the local community.

* A consultation service established by Shinagawa Ward to ease the anxieties of elderly persons living alone and other residents so that they can continue living in a familiar environment



◎ Supporting Deaf and Blind Persons and Sports for the Disabled

Tokio Marine & Nichido supports deaf and blind persons in conjunction with the Japan Deafblind Association and supports sports for disabled persons through the Japanese Para-Sports Association and Special Olympics Nippon Foundation.

■ Collaboration with the Japan Deafblind Association

The Japan Deafblind Association is engaged in activities to support people with hearing and vision impairments across the country. Their activities include dispatching sign language interpreters and helpers, training interpreters and publishing a biannual magazine for the hearing and visually impaired.



Tokio Marine & Nichido has been a supporting member of the association since 2008. At the association's annual national conference, which is held for the purpose of promoting exchange among people with these impairments and improving the skills of sign language interpreters and helpers, employees working in offices and branches in respective areas serve as volunteer staff to cooperate in running the event.

[Japan Deafblind Association](#) (in Japanese)

■ Building a Society That Transcends Disabilities: Learn About, Watch and Experience Sports by Disabled Persons

Tokio Marine & Nichido started sponsoring the Japanese Para-Sports Association (JPSA) in May 2016 and Japan Inclusive Football Federation (JIFF) in October 2016 to support athletes striving to overcome the challenge of disability and enhance opportunities for employees to provide support and volunteer at sports events for the disabled.



In addition, employees from around Japan conduct volunteer activities and go to cheer on athletes at the Japan Para Championships, which are sports events for disabled persons held regionally.

■ Building a Society in Which Anyone Can Take on Active Roles with the Special Olympics

In support of the Special Olympics Nippon Foundation's vision of creating a society where people with and without disabilities understand and respect each other's differences and live and grow together, Tokio Marine & Nichido became an official sponsor of the foundation in fiscal 2005 and has been supporting its activities by providing funds and volunteers.

Additionally, Tokio Marine Group undertakes a year-round volunteer activity to create good luck bracelets to show our support to athletes of the foundation. In fiscal 2020, a total of 1,565 employees joined this activity.

◎ Re-evaluating Products Corresponding to LGBT*

In view of rising social interest in sexual minorities, Tokio Marine & Nichido is working gradually to include same-sex partners in the definition of "spouse" for products that provide coverage for families and married couples. We respect the diverse family structures of our customers and will provide products that can be helpful in times of need.

* LGBT is a general term that refers to sexual minorities and is derived from the first letters of the words lesbian, gay, bi-sexual and transgender.

◎ Support for Foundations and Donations

In seeking a sustainable society, Tokio Marine Group provides support to NPOs and operates financial assistance programs.

■ Tie-Up with the Sawayaka Welfare Foundation

The Sawayaka Welfare Foundation forms a network with a number of volunteer organizations across the country and works to build a system of mutual assistance in each local community with the ultimate goal of "building a new society in which all people can develop a close rapport with each other" in order to fulfill their desire to lead an enriching life. Tokio Marine & Nichido empathizes with this organizational philosophy and partners with the foundation.

[National volunteer network information of the Sawayaka Welfare Foundation](#) (in Japanese)

■ Supporting KidsFam

Tokio Marine & Nichido supports the activities of the Foundation for Severely-Ill Children and Their Families (KidsFam). KidsFam reaches out to children requiring medical care due to severe illness or disability and their families. It undertakes a variety of support programs, conducts public relations, awareness-raising and training activities and disseminates relevant information aimed at building a society in which they can live with peace of mind. For details, please refer to the activities outlined on the KidsFam website.

[KidsFam \(in Japanese\)](#)

■ Providing Work Opportunities Broadly to People Seeking Work

By providing work opportunities broadly to people seeking work, Tokio Marine & Nichido Career Service is striving to link its corporate activities to social contribution in terms of human resources and create a sustainable society.

• Establishing the “Fund to Support People’s Willingness to Work” to Aid NPOs Providing Job Assistance to People Facing Difficulty in Finding a Job

In collaboration with the NPO Public Resources Foundation, Tokio Marine & Nichido Career Service has established the Fund to Support People’s Willingness to Work to provide support to organizations that help people having difficulty finding a job for various reasons, such as having disabilities or being financially challenged. The most notable characteristic of the fund is that it goes a step beyond financially aiding activities of such NPOs. The fund is intended to improve the employment situation for people seeking work and help resolve related social issues by supporting innovative and challenging initiatives that could eliminate deficiencies inherent in conventional job assistance programs. In May 2021, eight NPOs matching the purpose of the fund were selected, and collaboration is being promoted with each organization. The fund will operate for three years and support organizations with a challenging spirit every year.

• Job Assistance for Single Mothers Seeking Work in a Harsh Environment Caused by the COVID-19 Pandemic

COVID-19 has taken away jobs from many people and greatly affected and caused difficulties for single-parent households with a weaker economic base in particular. Given such a social issue, Tokio Marine & Nichido Career Service started cooperating with the NPO Single Mothers Forum in

October 2020 and has assisted single mothers in finding a job. The company has helped participants enrolled in its “kirari” program to work as dispatched employees in Tokio Marine Group. In addition, the company’s “Manabi Assist” program that provides job education for job seekers has supported about 130 single mothers by April 2021.



■ Safety First Grant Program for Safety National Workers’ Compensation Policyholders

U.S.-based Safety National, a wholly owned subsidiary of Tokio Marine Holdings, is offering the Safety First Grant Program. Under this program, eligible applicants are Safety National workers’ compensation policyholders using at least one risk service resource provided free of charge by the company. It is designed to facilitate creative ideas in the risk management field and promote innovative risk control solutions, and is expected to help other employers facing similar risks by publicizing grant-winning solutions.

Since 2014, Safety National has granted a dollar-for-dollar matching reimbursement of US\$122,500 to solutions designed to reduce risks for first responders, manufacturers, school operators and retailers. For example, one of the grant-winning solutions in 2021 involved implementing a new software system in law enforcement agencies to review footage from police officers’ body-worn cameras, motor vehicle recorders and other digital media. It allows the agencies to undertake performance improvement efforts in a transparent manner, while holding officers accountable through counseling, training and progressive discipline. A 25% reduction in claim frequency and severity is anticipated through the solution. Safety National will continue to undertake this initiative and assist policyholders and society as a whole in building a safer workplace environment for employees.



2.2.7 Improving Quality from the Customer's Perspective

Aiming to become “a company that delivers sustainable growth by providing safety and security to customers and by always remaining their first choice,” Tokio Marine Group takes feedback from customers seriously and works to improve the operational quality on a constant basis. We strive to build trust-based partnerships with agents and improve our operational quality together in order to truly provide safety and security from a customer standpoint.

2.2.7.1 Basic Approach to Quality Improvement

Tokio Marine Group has earned high regard from its customers by providing products and services that are ahead of the times in accordance with the Group’s Corporate Philosophy: “Through the provision of the highest quality products and services, Tokio Marine Group aims to deliver safety and security to all its customers.”

In the medium to long term, changes in living and business environments resulting from frequent natural disasters, demographic shifts and technological innovation in the world will generate many new opportunities and risks. In response to the diversifying needs of both individual and corporate customers in connection with such new opportunities and risks, Tokio Marine Group will combine the capabilities of all Group companies and will do its best to provide new products and services that anticipate the changing times and extend beyond the framework of conventional insurance products and services in areas such as the financial, medical and consulting fields.

Basic Policies for Protection of Customers' Interests

Tokio Marine Group establishes basic policies for the protection of customers’ interests and develops a system to thoroughly promote being customer-oriented and to pursue various aspects including customer protection. In addition, in accordance with the Tokio Marine Group Policy for Management of Conflicts of Interest and through compliance with these policies by directors, officers and employees, Tokio Marine Group will work to manage transactions involving conflicts of interest to ensure that clients’ interests are not unduly harmed.

[The Tokio Marine Group Policy for Management of Conflicts of Interest](#)

Customer-Oriented Business Conduct Policies

To more thoroughly carry out customer-oriented insurance business while remaining close to customers and accurately identifying their diversifying needs, Tokio Marine & Nichido, Tokio Marine & Nichido Life and some other Group companies have formulated and announced their respective policies on customer-oriented business conduct and have been working with agents to promote specific initiatives under these policies. We will review our policies on a periodic basis to constantly realize better business conduct, thereby earning the lasting trust of customers.

[Objectives to Improve Customer Satisfaction](#)

① Tokio Marine & Nichido Customer-Oriented Business Conduct Policies

Business Conduct Policy 1: Business conduct utilizing customer feedback

Under its corporate philosophy of placing customer trust at the base of all its business activities, Tokio Marine & Nichido has formulated a customer feedback response policy to encourage employees and agents to take customer feedback seriously and use it proactively in corporate activities. The company will pursue customer-oriented business conduct according to the policy.

Business Conduct Policy 2: Insurance solicitation

Tokio Marine & Nichido will work to provide appropriate products and services based on a correct understanding of risks facing customers and their needs and purposes while providing necessary information when concluding an insurance contract.

Business Conduct Policy 3: Payment of insurance claims (claims service)

To be of help to customers in times of need, remain by their side while correctly understanding their situations and positions and respond to their trust, Tokio Marine & Nichido will work to ensure the quality of its claims service and make swift and appropriate claims payments.

Business Conduct Policy 4: Initiatives to instill these policies

Tokio Marine & Nichido will provide training programs and promote initiatives to instill these business conduct policies in agents and employees so that they will always act in a customer-oriented manner.

Business Conduct Policy 5: Management of transactions involving conflicts of interest

In accordance with the Tokio Marine Group Policy for Management of Conflicts of Interest and through compliance with these policies by directors, officers and employees, Tokio Marine & Nichido will work to manage transactions involving conflicts of interest to ensure that clients’ interests are not unduly harmed.

◎ Tokio Marine & Nichido Life Customer-Oriented Business Conduct Policies

Business Conduct Policy 1: Business conduct utilizing customer feedback

Under its corporate philosophy of placing customer trust at the base of all its business activities, Tokio Marine & Nichido Life regards it as extremely important that all employees and agents seriously take feedback from customers, including complaints, requests and suggestions, and meet their expectations. The company has accordingly formulated its customer feedback response policy and will work to make its business conduct even more customer-oriented.

Business Conduct Policy 2: Insurance solicitation

Tokio Marine & Nichido Life will work to develop life insurance products and services matched to customer needs while also paying attention to social and economic trends and changes in the business environment.

Tokio Marine & Nichido Life will deliver security by providing custom-tailored solutions that meet increasingly diverse customer needs and protect customers and their families.

Tokio Marine & Nichido Life will implement initiatives to provide detailed information on products and explain them in a thorough manner to customers and have them confirm, based on a correct understanding of the products, that our solutions match their needs and purposes.

Business Conduct Policy 3: Follow-up services and payment of insurance claims and benefits

Recognizing that paying insurance claims and benefits is one of the most basic and important responsibilities of an insurance company, Tokio Marine & Nichido Life will make sure to explain policy and other details to all customers and make swift and accurate payments, working always from a customer standpoint. The company will also set up a system to provide follow-up services to elderly customers to ensure that they will make claims for which they are entitled to without omissions.

Business Conduct Policy 4: Initiatives to instill these policies

In order to encourage employees, agents and direct sales employees ("Life Partners") to act in a customer-oriented manner in all business conduct, Tokio Marine & Nichido Life will establish necessary evaluation and training programs and continue to implement initiatives to instill these business conduct policies among them.

Business Conduct Policy 5: Management of transactions involving conflicts of interest

In accordance with the Tokio Marine Group Policy for Management of Conflicts of Interest and through compliance with these policies by directors, officers and employees, Tokio Marine & Nichido Life will work to manage transactions involving conflicts of interest to ensure that clients' interests are not unduly harmed.

Business Conduct Policy 6: Asset management

In order to ensure future payments of insurance claims and benefits, Tokio Marine & Nichido Life will conduct asset management while paying due consideration to the distinctive characteristics of insurance contracts and by applying appropriate risk control.

2.2.7.2 Quality Improvement Initiatives

Tokio Marine Group continuously promotes the enhancement of quality from a customer standpoint in accordance with the Group's Corporate Philosophy: "Through the provision of the highest quality products and services, Tokio Marine Group aims to deliver safety and security to all its customers."

Anshin ("Reassuring") Quality

As an effort to meet customers' expectations and gain their satisfaction, Tokio Marine & Nichido defines Anshin Quality, a level of quality that must be assured by anyone at the company, at anytime and anywhere by ensuring to achieve or execute things naturally expected of our products and services by customers.

Based on this Anshin Quality approach, the company has formulated its Anshin Quality Standards as quality standards that must be assuredly satisfied by anyone at the company, at anytime and anywhere. There are specific standards for each of the main business processes related to products and services, including solicitation, claims payment and basic customer response etiquette. Tokio Marine & Nichido is strongly committed to being customer-oriented under a firm determination to never providing to customers products or services that do not satisfy these standards.

■ Providing Information That Enables Customers to Make Claims without Any Omissions

To ensure that customers request insurance claims payments and insurance benefits without any omissions, Tokio Marine & Nichido Life provides information to customers regarding insurance claims payments and insurance benefits when they enter into an insurance contract, during the contract validity period and when requesting insurance claims payments and insurance benefits.

Additionally, through such means as our website, we ask customers to contact Tokio Marine & Nichido Life if they have any uncertainties about receiving insurance claims payments and insurance benefits.



Guidebook on receiving insurance claims payments and insurance benefits

■ Raising the Quality of Call Centers

Tokio Marine Group's call center departments have formulated the Contact Center Standard for Tokio Marine (CCST) and have been evaluating and verifying the status of their operations based on the standard for the purpose of raising the quality of customer responses throughout the Group's call centers. We also conduct a customer satisfaction survey on a periodic basis and undertake improvement activities to satisfy customer needs. At the same time, we have been implementing various common measures, such as holding a "telephone response contest" of all call centers within the Group, for mutually refining customer response skills.

In the future, we will utilize digital technology and enhance our website environment to support customers when making inquiries or going through various procedures, while further upgrading response skills and striving to ensure quality response tailored to individual customers and stable operation of call centers.

■ Providing Anshin Quality of Claims Services to Customers

At Tokio Marine & Nichido, we believe that our value as an insurance company is tested when an accident occurs. To prepare ourselves for such an emergency, we define Anshin Quality as specific quality standards that are indispensable for the products and services provided to customers and, together with agents, have been making full, concerted efforts toward the realization of Anshin Quality. Also in terms of claims services, we seek feedback broadly from customers and constantly endeavor to improve quality based on such feedback while repeating the cycle of implementation, verification and improvement.

As one example, we have implemented the following operational improvements based on the evaluation results and opinions we gather through a customer survey, which is conducted after insurance claims are paid to policyholders of our auto insurance, who have been involved in an accident.

- Information regarding details of coverage and a list of available coverages (insurance claims) are sent to customers upon receipt of the notification of an accident, and personnel in charge provide information on the amount of claims payable in an easy-to-understand manner.
- When insurance claims are paid, personnel in charge will explain in an easy-to-understand manner while also sending a statement of claims payable that not only verifies the amount but also provides a detailed breakdown.
- When insurance claims cannot be paid, we inform customers of the reason both verbally and in written form in an easy-to-understand manner. Additionally, inquiries and claims from customers are accepted via an exclusive toll-free telephone line. Assistance from external specialists such as lawyers is also available via the Re-examination Request System*.

*Re-examination Request System

A system for customers (including policyholders and insured persons) to request re-examination when they disagree with the decision not to pay insurance claims made by claims service bases in accordance with policy details

When requested by a customer, the Claims Service Re-examination Committee, which is a closed-door committee composed of external specialists (doctors, lawyers and legal experts), re-examines the decision. The results are subsequently reported in written form to the customer who requested the re-examination. However, this system does not apply to cases that are outside the activity scope of the committee, which is to make a decision from a legal or medical viewpoint. For details, please contact the responsible claims service base.

[Tokio Marine & Nichido: Re-examination Request System](#) (in Japanese)

[Tokio Marine & Nichido: Re-examination Results by the Claims Service Re-Examination Committee](#)
(in Japanese)

To provide high-quality claims services in case of an emergency to deliver safety and security to customers by leveraging our high level of expertise, we are making various related efforts on top of the enhancement of the resolution capabilities of employees. In the following sections, we divide the process of claims services into five steps (receiving loss reports, initial response, loss adjustment, reporting progress and payment of insurance claims) and describe our efforts in each.

[Receiving Loss Reports]

Receiving a loss report from a customer is our first customer contact point in claims services. We work to eliminate anxieties held by a customer who just had an accident by asking whether or not he/she was injured and what exactly happened and simultaneously giving considerate and appropriate advice.

[Initial Response]

After receiving a loss report, we confirm how the customer wishes to proceed with the accident response and provide a detailed description of the process from the beginning to the final resolution. It is only after we consult with the customer that we will contact the parties and others concerned. We try to relieve the customer's anxiety by reporting back to him/her the results of contacting these parties.

[Loss Adjustment]

This step involves checking the status of a car or building damaged by the accident. At the same time, we scrutinize details of necessary repairs and estimated repair costs to confirm an adequate loss amount and explain it to the customer in an easy-to-understand manner.

[Reporting Progress]

To eliminate the customer's anxiety and provide a higher sense of security, we make sure to report the progress in a manner and at the timing matched to the customer's needs.

[Payment of Insurance Claims]

We calculate payable insurance claims and explain the details of these claims to the customer in an easy-to-understand manner. We then work to swiftly go through the payment procedures after confirming with the customer if he/she wants to file a claim.

We also utilize a system to check for other applicable policies and inform the possible payment of other insurance claims, if any, to the customer. For auto insurance, in particular, we have in place a system that does not allow us to close the case until the payment of all payable insurance claims is made. By means of this system and various types of training, we ensure to make an appropriate payment of claims to customers.

Moreover, we constantly strive to improve the quality of our customer response over the telephone through employee training and by conducting a survey on its telephone responses by an external survey company. Efforts are geared toward ensuring all responsible personnel always make a considerate and honest response to customers.

■ Resolution Capabilities of Team Experts

We consider it our mission to provide high-quality claims services when a customer is involved in an accident. In auto insurance, smooth claim settlement requires a team approach in which highly specialized and experienced staff members work as a team toward the same goal.

At Tokio Marine & Nichido, our experienced claims service staff team up with our nationwide network of highly specialized experts including adjusters, lawyers and consulting physicians as well as accountants and tax accountants to provide the resolution capabilities of Team Experts. This allows us to protect our customers in the event of an accident.

In addition to our reliable and extensive network of 232 service bases nationwide, we satisfy 94.1% of our customers who have filed claims under their insurance by exercising our sophisticated negotiating power backed by our industry dominance with more than around 2.59 million accident settlements per year.

Claims Service System in Japan (As of March 2021)

	Tokio Marine & Nichido	Nisshin Fire
Number of service bases	232	105
Claims service staff and adjusters	Approx. 10,700*	Approx. 900
Lawyers	Approx. 550	Approx. 50
Consultant physicians	Approx. 110	Approx. 10
Tax accountants/Accountants	Approx. 70	—
Number of automobile accident settlements (Annual)	Approx. 2.59 million	Approx. 180,000

* As of July 2020

• Shared Value for Caring for Customers as Our First Priority

Tokio Marine & Nichido believes that putting customers first and foremost translates into the quality of claims services, which are intangible and not readily perceivable.

Accordingly, we distribute a booklet entitled *Kokorokara* ("From Our Hearts") to all members engaged in claims services, including new employees who join the company each year. The booklet summarizes the values on which we place importance, including the shared ideas of all members involved with claims services for customers, working in harmony with colleagues and in pursuit of expertise.

We hope to continuously hand down our purpose, pride and sincerity in claims services from a customer standpoint as part of our DNA.



Kokorokara booklet cover page and inside text. The English version is also available.

"Our ceaseless pursuit for expertise is really a quest for better human qualities, and this quest never ends."

"Face to face with a person who needs your help, as a fellow human being, what does your heart tell you? Everything starts from here. I want to help because a person needs my help. This strength of emotion is our *raison d'être*."

○ Initiatives to Improve Quality by Leveraging Digital Transformation (DX)

■ Insurance Procedures Seeking Greater Comfort and Convenience by Leveraging Smartphones

In line with varying lifestyles and changes in society, demand is rising for products and services that are available via the Internet, smartphones and other means.

Tokio Marine & Nichido and E. design Insurance work to support the safety and security of customers by utilizing smartphones and provide smartphone apps with a variety of features, including displaying insurance-related points of contact, making such a contact, viewing insurance policy details and reporting an accident using positioning information through GPS, anytime and anywhere.

■ Supporting Safety and Security via Smartphones

Smartphones accounted for about 90% of mobile phones sold domestically in fiscal 2019 and have been rapidly gaining popularity among users.

Tokio Marine & Nichido provides the free smartphone app *Mobile Agent* to customers. Policyholders use this app to check the corresponding insurance company's and the responsible agent's points of contact and view details of their policies anytime, anywhere. It also has several features that support customers to handle a traffic accident smoothly.

These include an accident reporting feature that identifies the location of an accident via GPS, a simple procedure to request a tow truck in a minimum of three taps, a function to easily send photographs of a damaged vehicle or accident site taken by a policyholder to Tokio Marine & Nichido and a function to enable the real-time monitoring of accident response status via push notifications.

Since January 2019, the company has started providing discounts to customers who choose web-based policies (auto insurance and *Super Business Insurance*) during the contracting process and has been improving the app's operability. Additional efforts have been made to increase the functionality as a disaster prevention and mitigation app to prepare for major natural disasters, including reinforcement of its feature to provide disaster and evacuation information and the sharing of policy details among family members. Tokio Marine & Nichido will continue to further strengthen its digital point of contact with customers through *Mobile Agent*.

Additionally, E. design Insurance allows customers to complete overall procedures, from requesting an estimate to final application for auto insurance, via smartphone. A dedicated web page is set up for each customer to report accidents and verify accident response status in addition to making changes to contract details and renewal procedures.

The smartphone app *Accident Site Call* enables customers to easily and quickly make reports in case of accidents or car troubles. The actual location is notified via GPS so that customers can immediately request for the SECOM Accident On-site Rush Service or road service even in an unfamiliar place.

Tokio Marine Group will work further to support the safety and security of customers by utilizing smartphones.

 [Tokio Marine & Nichido: Mobile Agent](#) (in Japanese)

 [E. design Insurance: Annual Report](#) (in Japanese)



■ Examples of Initiatives toward High-Quality Solicitation

In April 2012, Tokio Marine & Nichido rolled out an initiative that utilizes tablet devices to enhance comfort and convenience for customers.

For *Super Insurance*, auto insurance, fire insurance, accident insurance and life insurance, its main products for individual customers, the company introduced the paperless *Raku Raku Tetsuzuki* (Quick and Easy Online Procedures), which allows customers to request a premium estimate, view product descriptions and apply for insurance on a tablet and other devices. These procedures enable the company to provide easy-to-understand product descriptions with videos and electronic pamphlets. The company has also introduced "Your Enrollment at a Glance," a list that enables customers to check their family's insurance enrollment status on their tablet and other devices.

In January 2020, the company launched the *Smart Raku Raku Tetsuzuki* service for customers to enroll in an insurance product on their smartphones, personal computers and tablet devices, thereby setting up a system to allow them to apply for insurance on their own, anytime and anywhere.

The company also rolled out the *Remote Raku Raku Tetsuzuki* in December 2020. It is a seamless, paperless and at-ease service that uses a web conferencing app to complete everything online on smartphones and other devices, from proposing and explaining insurance products to customers to helping them apply for a product.

The initiative received a 2014 Ministry of Economy, Trade and Industry (METI) Minister's Award in recognition of its contribution to informatization of the economic society. It also won the top IT Overall Award at the 31st Information Technology Award 2013 sponsored by the Japan Institute of Information Technology. In the future as well, Tokio Marine & Nichido will strive to further enhance comfort and convenience for customers through a diverse range of initiatives.



Screen images of *Raku Raku Tetsuzuki* contract procedures

■ Introducing a Function to Propose Insurance Products Using AI

For the first time in the insurance industry, we have developed a function in which AI designs recommended insurance plans that combine life and non-life insurance products based on customers' attribute information, including age, gender and family composition as well as which life and non-life insurance products they have enrolled in. For this function, we have filed an application for a business model patent.

In June 2021, we adopted the function in our *Super Insurance* and have initiated a process of transforming ourselves toward the realization of "a new form of insurance proposal," in which agents with an excellent consulting capability utilize this function to propose insurance products to customers.

* This function was developed jointly with PKSHA Technology Inc., which possesses a strength in AI technology.

2.2.7.3 Response to Customer Feedback

Based on the Group's common standards related to customer feedback, each company of Tokio Marine Group has formulated a response policy in order to develop a structure to utilize this feedback for improving products and services.

■ Customer Feedback Response Policy

Critical opinions and demands as well as compliments from customers are valuable assets for us to provide more quality services to customers. Based on the Group's basic policy related to customer feedback, each company of Tokio Marine Group has formulated a response policy in order to develop a structure to utilize customer opinions for improving products and services.

Tokio Marine & Nichido Customer Feedback Response Policy

Basic Philosophy

Tokio Marine & Nichido sincerely accepts and actively applies customer feedback to its corporate activities with customer trust as the basis of all of its business activities.

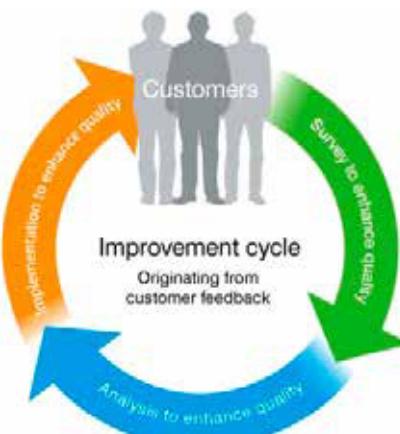
Basic Policy

- ① We will proactively accept and appreciate customer feedback.
- ② We will undertake company-wide initiatives to responsibly address customer feedback through to the end.
- ③ We will utilize customer feedback to enhance the quality of our operations, including products and services.
- ④ We will deliver greater safety and security based on customer feedback.

■ Structure to Make Improvements Based on Customer Feedback

Customer surveys and feedback received directly from customers by employees and agents lead to quality improvements in terms of products, services and other aspects. For example, Tokio Marine & Nichido, Nisshin Fire and Tokio Marine & Nichido Life enter such feedback into a central management system that is set up on their respective intranets for later analysis. This feedback is then utilized for the said improvements.

Additionally, Tokio Marine & Nichido conducts regular meetings with external advisors and consumer monitors in order to receive advice from the perspective of consumers. These activities have translated into various improvements, including easier-to-understand notices and documents.



<Initiatives in Compliance with ISO 10002>

As a means of standardizing the response to customer feedback companywide, Tokio Marine & Nichido and Tokio Marine & Nichido Life have established operation systems in conformity with ISO 10002, the international standard for management of the complaints handling process.

Moreover, these two companies were the first in the domestic financial industry to verify compliance with the ISO 10002 standard in June 2007 and subsequently made an external announcement in July. Under these operation systems, we will continuously strive to enhance the quality of operations in terms of products, services and other relevant aspects based on customer feedback. Nisshin Fire also made a self-declaration of compliance with the ISO 10002 standard in July 2008.

■ Listening to Customer Feedback

Each Tokio Marine Group company actively listens to customer feedback through various means such as customer surveys, telephone calls from customers, company websites and information gathering via agents and sales personnel.

From the perspective of enhancing the transparency of initiatives regarding customer feedback, the number of feedback comments received, details of these comments and examples of products and services developed or improved based on such feedback are made public via company websites in greater detail.

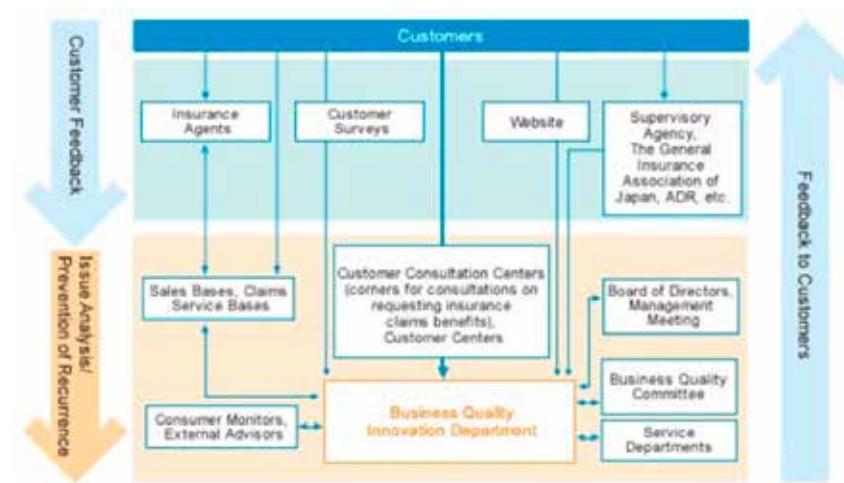
Tokio Marine & Nichido is conducting customer surveys regarding auto insurance, fire insurance and *Super Insurance* at the time of contract. The aim is to confirm whether the company is providing easy-to-understand explanations of details of coverage, premiums payments, rider services and important terms. Tokio Marine & Nichido also asks for cooperation in surveys after paying insurance claims to customers in order to obtain a wide range of opinions regarding responses to accidents. The company constantly makes efforts to improve quality based on this customer feedback.

Tokio Marine & Nichido Life is obtaining customer feedback by enclosing surveys along with notices regarding contract details, insurance policies and other relevant documents that are sent to all policyholders once a year.

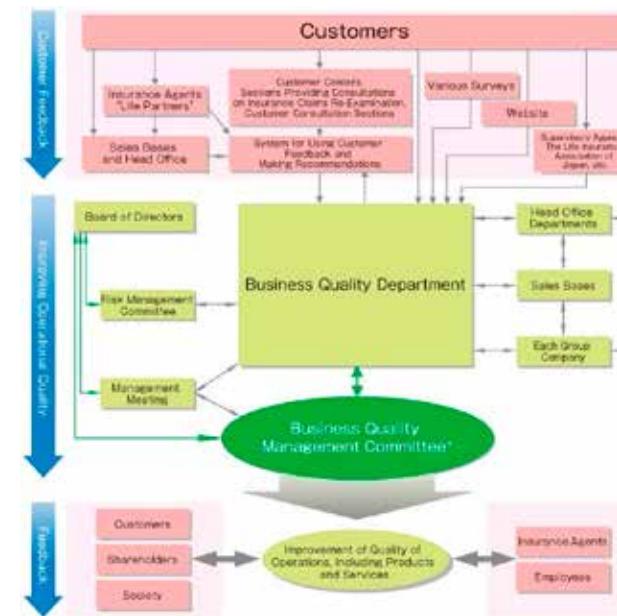
Nisshin Fire strives to identify customer needs through various surveys, for example, on staff response during the contracting process and accident response services and works together with its agents to enhance the quality of its services to bring even greater satisfaction to customers.

<Structure for Listening to Customer Feedback>

[Tokio Marine & Nichido]



[Tokio Marine & Nichido Life]



*An internal cross-sectional committee of the Board of Directors composed of full-time directors and general managers and established for the purpose of utilizing feedback from customers to improve operational quality

[Nissin Fire]



<Fiscal 2020 Number of Customer Feedback Comments>

[Tokio Marine & Nichido]

Customer feedback categories	Representative examples	Apr.-Jun. 2020	Jul.-Sep. 2020	Oct.-Dec. 2020	Jan.-Mar. 2021	Fiscal 2020
		Number of comments	Number of comments	Number of comments	Number of comments	Total as of Mar. 2021
Products and services						
Policy and pamphlet related	Policy and pamphlet details difficult to understand	247	296	319	325	1,187
Products and services related	Requests for improving products and services, others	1,135	1,304	1,230	1,558	5,227
Subtotal: Products and services		1,382	1,600	1,549	1,883	6,414
Enrollment: Contract procedures						
Contract renewal procedures	Delays in sending renewal information, others	929	1,025	1,064	965	3,983
Explanation of contract details	Insufficient explanation of contract details, others	238	271	279	266	1,054
Subtotal		1,167	1,296	1,343	1,231	5,037
Enrollment: Contract management						
Policy deficiencies	Errors in listed policy details	19	186	217	184	606
Non-arrival of policy	Delay in sending of policy	196	20	23	17	256
Modification procedures	Delay in modification procedures, others	952	940	966	1,043	3,901
Account transfers	Unable to make account transfers, others	160	156	152	145	613
Subtotal		1,327	1,302	1,358	1,389	5,376
Enrollment: Response and etiquette						
Response and etiquette	Telephone response and visitation etiquette	382	473	498	579	1,932
Enrollment: Others						
Matters concerning enrollment not corresponding to the above		11	21	26	21	79
Subtotal : Enrollment total		2,887	3,092	3,225	3,220	12,424
Insurance claims payments: Insurance claims payment						
Contacting and responses	Delay in being contacted by staff, insufficient explanation of procedures	1,049	1,281	1,366	1,358	5,054
Payment amount	Insufficient explanation about insurance claims payments	641	682	768	756	2,847
Advisability of payment	Advisability of payment	1,268	1,485	1,599	1,637	5,989
Subtotal		2,958	3,448	3,733	3,751	13,890
Insurance claims payment: Response and etiquette						
Response and etiquette	Telephone response and visitation etiquette	409	556	623	612	2,200
Insurance claims payments: Others						
Matters concerning payment not corresponding to the above		8	7	13	25	53
Subtotal: Total for insurance claims payments		3,375	4,011	4,369	4,388	16,143
Matters concerning personal information						
Others		52	42	57	58	209
Dissatisfied Total		7,738	8,775	9,235	9,601	35,349
Requests						
Compliments		670	989	1,099	935	3,693
Total		9,642	11,418	12,491	12,604	46,155

[Tokio Marine & Nichido Life]

(Number of Comments of Dissatisfaction Only)

Item	Principal Details of Feedback	Apr. 1, 2020-Mar. 31, 2021	Percent of Total (%)
New contract related	Dissatisfied with explanations and with presentations on insurance policy at time of enrollment, others	2,087	15.6
Receipt related	Dissatisfied with insurance premium payment methods and modification procedures, others	1,657	12.4
Protection related	Dissatisfied with contract details modifications, policyholder loans, cancellation procedures, others	3,736	27.9
Insurance claims and benefits related	Dissatisfied with payment procedures for insurance claims, benefits, maturity proceeds, others	1,279	9.6
Others	Dissatisfied with after-service, etiquette and telephone response, others	4,614	34.5
Total		13,373	100.0

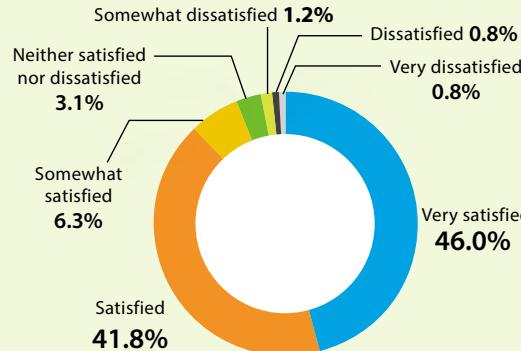
[Nissin Fire]

(Number of Comments of Dissatisfaction Only)

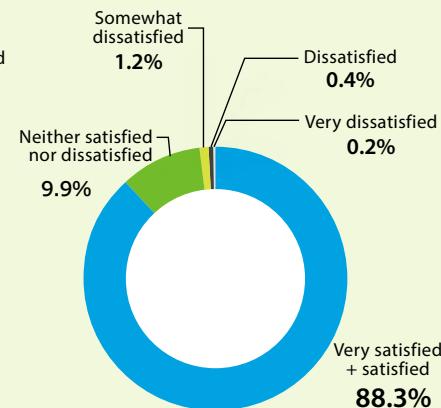
Item	FY2019	FY2020
1. Contracting and soliciting activities		
① Product details (coverage, others)	12	10
② Contracting procedures (incomplete, delays, others)	165	166
③ Soliciting activities (not thoroughly confirming with customers their needs and purposes, others)	113	85
④ Insufficient or erroneous explanation about policy details, conditions and others	372	272
⑤ Enrollment (conditions, restrictions, others)	19	26
⑥ Error in insurance premium calculation	30	38
⑦ Staff interaction with customers	30	25
⑧ Contents of forms and other documents (application forms, invoices, leaflets, others)	20	17
⑨ Other	171	171
Subtotal	932	810
2. Management and protection of contracts, collection of premiums		
① Insurance policies not reaching customers or errors in policies	29	23
② Availability of payment in installments or account transfer	48	46
③ Procedures for changing policies	307	188
④ Procedures for canceling policies	243	202
⑤ Processing of maturity repayment (processing delay, amount repaid, others)	5	3
⑥ Staff interaction with customers	11	11
⑦ Other	64	30
Subtotal	707	503
3. Insurance claims		
① Amount of insurance claims paid	131	163
② Delay in response and method of response	716	557
③ Advisability of payment	43	17
④ Staff interaction with customers	229	167
⑤ Other	7	6
Subtotal	1,126	910
4. Other (including complaints on the handling of personal information)		
Total	2,796	2,275

<Tokio Marine & Nichido: Level of Satisfaction (Fiscal 2020 Auto Insurance)>

■ Level of Satisfaction regarding Overall Claims Services

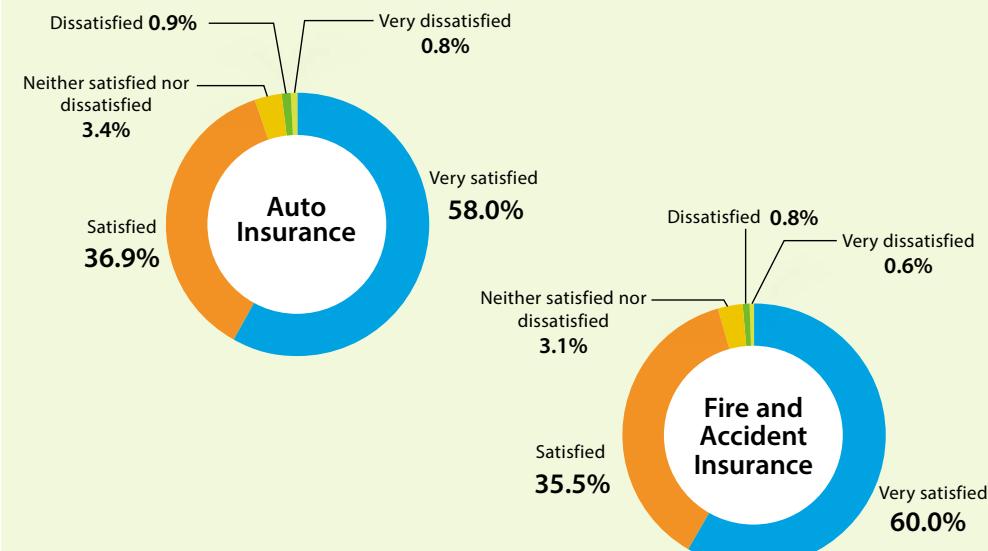


■ Overall Level of Satisfaction regarding Contract Procedures



<Nissin Fire: Level of Customer Satisfaction (Fiscal 2020)>

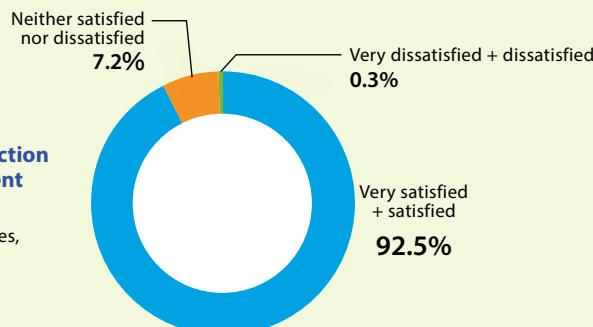
■ Overall Level of Satisfaction regarding Accident Response Services



<Tokio Marine & Nichido Life: Level of Customer Satisfaction (Fiscal 2020)>

■ Overall Level of Satisfaction at the Time of Enrollment

(Overall Level of Satisfaction regarding Contract Procedures, Product Details, etc.)



Status of customer feedback: Respective Group company websites

[Tokio Marine & Nichido: Number of customer comments received and customer survey results](#)

(in Japanese)

[Tokio Marine & Nichido Life: Status of customer feedback](#) (in Japanese)[Nisshin Fire: Response to customer complaints](#) (in Japanese)

■ Main Examples of Items That Have Been Developed and Improved Based on Customer Feedback (Fiscal 2020)

Critical opinions and demands as well as compliments from customers are valuable assets for us to provide more quality services to customers. Based on the Group's basic policy related to customer feedback, each company of Tokio Marine Group has formulated a response policy in order to develop a structure to utilize customer opinions for improving products and services.

Tokio Marine & Nichido

[Customer Feedback]

I would like you to also provide a means to seek advice on insurance and complete contract procedures remotely.

[Response]

In December 2020, we introduced a system for auto insurance, which allows customers to virtually complete contract procedures while having an online consultation with an agent.

Tokio Marine & Nichido Life

Increasing customer convenience when filing claims for surgery benefits (January 2021)

[Customer Feedback]

It takes time and money to request a medical certificate from a medical institution. Can you simplify your procedures?

[Response]

In January 2021, we changed our procedures regarding certain surgeries and increased customer convenience. Customers can now file claims by just submitting an application form and a copy of receipts issued by the medical institution.

Nisshin Fire

[Customer Feedback]

On your notice of claims payment, the address you printed showed my name in *katakana*, which looked strange to me. I think you should use *kanji* (Chinese characters).

[Response]

We upgraded our system to create forms we provide to customers, and we can now create easy-to-read customer forms using *kanji* characters.

Status of Customer Feedback: Respective Group Company Websites

- [↗ Tokio Marine & Nichido: Improvement examples based on customer feedback \(in Japanese\)](#)
- [↗ Tokio Marine & Nichido Life: Major and specific development and improvement examples based on customer feedback \(in Japanese\)](#)
- [↗ Nisshin Fire: Examples of improvements that have been carried out based on customer feedback \(in Japanese\)](#)

2.2.7.4 Collaborating with Agents

Working Together with Agents to Improve Quality

To provide safety and security that truly is based on customers' points of view, Tokio Marine Group endeavors to build partnerships based on trust and together improve the operational quality through smooth communication with agents.

The Role of Agents in Tokio Marine Group

In auto, life and other insurance, the role of agents in Tokio Marine Group is to protect customers from risks by providing various kinds of insurance products and services as intermediaries between customers and each insurance company in the Group. Agents are carrying out a broad range of consulting activities such as introducing optimal insurance tailored to the needs of each customer and quickly providing support to deliver security to customers in the event of disasters or accidents.

For agents to meet customers' expectations and trust and be indispensable persons truly relied upon by customers, each Tokio Marine Group company has been proceeding with initiatives directed toward its agents such as various kinds of training, establishment of administrative procedures and IT systems and business administration management support.

Working Together with Agents on Initiatives to Improve the Quality of Operations

At Tokio Marine & Nichido, we define Anshin ("Reassuring") Quality Standards as specific quality standards that are indispensable for the products and services provided to customers and work together with agents to improve quality. In addition, with regard to an agent commission system, we conduct assessments in terms of quality, growth (scale, revenue increase rate, claims ratio) and partnership (including consulting capability, quality of agent business administration and claims service response capability). By doing so, we have established a system to support agents that delivers sustainable growth by providing safety and security to customers and by always remaining their first choice.

As qualifications of excellent agents and salespersons (insurance solicitors), we use an internal system to certify "Top-Quality Agents" and an external qualification program to certify "General Insurance Total Planners." The Top-Quality Agent certification is given to Tokio Marine & Nichido's agents, which demonstrate a superior level of performance overall in terms of the abilities to propose insurance

products and services to customers and respond to an accident and other emergencies and business soundness, stability and growth potential as an insurance agent, based on the standards specified by the company. The General Insurance Total Planner qualification is the most prestigious solicitor qualification given by The General Insurance Association of Japan to insurance solicitation professionals who have acquired consultation-related knowledge and operational skills on top of basic knowledge of laws, tax affairs and other matters related to non-life insurance.

Going forward, we will promote reforms toward a new business model utilizing tablet devices and smartphones to realize an even more comfortable experience for customers. We will work hand-in-hand with our agents to deliver quality to all customers and gain higher recognition from customers.

Nisshin Fire has also established its Customer Trust Standards for agent operations concerning contract procedures, product presentations and response to customers involved in accidents or other incidents, as well as proceeding with initiatives accordingly to ensure that all its agents across Japan provide customers with the same, high level of services. Additionally, Nisshin Fire's agent commission system places emphasis on providing services and support for customers especially at the time of contract procedures and accidents, and the company conducts an evaluation of the level of achievement of operations as an agent to decide agents' commissions.

Sharing Information with Agents

Tokio Marine & Nichido has developed the agent's ICT system TNet* in order to readily provide functions that are related to insurance procedures and contracts management as well as various information and sales support tools that are necessary for agents in responding to customers.

Looking ahead, the company has developed and introduced a new agent system (TNEXT) that takes advantage of the latest advancements in digital technologies in order to strengthen agents' customer responsiveness.

* TNet is an online agent system provided by Tokio Marine & Nichido with the intent of supporting agents in enhancing the quality of insurance business operations and increasing operational efficiency.



TNet top screen

Education and Training Systems for Agents

In order to meet customer expectations and earn their trust so that customers are able to consult us about insurance with peace of mind, we support the development of professional human resources through a qualifications system and training programs.

Original Learning Program

In order to foster salespersons capable of providing meticulous and excellent services to customers, Tokio Marine & Nichido offers a learning program that covers a broad range of operational knowledge on product details, claims services, compliance and other business-related topics. A course on basic products knowledge, in particular, is provided as a mandatory course, which salespersons must take before they engage in product sales. Salespersons can take each course through various means, including our online agent system (TNet).

Tokio Marine & Nichido Life Training College

Tokio Marine & Nichido Life provides the Tokio Marine & Nichido Life Training College training program for life insurance agents to develop professional insurance salespersons. In this program, for roughly four months agent salespersons and the company's responsible employees take part together in group training and web-based training, in which the most advanced training program has been adopted, while also carrying out practical activities on the front lines of business.



With regard to these practical activities, the company provides the latest programs for supporting the sales activities of participants, such as the adoption of Antore Hiroba, a website where participants can exchange information with each other. Also, the company gives salespersons opportunities to continue helping each other to improve their skills after the completion of their training, including follow-up training at branch offices.

Agent Trainee System

With a view to responding to diversifying customer needs and nurturing corporate agents' employees who have excellent consulting capabilities to propose appropriate insurance products, Tokio Marine & Nichido has established an Insurance Planner System. It is a human resources development system that provides early-stage education, starting with the acquisition of knowledge on the policy renewal process of the corresponding agents, to facilitate the learning of solicitation skills. Under this system, agents' employees are temporarily transferred to Tokio Marine & Nichido for a maximum of two years to acquire specialized knowledge on insurance products, learn techniques of consultation-based sales in a phased and systematic manner and gain solicitation skills. The goal is to enable them to assume the role of a professional salesperson highly specialized in his or her area of expertise at the respective corporate agents.

The program can also be utilized as a broader supportive measure to help agents grow, as it has expanded its scope from specialized agents to include part-time agents in the auto, real estate and financial fields.

Nisshin Fire also operates the Risk Advisor Employee System, a similar trainee system to develop specialized professional agents. The system is designed to acquire various knowledge and practical work experience that are necessary for selling insurance while being engaged in soliciting contracts and related work for a certain period.

2.2.8 Measures and Response to COVID-19

Tokio Marine Group has been taking measures to combat and respond to COVID-19.

Continuing Important Business Operations through Extensive Measures to Prevent the Spread of Infectious Diseases and Revising the Details and Procedures of Products

To sustain its function integral to social infrastructure, Tokio Marine Group is continuing to undertake critical operations, including receiving loss reports, paying insurance claims and protecting insurance policies, while working to prevent the spread of COVID-19 and ensure the safety of employees.

Tokio Marine & Nichido has implemented emergency measures for policyholders affected by COVID-19 to extend the period allowed for contract procedures and grace period for premium payments. During the period from April 23 to September 30, 2020, the company extended, with regard to compulsory auto liability insurance, the period for changing the insured vehicle or canceling or modifying the details of the policy upon transfer of title or vehicle replacement; the period for policy renewal to match the effective period of vehicle inspection certificates extended by the government; and grace period for premium payments. For accident insurance, *Super Business Insurance* (liability clause) and other products that conventionally cover Classes I to III infectious diseases specified in Japan's Infectious Diseases Act, the company expanded the scope of coverage in April 2020 to the designated infectious diseases under the act, which include COVID-19. The Infectious Diseases Act was then revised in February 2021, and COVID-19 was moved from the category of designated infectious diseases to the category of novel influenza and other infectious diseases. The company accordingly revised its products to provide continued coverage for COVID-19.

For overseas travel insurance with coverage for diseases, the requirement for the period from the end of policy duration to the start of medical treatment has been relaxed from within 72 hours to within 30 days for COVID-19. The company has also expanded the definition of hospitalization under its medical and other insurance and decided to pay hospitalization and related benefits to cases in which COVID-19 patients stay at temporary facilities (including hotels) or at home as per doctor's instructions and receive treatments comparable to those provided by hospitals.

(As of August 1, 2021)

Donations by Tokio Marine Group Companies and Employees

COVID-19 has spread globally and caused unprecedented impacts in various forms. In order for Tokio Marine Group to promote its efforts against COVID-19 on a global basis, we have set a budget of 1 billion yen for the period of two years from fiscal 2020 to fiscal 2021, which will be used by Tokio Marine Holdings to match 50% of the amount donated by employees of Group companies in and outside Japan.

To date, we have made monetary donations to support financially challenged students for expenses to advance to higher education, tuition fees and living expenses; art and cultural organizations forced to suspend or curtail activities; medical institutions; single-parent households; and children orphaned by traffic accidents. Monetary donations have also been made to provide support for research and development of curative drugs and vaccines against COVID-19; international medical assistance; learning and food assistance for children facing school closures; and support for prevention of infection for persons with disabilities. The Group also donated medical supplies stockpiled in-house to medical institutions and other entities across Japan (more than 300,000 N95 medical masks and more than 10,000 items of protective clothing).

■ Providing "Medical Note," an Online Medical Consultation Service, and Holding a Webinar

(Tokio Marine & Nichido and Tokio Marine & Nichido Life)

To prevent the spread of COVID-19 and enable customers to consult and ask questions to healthcare professionals from home, we provided the "Medical Note^{*1}" service to customers free of charge from April 15 to June 30, 2020 and from January 12 to February 28, 2021. It is an online medical consultation service of MedicalNote Inc., a capital and business alliance partner of Tokio Marine Holdings. More specifically, "Medical Note" allows people who are worried about their symptoms to easily, directly and individually consult and ask questions online to healthcare professionals, mainly medical specialists. Customers who used the service during the said periods provided positive feedback, saying that advice was to the point, reliable and quick and that the service eliminated their anxiety during the time when it was difficult to visit hospitals.

In January 2021, a free webinar on COVID-19 was held by MedicalNote for Tokio Marine & Nichido and Tokio Marine & Nichido Life. The webinar invited Tokyo Medical Association Chairman Haruo Ozaki, who is fighting against the virus on the frontline, to give a lecture and provide the latest information on COVID-19, including updates on how it is transmitted and how to prevent it.

With regard to our *Medical Assist^{*2}* consultation service that comes with our insurance products, Tokio Marine & Nichido Medical Service continues to provide medical consultation over the telephone. As for COVID-19, we have been responding to customers seeking advice from these services in accordance with the policy of the Ministry of Health, Labour and Welfare (MHLW) issued to the health departments in each prefecture as well as the guidelines of the National Institute of Infectious Diseases, instructing those suspected of being infected with the novel coronavirus to consult a COVID-19 consultation center.

*1 This service is provided within the scope of remote health and healthcare consultations as defined in MHLW's guidelines for appropriate online medical consultations.

*2 This service is for policyholders of Tokio Marine & Nichido (excluding companies), insured persons (excluding companies) and their respective families (spouses, blood relatives within the sixth degree and relatives by marriage within the third degree) and for policyholders of Tokio Marine & Nichido Life (excluding companies), insured persons and their respective families (spouses, blood relatives within the sixth degree and relatives by marriage within the third degree).

■ Offering COVID-19 Vaccination Sites Free of Charge (August 2021)

For supporting swift and smooth implementation of vaccinations for preventing the spread of COVID-19, Tokio Marine & Nichido has offered two of its own facilities, namely Tokio Marine & Nichido Tama General Ground and Tokio Marine & Nichido Shakujii Sports Center, free of charge to Hachioji City and Nerima-ku, respectively. The two local governments in Tokyo are using these facilities as a venue for mass vaccinations.

Tokio Marine Group will strive to resolve social issues while also working with local governments in order to accomplish the purpose of protecting customers and society in times of need, which the company has upheld since its founding, as well as continue to deliver safety and security to local community members.

2-3 Tokio Marine Group's Governance Initiatives

2.3.1 Corporate Governance

2.3.1.1 Tokio Marine Holdings Fundamental Corporate Governance Policy

To earn the trust of all people and society and achieve sustainable growth, Tokio Marine Group must raise the quality of initiatives for "business strategies," "governance" and "social responsibility" and build a structure for resilient, highly sound and transparent management as a global insurance group.

Accordingly, as initiatives serving as the basis of such a management structure, Tokio Marine Group is making efforts for compliance, fraud prevention, information security, privacy, respect for human rights, sustainability in the value chain and sustainable investment.

Through these initiatives, Tokio Marine Group will meet the expectations of stakeholders, beginning with continuously enhancing shareholder value, and contribute to realizing a sustainable society.

Basic Approach to Corporate Governance

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

For this purpose, the Company recognizes the importance of establishing a sound and transparent corporate governance system and exercising appropriate control over its Group companies as a holding company and has formulated the Tokio Marine Holdings Fundamental Corporate Governance Policy. In this policy, the Company defines the rights of shareholders and securing fairness, and the responsibilities of the Board of Directors, etc.

[Tokio Marine Holdings Fundamental Corporate Governance Policy](#)

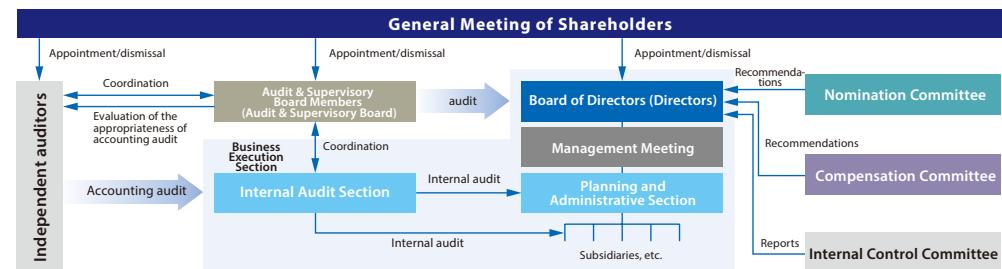
2.3.1.2 Corporate Governance System

Corporate Governance System

The Company's corporate governance system is designed as a hybrid structure whereby the

Nomination Committee and Compensation Committee are discretionarily established in addition to the fundamental structure of a company with an Audit & Supervisory Board. The Company believes that the above structure is optimal at this point, and in light of the following measures taken, the Company determines significant business execution by resolution of the Board of Directors as an insurance holding company and makes high-quality decisions reflecting the insight of Outside Directors and Outside Audit & Supervisory Board Members; Audit & Supervisory Board Members who hold no voting rights at the Board of Directors meeting conduct unbiased and objective audits; and the transparency of the decision-making process of nomination of and compensation for Directors, Audit & Supervisory Board Members and Executive Officers is ensured by those issues being deliberated at the Nomination Committee and Compensation Committee.

Corporate Governance System



Record of Measures to Strengthen Corporate Governance

Structure	FY2002	FY2004	FY2005	FY2011	FY2013	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Structure				April Millea Holdings (currently Tokio Marine Holdings) established as a company with an Audit & Supervisory Board	July Nomination Committee and Compensation Committee discretionarily established							
Membership												
Outside Directors	3						June 4			June 4	June 5	June 6
Outside Audit & Supervisory Board Members	2		3 (decreased in FY2005)									
Non-Japanese Executive Officers					June First non-Japanese Executive Officer appointed	August 4	June 6	April 5	April 6	June 5		
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 Appointment conditions and dismissal policies for the President revised		
Compensation		July Stock options introduced	July Ratios of performance-linked bonuses increased for certain officers							July Same as previous update	July Share deliver trust introduced	

The Company complies with all principles of the Corporate Governance Code (prior to revisions in June 2021). The Company will continue to make efforts to enhance its corporate governance.

[Corporate Governance Report \(in Japanese\)](#)

• Structure of the Board of Directors

The Board of Directors is responsible for deciding on important matters relating to the execution of the Company's business such as determining the Group's business plan and various basic business policies, supervising the performance of individual Directors and establishing an effective internal control system.

The Company has established the Tokio Marine Holdings Fundamental Corporate Governance Policy regarding the Composition of the Board of Directors and Directors' term of office and the Conditions for selection of Directors.

Directors as a general rule, at least one-third shall be Outside Directors. In addition, Directors are appointed for a term of office of one year and may be reappointed. To ensure the effectiveness of the Board of Directors, when selecting Directors, a balanced composition shall be established, with viewpoints and specializations from diverse fields, as well as gender, internationality, career, and age. As of the end of June 2022, the Company had 14 Directors, of whom six were Outside Directors.

• Audit & Supervisory Board Members and Structure of the Audit & Supervisory Board

Audit & Supervisory Board Members, as an independent body entrusted by shareholders, audit the performance of Directors, with the aim of ensuring sound and fair management and accountability. Audit & Supervisory Board Members shall endeavor to conduct a high-quality audit in accordance with the regulations of the Audit & Supervisory Board, auditing standards, auditing policies and auditing plans determined by the Audit & Supervisory Board.

The Company shall have approximately five Audit & Supervisory Board Members, with a maximum of six set by the Articles of Incorporation. As a general rule, a majority shall be Outside Audit & Supervisory Board Members. As of the end of June 2021, the Company had five Audit & Supervisory Board Members, of whom three were Outside Audit & Supervisory Board Members.

• Conditions for Selection of Directors and Audit & Supervisory Board Members

Directors of the Company and its principal business subsidiaries shall have a deep understanding of the Company's business type, possess a wide range of knowledge required for management, and as a member of the Board of Directors, have the ability to make decisions that are necessary to determine significant business execution matters. Audit & Supervisory Board Members of the Company and its principal business subsidiaries shall have operational abilities and previous achievements and experience, etc., as Audit & Supervisory Board Members, and through implementation of high quality audits, secure sound and continuous growth of the Company, contributing to the establishment of a

superior corporate control system that can respond to societal trust.

• Outside Officers

The presence of Outside Directors ensures the effective supervision of director performance by the Board of Directors. In addition, Outside Directors provide advice based on their insight as experts in various fields, thus ensuring an organization that enables appropriate decisions on important matters relating to the execution of the Company's business. The presence of Outside Audit & Supervisory Board Members creates an auditing organization with an independent and objective perspective. Moreover, it enhances the effectiveness of the Audit & Supervisory Board and ensures an organization that maintains sound, transparent management.

The Company has established conditions for selection and standards for determining independence ([Tokio Marine Holdings Fundamental Corporate Governance Policy Article 18](#)) when selecting Outside Officers.

As of the end of June 2021, the Company has six Outside Directors and three Outside Audit & Supervisory Board Members and has determined their independence from the Company with reference to the above criteria. Accordingly, the Company has registered all nine Outside Officers as independent directors/auditors as prescribed by the Tokyo Stock Exchange.

• Compensation for Directors, Audit & Supervisory Board Members and Executive Officers

The Company shall ensure transparency, fairness and objectivity when determining compensation for Directors, Audit & Supervisory Board Members and Executive Officers. The following structure shall apply to compensation for Directors, Audit & Supervisory Board Members and Executive Officers.

Applicable personnel	Fixed compensation	Performance-linked compensation	Stock compensation
Directors (Full-Time), Executive Officers	○	○	○
Outside Directors, Directors (Part-Time)	○	—	○
Audit & Supervisory Board Members	○	—	—

* With respect to the component ratios of each type of compensation within the base amount of compensation for Directors and Executive Officers, in principle, the higher their positions, the greater the ratios of performance-linked compensation and stock compensation become.

The purpose of each type of compensation is as described below.

Compensation type	Purpose
Performance-linked compensation	Performance-linked compensation reflects the performance of an organization or an individual against the predetermined corporate and individual targets and is introduced to strengthen individuals' incentives to raise the Company's corporate value.
Stock compensation	Stock compensation is linked to the Company's share price and is introduced to encourage the recipients to fulfill their accountability to shareholders by sharing returns on the Company's shares with them.

The Board of Directors shall set the level of compensation for each position held by Directors and Executive Officers according to their responsibilities, while 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 compensation shall be paid monthly, while stock compensation shall be delivered upon resignation.

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

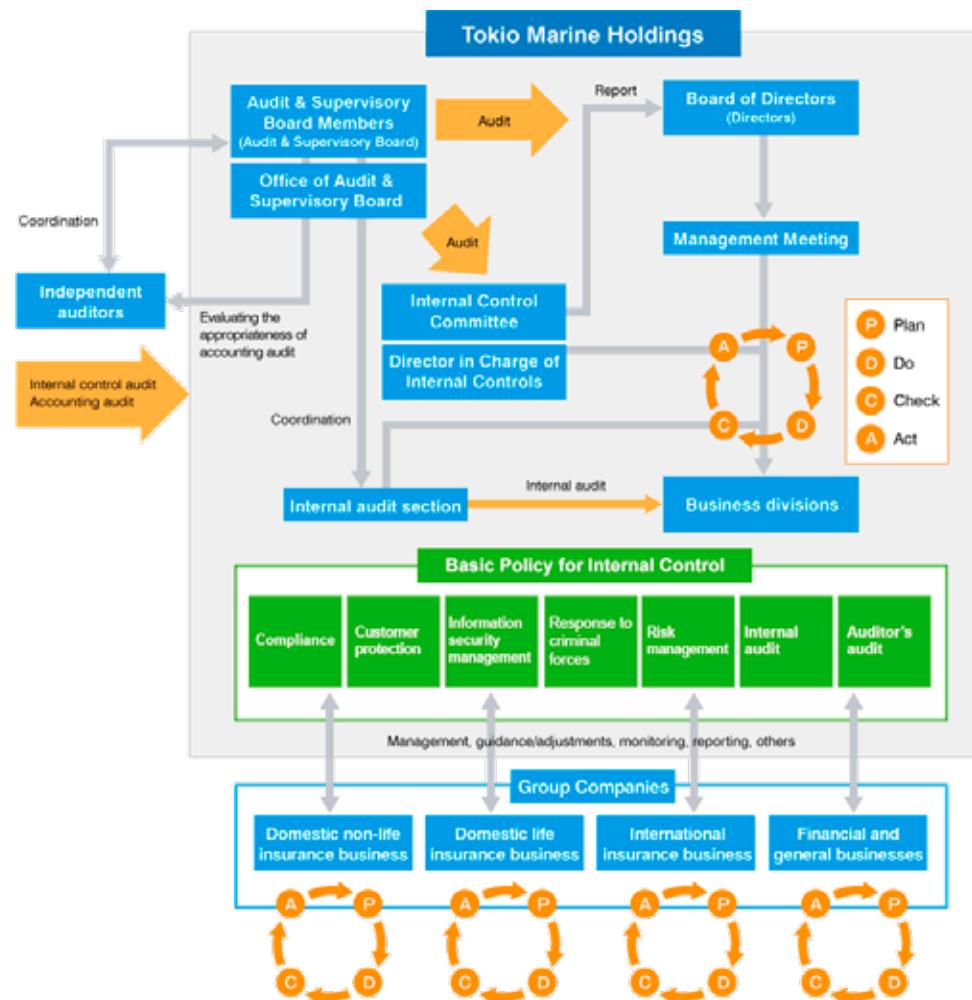
2.3.1.3 Internal Control

■ Internal Control

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

this monitoring. The Internal Audit Section maintains close coordination with Audit & Supervisory Board Members to ensure the effectiveness of their audits.

Basic Policies for Internal Control



2.3.2 Compliance

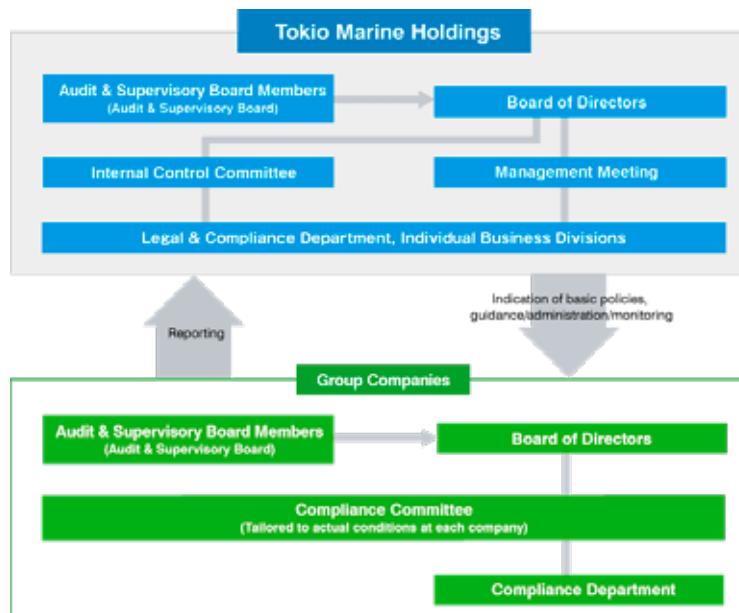
Tokio Marine Group, which places customer trust at the foundation of all its activities, is implementing various compliance-related initiatives based on its belief that it is important to thoroughly implement compliance through its day-to-day business, with employees and agents maintaining high ethical standards.

2.3.2.1 Code of Conduct

Tokio Marine Group is committed to the continuous enhancement of its corporate value, with customer trust at the base of all its activities. The Tokio Marine Group Code of Conduct sets forth ethical standards that are essential for translating this Corporate Philosophy into action from a compliance perspective, and shall be given the highest priority in all aspects of our business operations and activities.

[Tokio Marine Group Code of Conduct](#) (excerpt)

2.3.2.2 Compliance System for Tokio Marine Group



[Organizational Framework](#)

Tokio Marine Group defines compliance as "observing applicable laws, rules and regulations and internal regulations and conducting fair and equitable business activities within social norms" and thoroughly implements compliance in this manner.

[Tokio Marine Holdings Compliance](#)

2.3.2.3 Anti-Corruption Initiatives

Anti-Corruption Initiatives

Tokio Marine Group strives to resolve issues faced by society by making the most of its abundant knowledge and experience accumulated over many years in the insurance business. We contribute to the creation of a safe, secure and sustainable future while continuously raising our corporate value with the aim of becoming a "Good Company" trusted by local communities and society at large. Our anti-corruption activities are designed to help us become a "Good Company" and are indispensable in the creation of a sustainable future.

Tokio Marine Group formulated the Tokio Marine Group Sustainability Charter in 2004. It states, "While striving to maintain high ethical standards at all times, we will pursue strict compliance in all aspects of our business activities." With this in mind, we are committed to promoting fair operating practices (including anti-corruption) in accordance with international standards. Pledging agreement with the intent and purpose of the United Nations Global Compact (UNGC) in 2015, we are working on activities based on The Ten Principles of the UNGC relating to human rights, labor, the environment and anti-corruption.

Tokio Marine & Nichido, the Group's major insurance company, states in its Code of Conduct a dedication to compliance with laws, regulations and internal rules, to the exercise of sincere and fair corporate activities that do not run counter to social norms, and to not taking advantage of its position to obtain cash or other illicit gains, violate laws and regulations or accept or give gifts, donations, entertainment or other forms of bribery that are socially inappropriate. As such, we are working hard to prevent corruption throughout our business activities. In addition, at our Group companies in Japan and overseas, we are striving to prevent corruption through compliance with local laws and regulations and by adopting a compliance framework in due consideration of the laws and regulations of each country relating to the prohibition of bribery to public servants and other parties of other countries.

Compliance Training and Various Forms of Assessments

The Group nurtures an awareness of compliance while providing persons in charge of business

operations with necessary knowledge about compliance through training on laws, regulations and internal regulations, etc., with which directors, officers and employees must comply. In addition, the Group prepares and implements various measures to ensure compliance. The Group monitors the effectiveness of these measures through self-assessments by each Group company and internal audits by the Company and Group companies. Tokio Marine & Nichido's employees performance appraisal system evaluates each employee's "Competency" and "Work Performances". "Competency" is measured for evaluating whether expected actions including compliance actions are taken. "Work Performance" is measured for evaluating whether expected work/business results including GHG emissions reductions targets for Sustainability Key Persons are achieved.

■ Hotline System (Internal Whistle Blower System)

There may be cases where it is not appropriate to report an occupational compliance violation (including acts that may cause a violation) through a usual reporting channel set up within the organization. To prepare for such cases, we operate internal and external hotlines (whistle blower contact points) to receive reports and inquiries from persons who work within the Group (including those who have retired within one year). We clearly specify in our regulations that we will never allow persons making such reports or inquiries and those cooperating in investigations to be exposed to negative consequences because of their action and keep details of reports and inquiries strictly confidential. However, our hotline is a contact point set up to receive reports from those who work within the Group (including those who have retired within one year), even if we, Tokio Marine Holdings, receives a report on an occupational compliance violation (including acts that may cause a violation) from other business partners, etc. that have a collaborative relationship based on the contract with the Group, we are also responding to it in line with the above procedure.

[↗ Tokio Marine Group Compliance](#)

2.3.2.4 Response to Anti-Social Forces

Tokio Marine Group has formulated the Tokio Marine Group Basic Policies Concerning Responses to Anti-social Forces so that Group companies can resist anti-social forces and make concerted and uniform responses. Initiatives are being promoted based on the Basic Stance and the Basic Principles to Prevent Damage from Anti-Social Forces.

[Tokio Marine Group Basic Policies Concerning Responses to Anti-social Forces (Excerpt)]

<Basic Stance>

Article 4: To ensure it consistently undertakes fair management and widely contributes to the development of society as a good corporate citizen, Tokio Marine Group shall sever all relationships

with anti-social forces and forcefully repudiate any illicit demands made by them as a basic matter in the application of its Corporate Philosophy. In association with lawyers, police and other professionals, it will respond to anti-social forces in an uncompromising and organized manner.

<Basic Principles to Prevent Damage from Anti-Social Forces>

① Take action as a unified organization

With regard to illicit demands from anti-social forces, we will take action as a unified organization without leaving it to the person or the department in charge. In addition, we will ensure the safety of officers and employees who are tasked with handling illicit demands from anti-social forces.

② Contact relevant external institutions that specialize in such matters

In preparation for illicit demands from anti-social forces, we will always endeavor to build relationships of close cooperation with external specialized institutions, including police, anti-violence promotion centers and lawyers, and coordinate with such institutions as necessary in case illicit demands are made.

③ Sever all known relationships, including transactions

We will not have any relationship with anti-social forces, including business relationships (including transactions through business partners). We will also repudiate any illicit demands from anti-social forces.

④ Take legal action at either the civil or criminal level for any contingency

We will take both civil and criminal action against illicit demands from anti-social forces.

⑤ Prohibit backroom deals and funding

We will never make backroom deals to cover up a case even if a misconduct of a Tokio Marine Group company has resulted in an illicit demand from anti-social forces. We will never provide funds to anti-social forces in any form, such as giving rebates, inflating profits or dispatching employees.

2.3.2.5 Initiatives Concerning Appropriate Tax Reporting

[Tokio Marine Group Global Tax Policy]

Tokio Marine Group has formulated the Basic Policies for Accounting and the Group's Basic Policy for Internal Controls over Financial Reporting and established a structure for ascertaining the Company's consolidated financial condition and the financial condition of Group companies and for appropriately undertaking approval and reporting procedures directed at shareholders and supervisory agencies as well as for tax reporting.

With regard to tax compliance, considering that proper tax payment is a corporate social responsibility and that the strengthening of the international taxation framework is progressing

rapidly, Tokio Marine Group files highly transparent and appropriate tax returns for the entire Group in accordance with the following Global Tax Policy.

① Basic Approach

Tokio Marine Group is committed to the continuous enhancement of its corporate value, with customer trust at the base of all its activities.

Not only does the Group assiduously comply with all local tax laws and regulations in the countries where there are operations, there is also a strong commitment to respect the traditions, cultures and practices in these countries. Business is conducted in a fair and equitable way conforming with social norms.

The tax policy follows this commitment and the Group seeks to maintain a robust tax management framework, whilst achieving appropriate tax payments through understanding and applying tax rules.

This approach is intended to further enhance corporate value.

② Maintaining a Robust Tax Management Framework

In accordance with "Tokio Marine Group Basic Policies for Accounting," the Group ensures timely and appropriate tax compliance, including return submissions. The Group also adheres to the relevant tax rules, such as OECD transfer pricing guidelines.

Tokio Marine Holdings strives to maintain a robust tax management framework utilizing effective cooperation throughout the Group.

③ Achieving Appropriate Tax Payments

The Group comprehensively manages all business endeavors, including any relevant tax considerations. The Group ensures that where appropriate the Group applies tax incentives, exemptions and allowances, optimizing its tax position.

All tax planning initiatives follow the substance and purpose of our business activities. The Group does not engage in tax planning such as using tax-free or low tax jurisdictions (known as tax havens) solely to reduce tax, without a suitable commercial rationale or in a way contrary to the purpose of relevant tax laws and regulations.

④ Approach to Tax Risk

The Group is cautious to review potential significant tax risks before making business decisions. The Group carries out necessary due diligence and consults with external experts and tax authorities as required.

The Group proactively manages transfer pricing and ensures that inter-company transactions are conducted based on the arm's length principle, in accordance with OECD transfer pricing guidelines and applicable local tax rules. The Group complies with all necessary transfer pricing documentation requirements.

⑤ Relationship with Tax Authorities

The Group is transparent in its dealings with tax authorities and proactively manages the relationship with these authorities, based on open communication and presentation of the relevant facts as appropriate.

Income taxes by country and region (fiscal 2020)

(Unit billions of yen, people)

Country	Revenues	Profit (Loss) before tax	Income tax Accrued (current year)	Income Tax Paid	Number of em- ployees	Names of the resident entities	Major business
Japan	39,717	2,009	1,174	588	35,053	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Domestic non-life insurance
						Nisshin Fire & Marine Insurance Co., Ltd.	Domestic non-life insurance
						E. design Insurance Co., Ltd.	Domestic non-life insurance
						Tokio Marine Millea SAST Insurance Co., Ltd.	Domestic non-life insurance
						Tokio Marine & Nichido Life Insurance Co., Ltd.	Domestic life insurance
						Tokio Marine Asset Management Co., Ltd.	Financial and general businesses
United States	13,051	1,280	365	288	9,505	Tokio Marine North America, Inc.	International insurance
						Philadelphia Consolidated Holding Corp.	International insurance
						Delphi Financial Group, Inc.	International insurance
						HCC Insurance Holdings, Inc.	International insurance
						Privilege Underwriters, Inc.	International insurance
Brazil	1,369	161	160	63	2,074	Tokio Marine Seguradora S.A.	International insurance
United Kingdom	2,786	178	25	58	1,244	Tokio Marine Kiln Group Limited	International insurance
Malaysia	685	55	13	18	1,347	Tokio Marine Insurans (Malaysia) Berhad	International insurance
Other countries and regions	2,737	48	41	43	5,189	Tokio Marine Safety Insurance (Thailand) Public Company Limited	International insurance
						Tokio Marine Asia Pte. Ltd.	International insurance
						Tokio Marine Life Insurance Singapore Ltd.	International insurance
Consolidation adjustments, etc.	(5,735)	(2,115)	-	-	-		
Total	54,611	1,618	1,781	1,061	54,412		

* The figures conform to the calculation method of Country by Country Reporting.

2.3.3 Risk Management

To ensure financial soundness and appropriateness of business operations, Tokio Marine Group identifies the various risks surrounding it in a comprehensive manner and implements appropriate risk management corresponding to the characteristics, status and other attributes of the risks.

[Tokio Marine Holdings Risk Management](#)

2.3.3.1 Basic Policies for Risk Management

Tokio Marine Holdings promotes the development and enhancement of the risk management system for the entire Group in accordance with the Tokio Marine Group's Basic Policies for Risk Management. The Company also manages quantitative risks for the Group in order to maintain credit ratings and to forestall insolvency in accordance with the Tokio Marine Group's Basic Policies for Integrated Risk Management. Among various risks, the Company recognizes that insurance underwriting risks and investment risks must be managed as sources of earnings. The Company therefore controls these risks considering the balance between risk and return. The Company also identifies administrative risks, system risks and other associated risks (such as operational risks) that arise from the Group's business activities and strives to prevent the occurrence of or reduce these risks.

[Examples of Emerging Risks](#)

2.3.3.2 Risk Management System

The Company presents its basic policies for risk management and provides instruction, guidance, monitoring and other services to domestic and overseas Group companies through the Risk Management Department and the Business Divisions. Group companies establish risk management policies in line with the policies of the Group and execute risk management independently.

Through the above measures, the Company executes proper risk management and ensures stable business operations of the entire Group.

2.3.3.3 Basic Policy for Responding to Disasters

■ Basic Policy for Responding to Disasters (Tokio Marine & Nichido)

In the event of a natural disaster such as an earthquake or a typhoon, Tokio Marine & Nichido has a crucial social mission of ensuring that it can continue its important business operations as a non-life insurer such as receiving loss reports, paying claims, maturity refunds and other payables and concluding policies in both the disaster-stricken area and elsewhere.

Therefore, Tokio Marine & Nichido has prescribed the following two points as its Basic Policies of the Business Continuity Plan for Disasters and formulated a business continuity plan (BCP).

[Tokio Marine & Nichido's Business Continuity Plan for Disasters, excerpt \(PDF/115.5KB\)](#) (in Japanese)

<Basic Policies of the Business Continuity Plan for Disasters>

① Principles of employees' conduct in times of disasters

The priority order for employees' conduct in times of disasters is as follows.

- Assure the safety of human life
- Cooperate in securing the safety of local communities
- Continue important operations (business continuity)

In other words, the principle of employees' conduct is to give precedence to "assure the safety of human life" and "cooperate in securing the safety of local communities" before conduct related to "business continuity."

② Basic policy for business continuity

The following three business operations shall be regarded as important during a disaster. Management resources (personnel, funds) shall be accordingly transferred as needed and top priority shall be given to the continuation of these important business operations.

- Receiving of loss reports
- Payment of claims, maturity refunds and other payables
- Conclusion of insurance contracts

■ Building a Structure for Paying Insurance Claims in the Event of a Disaster Striking the Tokyo Metropolitan Area

At Tokio Marine & Nichido, should the head office facilities in particular become unusable because of a natural disaster striking the metropolitan area, such as a major earthquake or large-scale flooding due to a typhoon, earthquake claims cases for residential earthquake insurance shall be handled in the Kansai region. Additionally, backup offices shall be launched at multiple bases throughout Japan, including in the Kansai region, and claims payment service responses, excluding on-site assessments after receiving claims, shall be made by all branches throughout Japan.

If the metropolitan area is struck by a disaster, a Claims Service Headquarters would be set up within the Head Office Disaster Response Headquarters. At the same time, a satellite office led by the Claims Service Department in charge of Tokyo, Chiba, Saitama and Kanagawa prefectures shall be set up and will accept support personnel from throughout Japan and handle customer responses, mainly on-site claims assessments, in disaster-stricken areas.

The infrastructure needed to provide claims services swiftly to the metropolitan area in the event of a natural disaster has been built in advance in the locations where the above-mentioned backup offices and satellite offices would be established. In this way, a structure for claims payment services during times of emergency is being established. Non-earthquake regular claims cases, including for automobile accidents, shall be allocated to and handled by claims service bases throughout Japan prescribed in advance. Preparations are under way to quickly establish a structure to respond to a situation when an infectious disease breaks out simultaneously during a natural disaster.

2.3.4 Information Security

The Legal & Compliance Department of Tokio Marine Holdings supervises information security for the entire Group as the controlling department while sections in charge of information security have been established at each Group company. In this manner, the Group is working to build an effective management structure for information security.

 [Tokio Marine Group Basic Policies for Information Security Management](#) 

2.3.4.1 Basic Policies on Information Security

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

With regard to the EU General Data Protection Regulation (GDPR), which came into effect on May 25, 2018, the Group is also taking necessary measures based on the results of the Group's field survey on personal data in the EU. Based on the "Tokio Marine Group Policies for Information Security Management," each company establishes departments to oversee information security management and formulate policies and regulations. To protect information assets from various information leakage risks, including leak, loss and unauthorized use, we ensure the confidentiality of information assets and manage them so that they can be used when necessary. Furthermore, the Company regularly monitors the information security management of Group companies, setting up structures and providing information when necessary.

• Privacy Policy

<Tokio Marine Group Privacy Policy>

Tokio Marine Group (the "Group") is committed to the continuous enhancement of corporate value, with customer trust at the foundation of all its activities. Guided by this corporate philosophy, we, the Group, shall comply with the Act on the Protection of Personal Information, Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure and other relevant laws, rules, regulations and guidelines, appropriately manage personal information, individual number

and specific personal information (hereinafter referred to as "Specific Personal Information, etc.") as described below, and implement other appropriate security measures for the protection of personal information of our customers.

*"Personal information" and "personal data" provided in this Privacy Policy exclude Specific Personal Information, etc.

- 1.** We shall acquire personal information and Specific Personal Information, etc., of our customers in a manner that is both legal and fair. Unless prescribed by laws, rules or regulations, we shall notify or publicize the purposes for using personal information and Specific Personal Information, etc., of our customers and shall use such information within these limits.
- 2.** Unless prescribed by laws, rules or regulations, we shall not provide personal information of our customers to third parties without prior consent of each such customer. We do not provide Specific Personal Information, etc., to third parties except in cases provided by law. There shall be no joint use of Specific Personal Information, etc., with Group companies and business partners. Additionally, unless otherwise prescribed by laws, rules or regulations, when we provide personal data to a third party, we shall record the matters pertaining to the provision, and when we acquire personal data from a third party, we shall verify and record the matters pertaining to the acquisition.
- 3.** We shall strive to prevent the divulgence, destruction, impairment and unauthorized access of personal information and Specific Personal Information, etc., of our customers. When we contract out the management of personal information and Specific Personal Information, etc., of our customers to an outside service provider, we shall supervise the service provider appropriately, as needed.
- 4.** Whenever we receive requests from our customers to view or update their personal data and Specific Personal Information, etc., that we hold, we shall respond promptly in accordance with laws, rules and regulations. We also welcome comments and questions regarding the management of personal information and Specific Personal Information, etc., of our customers.
- 5.** We shall provide thorough supervision, instructions and education to our employees who handle personal information, Specific Personal Information, etc., and anonymized information of our customers to ensure that such information is managed appropriately.
- 6.** We shall continue to revise and aim to improve our internal systems and procedures to protect the personal information of our customers.

 [Tokio Marine Holdings Privacy Policy](#)

2.3.4.2 Initiatives for Information Security and Cyber Security

• Information Security Management System

We thoroughly adhere to information security management rules to prevent information leakages. In particular, each Group company is adopting physical and technological safety control measures that include locking away customers' personal information and confidential documents when not in use, placing restrictions on taking documents and other items outside the company, using encryption and setting passwords for electronic information.

Tokio Marine & Nichido has installed thin-client* terminals for its in-house intranet. Thin-client terminals are not equipped with hard disks and information is centrally managed and deployed from a server, which thereby further strengthens information security.

* A method whereby the PC environment (client OS and applications) for each user is consolidated into and operated by the server

• Acquisition of External Certification

Tokio Marine Group has acquired external certification for information security including Information Security Management System (ISMS) certification. These achievements recognize the initiatives taken within the Group to protect personal information. The Group intends to make continuous improvements and to strengthen further its information security management structure.

• Training Programs and Assessments on Information Security

Tokio Marine Group periodically provides training programs for its employees and agents and conducts assessments to raise awareness of information security and promote appropriate management.

2.3.5 Sustainability in the Value Chain

Primarily through Tokio Marine & Nichido, the Group is executing environmental, social and governance (ESG) initiatives that are integrated into the value chain. As for sustainability in the value chain, we are engaging in three initiatives. These are supply chain management in which we fulfill our social responsibilities together with business partners; promotion of ESG initiatives among customers, projects and companies, to whom and which we provide products and services; and sustainable investments that give due consideration to ESG issues in investment activities.

2.3.5.1 Supply Chain Management

In the value chain, Tokio Marine Group carries out activities aimed at fulfilling its social responsibility and achieving sustainable development together with its business partners and at raising customer protection and convenience and assuring the soundness and appropriateness of its business.

Fulfilling Social Responsibilities Together with Business Partners

To implement ESG initiatives that are integrated into the value chain, Tokio Marine Holdings aims to have Tokio Marine Group and business partners fulfill their social responsibility and achieve sustainable development together. In working to realize this objective, Tokio Marine & Nichido formulated the Principle of Transactions, which outlines the items that should be followed in terms of conducting transactions, and is applying this across its Group. Tokio Marine & Nichido issues the Principle of Transactions to such Group business partners as suppliers and subcontractors and requests that these business partners promote initiatives for "compliance with laws, regulations and social norms," "promoting fair and honest transactions," "thorough information management" and "consideration for the environment."

Through a questionnaire that is given once every two or three years, Tokio Marine & Nichido questions suppliers and subcontractors about the implementation of the contents of the Principle of Transactions. The results of the questionnaire are compiled and are reflected in the next fiscal year's action plan for the value chain.

Tokio Marine & Nichido Group Principle of Transaction

Tokio Marine & Nichido Group conducts transactions based on the following policies and aims to realize sustainable development with business partners (purchasers and consignees) and to fulfill its social responsibilities.

① Compliance with laws, regulations and social norms

Tokio Marine & Nichido Group complies with laws, regulations and social norms in every country and area when conducting transactions. We make every effort to reject relationships with anti-social forces and any undue claims from them.

② Promoting fair and honest transactions

Tokio Marine & Nichido Group selects business partners in a fair and honest manner based on comprehensive consideration of compliance with laws, regulations and social norms, business conditions, reliability, environmental activities, quality and prices of products, services and certainty of delivery period, among others.

③ Thorough information management

Tokio Marine & Nichido Group thoroughly conducts appropriate management and protection of information acquired through business partners.

④ Consideration for the environment

Tokio Marine & Nichido Group promotes the purchase of products with the least impact on the environment (purchase of green products) and works in cooperation with business partners to promote the creation of a recycling-oriented society.

⑤ Strengthening relationships of trust

Tokio Marine & Nichido Group endeavors to build good partnerships based on trust through frequent communication with domestic and overseas business partners and mutually gaining a deeper understanding.

2.3.5.2 Policies for Outsourcing Management

Tokio Marine Group has established the Tokio Marine Group Policies for Outsourcing Management in order to protect customers, enhance convenience and ensure the soundness and appropriateness of its operations in the event of outsourcing a portion or all of its operations.

Based on these policies, Tokio Marine & Nichido selects its contractors according to the Standard for Selecting Outsourcing Contractors and the Information Security Management System Standard. At the same time, each year the company conducts investigations of the actual status of outsourcing contractors based on the Regulations Related to Outsourcing Contractor Management, which stipulate the management system for outsourcing contractors, and makes improvements when inadequacies are discovered.

In the future as well, Tokio Marine Group will promote initiatives integrated into the value chain together with its business partners.

2.3.5.3 Study and Research on Promotion of ESG Initiatives through the Provision of Products and Services

Environmental, social and governance (ESG) factors facing society are increasingly affecting traditional risks. Tokio Marine Group believes that one of its crucial responsibilities is to provide high-quality and reliable products and services while working with customers and business partners to understand and respond to ESG risks that have a significant impact on society. To fulfill this responsibility, Tokio Marine Group will promote ESG initiatives through the provision of products and services across its sphere of influence based on the United Nations Environmental Programme Finance Initiative – Principles for Sustainable Insurance (UNEP FI-PSI).

[Special Feature: Research on Climate Change and Natural Disaster Risks Underpinning Environmental Initiatives](#)

United Nations Environmental Programme Finance Initiative – Principles for Sustainable Insurance (UNEP FI-PSI)

<https://www.unepfi.org/>
<https://www.unepfi.org/psi/>

2.3.5.4 Efforts to Promote ESG Initiatives through the Provision of Products and Services

Tokio Marine Group strives to gain an understanding of ESG risks that have a significant impact on society and utilize the knowledge accumulated through its participation in various studies and international initiatives to develop insurance products and services while working with customers and business partners to respond to these risks.

[Tokio Marine Group's Eight Material Areas and 17 SDG Goals](#)

[Engagement with Brokers on climate-related risks and opportunities](#)

■ System for Sustainable Consumption

Tokio Marine Group developed microinsurance and weather insurance for low-income earners in those developing countries with vulnerability to climate change, natural disasters, illnesses and accidents. Also, Tokio Marine Group supplies products and services that support the building and introduction of renewable energy facilities and also operates the Green Gift Project. Under this project, when customers choose web-based insurance contracts on our website, Tokio Marine & Nichido donates funds corresponding to a portion of the value of the reduction in paper used to support environmental protection activities in Japan and overseas. The organizational structures for undertaking these initiatives are as follows.

Initiatives	Company
Microinsurance and weather insurance (India)	IFFCO-TOKIO General Insurance Co. Ltd.
Products and services that support the building and introduction of renewable energy facilities	Tokio Marine & Nichido (Sales Development Department, Sales Department)
Green Gift Project	Tokio Marine & Nichido (Sales Planning Department, Sustainability Department)

[Major ESG products of Tokio Marine Group with impact or values \(PDF/488KB\)](#)

■ ESG Integration into Insurance Underwriting Risk Management

In July 2017, Tokio Marine & Nichido revised its Insurance Product Development and Revision Procedure so as to include CSV (resolving social issues through business) as one of the goals of product development and revision, and also provides environmental and social risks as checkpoints for reducing risks when developing and/or revising an insurance product.

Additionally, in April 2018, Tokio Marine & Nichido revised its Insurance Underwriting Risk Management Manual so as to clearly include environmental and social factors as the checkpoints for insurance product development and revision.

■ First Auto Insurance Eco Mark Certification Acquired for Financial Products and Continuous Certification

Ever since acquiring the first auto insurance Eco Mark^{*1} certification for financial products from the Japan Environment Association (JEA) in December 2010, Tokio Marine & Nichido continues to receive certification annually for its efforts to promote various initiatives in the environment-related field. These included promotion of the Green Gift Project, dissemination of information on eco-safe driving and accident reduction via the company website, increased use of recycled parts in auto repairs and premium discount services for hybrid, electric and compressed natural gas vehicles.

In 2011, Tokio Marine & Nichido won the Silver Prize in the Eco Mark Award 2011^{*2} sponsored by JEA, becoming the first company in the financial industry to receive an Eco Mark award. In granting the award, JEA highly recognized the company's efforts to promote the widespread use and increase the visibility of Eco Mark-certified auto insurance products (creation of Eco Mark awareness posters and extensive use of the Eco Mark label on auto insurance leaflets and renewal notices) and to offer eco-friendly auto insurance that allows policyholders to participate in activities to reduce environmental impact through the Green Gift Project. Becoming carbon neutral in its domestic business activities in fiscal 2009 and 2010 was another point that was recognized by JEA.

*1 The Eco Mark environmental label is granted to products that are certified as having less impact on the environment throughout their lifecycles and being effective in preserving the environment.

*2 The first award scheme established in 2010 in relation to the Eco Mark. Awards are presented to companies and organizations proactively engaged in activities to achieve the objective of the Eco Mark project: "Creation of a sustainable society through the wise choice of environment-friendly products by consumers and environment improvement efforts by companies."



Tokio Marine & Nichido will continue to offer Eco Mark-certified auto insurance products that have a low environmental impact throughout the lifecycle and is recognized as beneficial for environmental preservation.

2.3.5.5 Study and Research on Sustainable Investments and Financing

Tokio Marine Group believes that one of its basic roles is to give consideration to the environment, including climate change, as well as to society and governance in its investment and financing operations and contribute to the creation of a sustainable society. The sustainable growth of society is essential in securing long-term, stable income through investments. In an effort to solve various environmental, social and governance (ESG) issues, we join study and research activities such as the UNEP FI Principles for Sustainable Insurance (UNEP FI-PSI), UN Principles for Responsible Investment (PRI), Principles for Financial Action for the 21st Century and the Japan Sustainable Investment Forum and leverage the findings of these activities to execute sustainable investments and financing.

Tokio Marine Group is making group-wide efforts to promote sustainable investments and financing, and Tokio Marine & Nichido and Tokio Marine Asset Management, two companies accounting for a significant portion of the Group's entire investment activities, have become a signatory to the UN-supported PRI.

United Nations Environment Programme Finance Initiatives – Principles for Sustainable Insurance (UNEP FI-PSI)

- <https://www.unepfi.org/>
- <https://www.unepfi.org/psi/>

UN Principles for Responsible Investment (PRI)

- <https://www.unpri.org/>

Principles for Financial Action for the 21st Century

- <https://www.pfa21.jp/>

Japan Sustainable Investment Forum

- <http://www.jsif.jp.net/>

2.3.5.6 Policies and Operational System for Sustainable Investments and Financing

With Tokio Marine Asset Management and Tokio Marine & Nichido taking the lead, Tokio Marine Group has formulated sustainable investment policies and aims for the sustainable growth of investee companies and thus promotes such initiatives as holding constructive “purposeful dialogue” with investee companies and publicly announcing the exercise of voting rights and the results of the exercise of voting rights.

Asset Management Policies

The asset management policies of Tokio Marine & Nichido and Tokio Marine Asset Management are as follows.

<Asset Management Policy from the Tokio Marine & Nichido Disclosure Report 2021 (excerpt)>

Besides focusing on safety, profitability and liquidity in preparation for the payment of insurance claims, Tokio Marine & Nichido also undertakes asset management that contributes to society and public welfare. For this reason, with a main focus on Asset Liability Management (ALM), Tokio Marine & Nichido aims at securing long-term, stable income and carrying out efficient liquidity management under appropriate risk control giving due consideration to the characteristics of insurance products.

<https://www.tokiomarine-nichido.co.jp/company/pdf/TMFN 2021 d.pdf> (in Japanese) 

Additionally, in order to fulfill its corporate social responsibility, Tokio Marine & Nichido posts its ESG Investment and Financing Policy, which also gives appropriate consideration to ESG and other nonfinancial elements, at the link listed below.

<ESG Investment and Financing Policy from Tokio Marine & Nichido's Corporate Website (excerpt)>

Specifically, as a signatory to the Principles for Responsible Investment (PRI) supported by the United Nations, we will promote environmental, social and governance (ESG) investments and financing, which take into account both financial information and ESG elements, and seek to increase investment performance over the medium to long term and to resolve social issues.

Tokio Marine & Nichido envisions to be a “Good Company” that supports customers and local communities in times of need even 100 years from now. To achieve this goal, we will integrate consideration for society and public welfare into our asset management process based on our social responsibility as a non-life insurance company and contribute to the creation of a safe, secure and sustainable future.

<https://www.tokiomarine-nichido.co.jp/company/about/policy/stewardship.html> (in Japanese)

<Tokio Marine Asset Management>

One of Tokio Marine Asset Management’s management principles is to contribute to the development of an enriched and comfortable social life and economic growth of society. Tokio Marine Asset Management, in conformance with its fiduciary responsibility, executes responsible investments that not only focus on financial elements of investee companies but also appropriately consider non-financial elements such as environmental, social and governance (ESG) issues. At the same time, Tokio Marine Asset Management actively engages investee companies to promote their growth over the medium to long term with the aim of increasing medium- to long-term returns for customers.

Tokio Marine Asset Management adopts an ESG integration approach, which integratedly ascertains and systematically evaluates financial and non-financial elements, into its investment decision process. This process is commonly applied to all asset classes based on the recognition that ESG integration enables even higher-precision company analysis and investment decisions.

Tokio Marine Asset Management regards ESG as a fundamental evaluation category to ensure medium- to long-term returns for customers and has positioned governance as the key focal point in company evaluation while also appropriately considering environmental, social and other non-financial elements.

<https://www.tokiomarineam.com/sustainability/>

■ Asset Management Structure

The asset management structures of Tokio Marine & Nichido and Tokio Marine Asset Management are as follows.

<Tokio Marine & Nichido>

At Tokio Marine & Nichido, ESG investment planning is carried out in the Financial Planning Department and sustainable investment and financing initiatives are implemented in collaboration with the Corporate Asset Management Department/Investment Management Department, which execute transactions. Moreover, by receiving the evaluation of an external organization through PRI's annual assessment, Tokio Marine & Nichido is identifying any issues in its efforts and process related to ESG investments and financing for continuous improvement.

<Tokio Marine Asset Management>

Tokio Marine Asset Management has established the Responsible Investment Committee, led by the head of the Investment Business Division and comprising asset managers of each asset class and other relevant parties, to formulate responsible investment policies and establish required processes. The committee also creates basic policies and guidelines for the exercise of voting rights. Tokio Marine Asset Management will work to further deepen its understanding of responsible investment, which is a responsibility of an institutional investor, and continue to fulfill this and other responsibilities as an institutional investor by making investments in a manner that comprehensively takes into consideration ESG and other issues.

■ Principles for Responsible Institutional Investors (Japan's Stewardship Code)

The Council of Experts established within the Financial Services Agency announced in February 2014 the "Principles for Responsible Institutional Investors (Japan's Stewardship Code) – To promote sustainable growth of companies through investment and dialogue." The Code was revised in May 2017 and thereafter in March 2020.

Under the Code, "Stewardship Responsibility" means bearing responsibility for expanding medium- and long-term investment returns for "customers and beneficiaries" (including end beneficiaries) through constructive "purposeful dialogue" (engagement) by institutional investors based on a deep understanding of investee companies and their business environments as well as consideration for sustainability (medium- to long-term sustainability, including ESG factors) consistent with investment management strategies to raise the corporate value of these companies and promote their sustainable growth.

In May 2014, Tokio Marine & Nichido agreed with the intent of the Principles for Responsible Institutional Investors (Japan's Stewardship Code) and also announced it would adopt the Code. Since then, the company has been reviewing its Policy on Japan's Stewardship Code and other related policy in a timely manner based on the revisions made to the Code.

 [Tokio Marine & Nichido: Policy on Japan's Stewardship Code and Other Related Policy](#) (in Japanese)

In May 2014, Tokio Marine Asset Management (TMAM) announced its adoption of the Principles for Responsible Institutional Investors (Japan's Stewardship Code). Since then, the company has been reviewing its TMAM Stewardship Statement in a timely manner based on revisions to the Code.

 [Tokio Marine Asset Management: Stewardship Statement](#) (in Japanese)

2.3.5.7 Efforts for Sustainable Investments

Tokio Marine Group contributes to the creation of a safe, secure and sustainable future together with its stakeholders by developing and providing ESG investment products.

■ Provision of the Global SDGs Equity Fund

In December 2007, Tokio Marine Asset Management launched the Global SDGs Equity Fund, an environmental investment trust fund that invests in Japanese and other companies involved in activities under the following themes. These themes are related to environmental or social issues arising from the growing economies and increasing population in the world, which need to be sustained or improved.

- Environmental (e.g., global warming and clean energy)
- Water and foodstuffs (e.g., stable supply of water and food and enhanced productivity)
- Medical services and healthcare (e.g., medical techniques and promotion of better health)

For institutional investors, the company launched the Tokio Marine Japanese Equity ESGR Fund in January 2006. Leveraging the comprehensive risk management know-how of Tokio Marine Group, this fund aims to obtain long-term and stable added value based on the Group's unique environmental, social, governance and risk management (ESGR) analysis and evaluation.

Tokio Marine Asset Management intends to fulfill its social responsibilities as an institutional investor and improve investment performance over the long term while giving due consideration to ESG issues in its asset management operations.

■ Providing a Renewable Energy Fund

Since 2012, Tokio Marine Asset Management has been operating the TM Nippon Solar Energy Fund for institutional investors, including corporate pension funds, to invest in solar power plants as an investment product targeting Japan's national infrastructure. The company has also been operating the TM Nippon Renewable Energy Fund that invests in various types of renewable energy, including wind power, biomass, hydropower and geothermal power in addition to solar power, since 2017. These funds are investment products that diversify investments among Japan's renewable energy generation businesses and provide investment income to investors from sales of electric power.

A number of initiatives have been under way in Japan to achieve carbon neutral status, and the utilization of renewable energy is positioned as one of the most important efforts.

Tokio Marine Asset Management believes that this fund will contribute to the realization of carbon neutral status. By offering investment opportunities of social significance through this fund, the company strives to fulfill its social roles and responsibilities as an asset management company.

■ Providing an Engagement-Focused Fund to Invest in Japanese Companies

With the launch of the Principles for Responsible Institutional Investors (Japan's Stewardship Code) in February 2014, the importance of engagement between institutional investors and companies is further increasing its significance from a viewpoint of responsible investment.

Taking an early start, Tokio Marine Asset Management (TMAM), jointly with GO Investment Partners (GO)*, launched the TMAM-GO Japan Engagement Fund in March 2012. This engagement-focused fund primarily invests in small- to medium-size Japanese companies having strong core businesses. By promoting engagement with investee companies based on a full understanding of the corporate culture in Japan, the company intends to deepen mutual understanding between investors and Japanese companies and provide increased corporate value over the long term.

* GO Investment Partners (GO)

An independent asset management partnership based in London, with its founder being the pioneer in the field of responsible stock ownership. The organization is characterized by its investment strategy that focuses on enhancement of long-term corporate value through amicable engagement with investee companies listed on European stock markets.

[Tokio Marine Asset Management](#)

■ Providing Japan's First Fund Specialized for Cancer Treatment

As an initiative to contribute to the achievement of the SDGs, in July 2019, we established the Tokio Marine Investment Trust to Fight Cancer (without currency hedging)/(with currency hedging) for investment in companies with a high probability of making a significant contribution to the resolution of cancer treatment, a major social issue.

[Providing Japan's First Fund Specialized for Cancer Treatment >>](#)

2.3.5.8 Exercise of Voting Rights and Disclosure of the Results of Exercise of Voting Rights

Based on the intent of the Principles for Responsible Institutional Investors (Japan's Stewardship Code), Tokio Marine & Nichido and Tokio Marine Asset Management have formulated clear policies on publicly announcing the exercise of voting rights and the results of the exercise of voting rights and are disclosing details of their stewardship activities that include the results of the exercise of voting rights.

<Tokio Marine & Nichido>

[Overview of stewardship activities \(PDF/188KB\) \(in Japanese\)](#)

<Tokio Marine Asset Management>

[Stewardship activities and results of self-assessment \(July 30, 2021\) \(PDF/891KB\) \(in Japanese\)](#)

[Disclosure of the results of the exercise of voting rights \(Japanese equities\) \(in Japanese\)](#)

2.3.6 Tokio Marine Group Policy to Address Environmental and Social Risks

Tokio Marine Group's business purpose has been to protect our customers and local communities by providing safety and security in times of need. With this in mind, Tokio Marine Group has made it our core identity "To Be a Good Company" – one that can still be trusted by customers and society in their times of need 100 years from now.

From our long history in the insurance industry, we have accumulated knowledge and experience that has enabled us not just to provide safety and security but to contribute to social development as well. In continuing to contribute toward resolving social issues, we help build a safe, secure, and sustainable future that generates value for all of our stakeholders and our society more broadly.

Tokio Marine Group positions the mitigation of negative environmental and social impacts resulting from its business activities as an important management issue that must be addressed and will take appropriate measures while referencing international principles of conduct and guidelines.

Environmental and Social Risks to be Identified and Assessed

Tokio Marine Group will appropriately identify and manage risks that have a negative impact on the environment and society in accordance with the Group's Basic Policy on Environment and Basic Policy on Human Rights. In managing such risks, we will identify environmental and social risks based on the nature and severity of these risks as well as recommendations from various stakeholders and will identify the sectors where such risks are likely to occur.

Sectors to be Excluded or Reviewed

	Target Sectors	Tokio Marine Group's response (risk recognition/response)
Sectors to be Excluded	Inhumane Weapons Sector • Biological weapons • Chemical weapons • Cluster munitions • Anti-personnel land mines	We will not undertake business transactions (insurance underwriting, investment, and lending) with the inhumane weapons sector, which manufactures inhumane weapons, as these pose major humanitarian concerns.
Sectors to be Reviewed	We will pay special attention to the possibility of realizing risks that may have negative impacts on the environment and society, and carefully determine whether or not to undertake business transactions (insurance underwriting, investment, and lending) with the following business sectors based on customer's consideration for the environment and society.	
Oil sands sector	While Oil sands are an important energy resource, in extracting oil sands, it is necessary to consider the impact on the livelihoods and cultures of indigenous peoples and rare species in the development area.	
Oil and Gas Extraction in the Arctic Region	While the Arctic region has the potential to become an important development area for energy resources, in extracting oil and gas in the region, it is necessary to make a consideration from the perspectives of the impacts on the livelihoods and cultures of indigenous peoples and the protection of the natural environment including ecosystems.	

Sustainability Library

We introduce the editorial policy of this report and other information.

» 3.1 Overview of Group Sustainability Reporting

Overview of Tokio Marine Group sustainability reporting and the Group's communication tools

» 3.4 GRI Standards Content Index

Sustainability activities of Tokio Marine Group that have a high degree of importance and are highly relevant as topics

» 3.2 Sustainability Performance Data

Principle quantitative data for the sustainability activities of Tokio Marine Group

» 3.5 Recognition about ISO 26000

Tokio Marine Group is reviewing its sustainability activities based on ISO 26000 standards to further improve its sustainability initiatives.

» 3.3 Third-Party Assurance

Tokio Marine Group has received assurance from a third-party institution for its Sustainability Report from the point of view of ensuring the credibility of disclosure and greater transparency.

» 3.6 Editorial Policy

Our editorial policy is to report on the principal sustainability activities of Tokio Marine Group in fiscal 2020 to all of our stakeholders.

3.1 Overview of Group Sustainability Reporting

We introduce the Tokio Marine Group Overview of Group Sustainability Reporting and sustainability communication tools.

About the Group's Sustainability Report

Tokio Marine Group began publishing the Environmental Report in 2000. Along with the creation of Tokio Marine & Nichido Fire Insurance through the merger of Tokio Marine and Nichido Fire in October 2004, from 2005 Tokio Marine Group has been publishing the CSR Report, which summarizes the Group's sustainability activities. In 2012, we changed the name of this report to the Sustainability Report and from the perspective of conserving paper resources and enhancing convenience, we discontinued the printed version and began publishing web-based and PDF versions.

In 2015 we revamped our home page and created the Tokio Marine Holdings Corporate Website (sustainability page) as part of efforts to communicate sustainability information in an easier-to-understand manner and on a timely basis through multiple devices, including smartphones and tablet devices.

Tokio Marine Group is working to enhance communications with stakeholders toward a secure, safe and sustainable future. For this reason, Tokio Marine Group believes that familiarizing numerous stakeholders with its sustainability efforts and collaborating and cooperating with them is important. Therefore, we regard the Sustainability Report as absolutely essential in undertaking the Group's business operations and are disclosing information through this report.

Tokio Marine Group's Principal Sustainability Communication Tools

Tool	Content	Main readers	Date of publication (scheduled)	PDF	Booklet
Sustainability Report	Provides details of Tokio Marine Group's approach to sustainability and related strategies using relevant data	All readers	Japanese: September	<input type="radio"/>	
			English: November	<input type="radio"/>	
Integrated Annual Report	Concisely describes how Group financial information relates to sustainability and non-financial information while presenting medium-to long-term corporate initiatives concerning value creation	Investors	Japanese: August	<input type="radio"/>	<input type="radio"/>
			English: October	<input type="radio"/>	<input type="radio"/>

3.2 Sustainability Performance Data

We provide principal sustainability performance data for Tokio Marine Group.

● Reporting Period and Reporting Organizations

- Reporting period: Report on results for fiscal 2020 (April 1, 2020 – March 31, 2021)
- Reporting organizations: Tokio Marine Holdings and major subsidiaries

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#) 

● Corporate Governance

For details, please refer to Corporate Governance Report.

[Corporate Governance \(Corporate Governance Report\)](#)

[Dialogue with Shareholders and Investors >>](#)

● Internal Control

[Internal Control](#)

● Improving Quality from the Customer's Perspective

[Improving Quality from the Customer's Perspective >>](#)

● Results of Tokio Marine Group's Sustainability Initiatives

[Initiatives to Promote Sustainability within the Group >>](#)

● Environment

■ CO₂ Emissions from Energy Sources and CO₂ Absorption and Fixation

(Tokio Marine Holdings and major subsidiaries)

[Reduction targets for CO₂ emissions]

- Long-term target (fiscal 2030) : -60% (compared with fiscal 2015 level)
- Reduction target in fiscal 2021 : -1% compared with the previous year

[CO₂ emissions]

From fiscal 2015, we began calculating Scope 3 "Category 1: Purchased goods and services (Purchased paper)," "Category 3: Fuel- and energy-related activities not included in Scope 1, 2" and "Category 5: Waste generated in operations" as we expanded the scope of calculation for CO₂ emissions. For fiscal 2020, CO₂ emissions (Scope 1+2+3) for Tokio Marine Holdings and major subsidiaries were 89,894 tons (domestic: 64,548 tons, overseas: 25,345 tons) versus the initial-year target of 110,060 tons (-1% from the previous fiscal year) and -19.1% compared with the previous fiscal year, thereby achieving the target. The principal factor was efforts to reduce environmental loads.

[Data coverage rate]

We calculate 100% (employee base) of Tokio Marine Holdings and major subsidiaries (excluding Scope 3 "Category 5: Waste generated in operations" and "Category 6: Business travel (by air)).

(Unit: tons)

		Fiscal 2018	Fiscal 2019	Fiscal 2020
CO ₂ emissions		111,509	111,172	89,894 <input checked="" type="checkbox"/>
Breakdown	Domestic ^{*1}	77,511	73,470	64,548 <input checked="" type="checkbox"/>
	Overseas ^{*2}	33,999	37,701	25,345 <input checked="" type="checkbox"/>
Scope 1	Direct (Gas, heavy oil, gasoline, etc.)	15,007	17,478	13,163 <input checked="" type="checkbox"/>
		Domestic: 9,512 Overseas: 5,494	Domestic: 8,860 Overseas: 8,618	Domestic: 7,150 <input checked="" type="checkbox"/> Overseas: 6,013 <input checked="" type="checkbox"/>
Scope 2	Indirect (Electricity, chilled/hot water, etc.)	67,203	62,100	53,977 <input checked="" type="checkbox"/>
		Domestic: 46,471 Overseas: 20,731	Domestic: 42,433 Overseas: 19,668	Domestic: 39,732 <input checked="" type="checkbox"/> Overseas: 14,245 <input checked="" type="checkbox"/>
Scope 3	Total	29,300	31,594	22,754 <input checked="" type="checkbox"/>
	Category 1: Purchased goods and services (Paper usage)	14,765	13,184	11,172 <input checked="" type="checkbox"/> Domestic: 9,958 <input checked="" type="checkbox"/> Overseas: 1,214 <input checked="" type="checkbox"/>
	Category 3: Fuel- and energy-related activities not included in Scope 1, 2 (Electricity, steam and chilled/hot water usage)	5,280	9,670	8,638 <input checked="" type="checkbox"/> Domestic: 6,385 <input checked="" type="checkbox"/> Overseas: 2,253 <input checked="" type="checkbox"/>
	Category 5: Waste generated in operations (Waste generation)	1,070	1,101	1,045 <input checked="" type="checkbox"/>
	Category 6: Business travel (by air)	8,186	7,639	1,900 <input checked="" type="checkbox"/> Domestic: 279 <input checked="" type="checkbox"/> Overseas: 1,621 <input checked="" type="checkbox"/> (Coverage rate: 100%)
CO ₂ emissions per employee		2.82	2.70	2.08
Number of employees (consolidated fiscal year base)		39,521 persons	41,101 persons	43,260 persons
CO ₂ absorption and fixation <small>* Excluding CO₂ absorption and fixation (FY2020: 120,000 t) through mangrove planting</small>		3,335	3,617	3,531 <input checked="" type="checkbox"/>

Data calculation method (☒ items)[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#)

"1. Calculation Method of CO₂ emissions originating from energy consumption and CO₂ absorption and fixation"

Data collection scope (☒ items)[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#)

Companies in which the headquarters is in Japan of "2. Tokio Marine Holdings and its subsidiaries (as of March 31, 2021)"

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#)

Companies in which the headquarters is located overseas of "2. Tokio Marine Holdings and its subsidiaries (as of March 31, 2021)"

Environmental Load Data (Tokio Marine Holdings and major subsidiaries)

	Units	Fiscal 2018	Fiscal 2019	Fiscal 2020
Electricity usage	1,000 kWh (GJ)	140,803 (506,892)	134,685 (484,866)	118,313☒ (425,928)
Gas usage	1,000m ³ (GJ)	1,307 (57,054)	1,488 (64,880)	1,342☒ (58,653)
Steam and chilled/ hot water usage	GJ	21,271	14,765	17,337☒
Gasoline usage	kℓ (GJ)	5,133 (177,587)	5,949 (205,858)	3,766☒ (130,319)
Heavy oil usage	ℓ (GJ)	30,823 (1,434)	35,683 (1,395)	23,832☒ (931)
Business travel (by air)	1,000 km	83,686	81,263	18,092☒
Paper usage	t	8,068	7,204	6,105☒

Data calculation method (☒ items)[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#)**Data collection scope (☒ items)**[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#)

Companies of "2. Tokio Marine Holdings and its subsidiaries (as of March 31, 2021)"

■ CO₂ Emissions from Energy Sources (Tokio Marine & Nichido)**[CO₂ emissions reduction targets]**

- Long-term target (fiscal 2050): -60% reduction (compared with fiscal 2006 level)
- Reduction target in fiscal 2021: -1% compared with the previous year

[CO₂ emissions]

From fiscal 2015, we began calculating Scope 3 "Category 1: Purchased goods and services (Purchased paper)," "Category 3: Fuel- and energy-related activities not included in Scope 1, 2" and "Category 5: Waste generated in operations" as we expanded the scope of calculation for CO₂ emissions. For fiscal 2020, CO₂ emissions (Scope 1+2+3) of Tokio Marine & Nichido were 49,843 tons versus the initial-year target of 56,276 tons (-1% from the previous fiscal year) and -12.3% compared with the previous fiscal year due to energy conservation efforts.

[Data coverage rate]

100.0% of Tokio Marine & Nichido overall (employee base)

		(Unit: tons)		
		Fiscal 2018	Fiscal 2019	Fiscal 2020
CO₂ emissions		59,664	56,844	49,843
Scope 1	Direct (Gas, heavy oil, gasoline, etc.)	6,920	6,427	4,991
Scope 2	Indirect (Electricity, chilled/hot water, etc.)	35,609	32,772	30,353
Scope 3	Total	17,135	17,646	14,499
	Category 1: Purchased goods and services (Paper usage)	11,647	9,904	8,601
	Category 3: Fuel- and energy-related activities not included in Scope 1, 2 (Electricity, steam and chilled/hot water usage)	2,813	5,064	4,957
	Category 5: Waste generated in operations (Waste generation)	970	965	783
	Category 6: Business travel (by air)	1,704	1,713	158
	CO₂ emissions per employee	3.45	3.31	2.88
Number of employees		17,264 persons	17,146 persons	17,253 persons

Data calculation method (☒ items)

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#)

"1. Calculation Method of CO₂ emissions originating from energy consumption and CO₂ absorption and fixation"

Data collection scope (☒ items)

Tokio Marine & Nichido

■ Environmental Load Data (Tokio Marine & Nichido)

	Units	Fiscal 2018	Fiscal 2019	Fiscal 2020
Electricity usage	1,000 kWh (GJ)	71,400 (257,075)	67,489 (242,960)	65,580 (236,088)
Gas usage	1,000 m ³ (GJ)	706 (31,272)	667 (29,618)	654 (29,177)
Steam and chilled/hot water usage	GJ	20,509	14,060	14,771
Gasoline usage	kℓ (GJ)	2,239 (77,463)	2,067 (71,535)	1,464 (50,662)
Heavy oil usage	ℓ (GJ)	25,722 (1,006)	23,653 (924)	22,949 (897)
Business travel (by air)	1,000km	15,273	16,667	1,366
Water usage	1,000m ³	287	302	215
Paper usage	t	6,365	5,412	4,700
Waste	t	4,136	3,585	2,895
Recycling rate	%	57.1	51.6	56.6

Data calculation method (☒ items)

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#)

"1. Calculation Method of Environmental load data"

Data collection scope (☒ items)

Tokio Marine & Nichido

◎ Human Rights and Labor

Data Coverage Rate

Tokio Marine Holdings and major subsidiaries (employee base) are calculated as 100%.

Tokio Marine Holdings and domestic major subsidiaries:

58.9% of Tokio Marine Holdings and major subsidiaries (employee base)

Tokio Marine & Nichido:

39.7% of Tokio Marine Holdings and major subsidiaries (employee base)

Basic Data

[Number of employees (Tokio Marine Holdings and major subsidiaries)]

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Total number of employees (consolidated fiscal year base)	40,848	41,101	43,260
Tokio Marine Holdings and domestic major subsidiaries	Male: 12,924 Female: 12,478 Overall: 25,402	Male: 12,695 Female: 12,638 Overall: 25,333	Male: 12,674 <input checked="" type="checkbox"/> Female: 12,797 <input checked="" type="checkbox"/> Overall: 25,471 <input checked="" type="checkbox"/>
Tokio Marine Holdings and overseas major subsidiaries	Asia: 3,182 North and Central Americas: 10,480 Europe: 981 Overall: 14,643	Asia: 4,159 North and Central Americas: 10,996 Europe: 734 Overall: 15,889	Asia: 4,870 North and Central Americas: 12,262 Europe: 777 Overall: 17,909

[Basic employee data (Tokio Marine Holdings)]

	Fiscal 2019	Fiscal 2020	Fiscal 2021
The ratio between the total annual compensation of the Chief Executive Officer and the mean employee compensation*	10.6%	11.5%	13.0%

*The total CEO compensation / The mean employee compensation

Data calculation method (items)

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#) 

"1. Calculation Method of Basic data on human rights and labor, and use of diverse human resources"

Data collection scope (items)

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#) 

Companies in which the headquarters is in Japan of "2. Tokio Marine Holdings and its subsidiaries (as of March 31, 2021)"

[Basic employee data (Tokio Marine & Nichido)]

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Average age	Male: 47 Female: 37 Overall: 41.8	Male: 47 Female: 37 Overall: 42	Male: 47 Female: 37 Overall: 42
Average years continuously employed	Male: 12 Female: 11 Overall: 11.8	Male: 12 Female: 12 Overall: 12	Male: 12 Female: 12 Overall: 12
Average annual salary	Approx. ¥8.16 million	Approx. ¥7.57 million	Approx. ¥7.73 million
Turnover rate*	2.1%	2.1%	2.0%
Total turnover rate	2.40%	2.50%	2.30%

*The turnover rate is calculated based on the number of personnel who quit voluntarily (excluding the age-limit retirement).

[Number of new hires (Tokio Marine & Nichido)]

	Fiscal 2018	Fiscal 2019	Fiscal 2020
	Male: 185 Female: 391 Overall: 576	Male: 183 Female: 395 Overall: 578	Male: (New graduates) 206 (Mid-career hires) 34 Female: (New graduates) 418 (Mid-career hires) 8 Overall: (New graduates) 624 (Mid-career hires) 42

◎ Fair Personnel System and Management

[Employee attitude survey (Tokio Marine & Nichido)]

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Respondents	15,660 (Response rate: 88%)	15,851 (Response rate: 89%)	16,126 (Response rate: 91.6%)
Level of satisfaction	Male: 88% Female: 81% Overall: 84%	Male: 88% Female: 80% Overall: 83%	Male: 95.2% Female: 92.0% Overall: 93.4%

[Labor union participation rate (Tokio Marine Holdings and domestic major subsidiaries)]

	Fiscal 2018	Fiscal 2019	Fiscal 2020
	100%	100%	100%

◎ Development of Human Resources

[Employee training (Tokio Marine & Nichido)]

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Total training hours	269,358 hrs.	314,659 hrs.	226,503 hrs.
Average training hours per employee	19.00 hrs.	21.00 hrs.	15.29 hrs.
Total training cost	¥1,028,502,256	¥1,107,696,463	¥737,803,807
Average training cost per employee	¥69,933	¥75,159	¥49,804

[Job request system (job posting system) (Tokio Marine & Nichido)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
Applicants: 309 Approval: 189	Applicants: 449 Approval: 227	Applicants: 433 Approval: 224

*Approved requests take effect in the fiscal year after that of the application.

◎ Utilizing Diverse Human Resources

[Number of directors and managers (Tokio Marine Holdings and domestic major subsidiaries)]

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Directors (including executive officers)	Male: 211 Female: 11 Overall: 222	Male: 209 Female: 13 Overall: 222	Male: 204 <input checked="" type="checkbox"/> Female: 13 <input checked="" type="checkbox"/> Overall: 217 <input checked="" type="checkbox"/>
General managers	Male: 768 Female: 35 Overall: 803	Male: 796 Female: 36 Overall: 832	Male: 804 <input checked="" type="checkbox"/> Female: 37 <input checked="" type="checkbox"/> Overall: 841 <input checked="" type="checkbox"/>
Section managers	Male: 2,660 Female: 333 Overall: 2,993	Male: 2,558 Female: 349 Overall: 2,907	Male: 2,518 <input checked="" type="checkbox"/> Female: 361 <input checked="" type="checkbox"/> Overall: 2,879 <input checked="" type="checkbox"/>
Managers (general managers and section managers) total	Male: 3,428 Female: 368 Overall: 3,796	Male: 3,354 Female: 385 Overall: 3,739	Male: 3,322 <input checked="" type="checkbox"/> Female: 398 <input checked="" type="checkbox"/> Overall: 3,720 <input checked="" type="checkbox"/>
(Deputy managers) *Only Tokio Marine & Nichido	Male: 1,736 Female: 423 Overall: 2,159	Male: 1,638 Female: 492 Overall: 2,130	Male: 1,605 Female: 619 Overall: 2,224

Data calculation method (items)

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#) 

"1. Calculation Method of Basic data on human rights and labor, and use of diverse human resources"

Data collection scope (items)

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\)](#) 

Companies in which the headquarters is in Japan of "2. Tokio Marine Holdings and its subsidiaries (as of March 31, 2021)"

[Number of female directors (Tokio Marine & Nichido, as of April 1, 2021)]

Directors and officers	Rate
5	8.3%

**[Number of employees using the system for continued employment of older employees
(Tokio Marine Holdings and domestic major subsidiaries)]**

Fiscal 2018	Fiscal 2019	Fiscal 2020
753	773	831

[Rate of employment of persons with disabilities] (as of December 1 for each fiscal year)

Fiscal 2018	Fiscal 2019	Fiscal 2020
2.32%	2.39%	2.35%

*The employment rate in Japan for Tokio Marine Holdings, Tokio Marine & Nichido, Tokio Marine Business Support, Tokio Marine & Nichido Career Service and Tokio Marine Nichido Better Life Service was calculated using the formula stipulated in the Employment Rate System for Persons with Disabilities.

○ Reform of Working Styles

[Retiree rehiring system (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
17	21	6

[Maternity leave system (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
712	721	603

[Childcare leave system (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
Male: 150 Female: 1,195 Overall: 1,345	Male: 102 Female: 1,259 Overall: 1,361	Male: 123 Female: 1,271 Overall: 1,394

[Short working hours system (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
1,285	1,369	1,481

[Resumption of work support system (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
1,298	1,265	1,210

[Return to work rate after taking childcare leave (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
Male: 100%	Male: 100%	Male: 100%
Female: 97.2%	Female: 89.1%	Female: 77.7%

[Employee retention rate after taking childcare leave (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
Male: 100%	Male: 100%	Male: 100%
Female: 97.2%	Female: 94.3%	Female: 76.5%

[Spouse childbirth leave (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
42	30	17

[Nursing care leave system (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
34	31	53

[Nursing care temporary retirement system (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
17	20	7

[Annual average actual working hours (Tokio Marine & Nichido)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
1949.6 hrs.	1,925 hrs.	1,987 hrs.

[Monthly average overtime hours (Tokio Marine & Nichido)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
20.7 hrs.	20.28 hrs.	22.63 hrs.

*Including legal overtime hours

[Number of annual paid leave days taken (Tokio Marine & Nichido)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
15.2 days	16.9 days	15.8 days

◎ Health Management and Occupational Health and Safety

[Percentage of employees who received health checks (Tokio Marine & Nichido)]

Category	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 numerical targets
Percentage of employees who received health checks	100%	100%	100%	100%	100%
Percentage of employees who underwent a detailed examination after a regular checkup	88.7%	88.5%	86.4%	87.2%	Over 90.0%
Uterine cancer screening rate	63.2%	62.8%	66.0%	60.5%	Over 67.6%
Breast cancer screening rate	79.6%	78.2%	81.1%	74.6%	Over 82.2%
Prostate cancer screening rate	74.9%	75.3%	76.0%	73.1%	—

[Specific health guidance implementation rate (Tokio Marine & Nichido)]

Category	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020 numerical targets
Specific health guidance implementation rate	58.2%	59.8%	57.3%	52.4%	Over 60.0%

[Awareness on health (Tokio Marine & Nichido)]

Category	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022 numerical targets
Status of health literacy ^{*1}	4.11	4.13	* ²	4.10 ^{*3}	Over 4.13

*1: Response to employee questionnaires (on a maximum scale of 5 points)

*2: Not implemented due to system change *3: Preliminary figures

[Participation in health improvement measures (Tokio Marine & Nichido)]

Category	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 numerical targets
Number of employees who participated in Health Promotion Month/Health Challenge	6,599	7,478	7,060	8,101	Over 8,120

[Health status of employees (Tokio Marine & Nichido)]

Category	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 numerical targets
Findings at a regular health checkup	49.3%	50.5%	51.8%	54.0%	Under 50.0%
Persons maintaining a healthy body weight (BMI)	68.9%	68.4%	68.3%	67.8%	Over 70.0%
Smoking rate	15.3%	14.5%	13.7%	12.7%	Under 12.8%
Rate of employees who have developed physical exercise habits	16.7%	18.1%	18.4%	19.5%	Over 20.0%
Stress test execution rate	97.4%	97.9%	98.4%	98.7%	Over 98.0%
Rate of employees with a high stress level	9.4%	9.9%	9.9%	8.2%	Under 10.0%

[Independent initiative implementation status (Tokio Marine & Nichido)]

Category	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 numerical targets
Number of employees participating in anti-obesity initiatives for young employees	219	230	301	*	280

* Postponed due to the COVID-19 pandemic

[Industrial accidents (Tokio Marine Holdings and domestic major subsidiaries)]

Occupational accidents

Fiscal 2018	Fiscal 2019	Fiscal 2020
101	106	72 <input checked="" type="checkbox"/>

Commuting accidents

Fiscal 2018	Fiscal 2019	Fiscal 2020
75	70	63 <input checked="" type="checkbox"/>

[Absentee rate*(Tokio Marine & Nichido)]

Fiscal 2019	Fiscal 2020	Fiscal 2021
1.08%	0.98%	1.19% <input checked="" type="checkbox"/>

*Total days lost due to absenteeism / Total days scheduled to be worked

Data calculation method (items)

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\) !\[\]\(48875d7aa68058f7c05e2d718138cee2_img.jpg\)](#)

"1. Calculation Method of Industrial accidents"

Data collection scope (items)

[Method of Calculation and Scope in Data Collection for Key Sustainability Indicators \(PDF/178KB\) !\[\]\(48306fe572121fbb2a07bfd0e023e0da_img.jpg\)](#)

Companies in which the headquarters is in Japan of "2. Tokio Marine Holdings and its subsidiaries (as of March 31, 2021)"

◎ Human Rights

[Human rights training participation rate (Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
99.9%	100%	100%

[Human rights training hours (Tokio Marine & Nichido)]

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Total training hours	19,193 hrs.	21,622 hrs.	21,789 hrs.
Training hours per employee	1 hr.	1 hr.	1 hr.
Participation rate	100%	100%	100%

◎ Local Community and Social Contribution Activities

[Employee participation rate in volunteer activities
(Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
135.9%	144.9%	113.5%

[Number of employees who took volunteer leave
(Tokio Marine Holdings and domestic major subsidiaries)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
122	94	9

[Donations (Including monetary and in-kind donations by Tokio Marine Holdings, domestic major subsidiaries and other affiliated companies)]

Fiscal 2018	Fiscal 2019	Fiscal 2020
Approx. ¥1,482 million (includes disaster support of approx. ¥23 million)	Approx. ¥1,280 million (includes disaster support of approx. ¥13 million)	Approx. ¥2,062 million (includes disaster support of approx. ¥5 million)

*This includes donations by miscellaneous expenses for social contribution programs, payments in kind, opened facilities and employee dispatching.

*Monetary donations by employees and agents in fiscal 2020: Approx. ¥9.5 million

[Social Contribution Strategy \(PDF/145KB\) !\[\]\(c2a10fcb66ca54b419dec75518bfcc5d_img.jpg\)](#)

3.3 Third-Party Assurance

Tokio Marine Holdings has received a third-party assurance of the Tokio Marine Group Sustainability Report 2021 from Ernst & Young ShinNihon LLC with the aim of further improving the level of communication with stakeholders. (The independent third-party assurance logo  is marked where appropriate).

By obtaining the external assurance, we will work to improve the quality of Tokio Marine Group sustainability reporting. Tokio Marine Holdings has consecutively received same third-party assurances from fiscal 2016 to fiscal 2019 as well.

Environment

- [CO₂ Emissions from Energy Sources and CO₂ Absorption and Fixation \(Tokio Marine Holdings and major subsidiaries\) >>](#)
- [Environmental Load Data \(Tokio Marine Holdings and major subsidiaries\) >>](#)
- [CO₂ Emissions from Energy Sources \(Tokio Marine & Nichido\) >>](#)
- [Environmental Load Data \(Tokio Marine & Nichido\) >>](#)

Human Rights and Labor

- [Number of employees \(Tokio Marine Holdings and major subsidiaries\) >>](#)
- [Number of directors and managers \(Tokio Marine Holdings and domestic major subsidiaries\) >>](#)
- [Absentee rate \(Tokio Marine & Nichido\) >>](#)
- [Industrial accidents \(Tokio Marine Holdings and domestic major subsidiaries\) >>](#)



Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

September 27, 2021

Independent Assurance Report

TO:
Mr. Satoru Komiya
President
Tokio Marine Holdings, Inc.

Kenji Sawami
Engagement Partner
Ernst & Young ShinNihon LLC
Tokyo, Japan

We, Ernst & Young ShinNihon LLC, have been commissioned by Tokio Marine Holdings, Inc. (hereafter the "Company") and has carried out a limited assurance engagement on the Key Sustainability Indicators (hereafter the "Indicators") of the Company and its major subsidiaries for the year ended March 31, 2021 as included in the Company's *Tokio Marine Holdings, Inc. Sustainability Report 2021* (hereafter the "Report"). The scope of our assurance procedures was limited to the Indicators marked with the symbol "" in the Report.

1. The Company's Responsibilities
The Company is responsible for preparing the Indicators in accordance with the Company's own criteria, which it determined with consideration of Japanese environmental regulations as presented in 1. Calculation Method of *Method of Calculation and Scope in Data Collection for Key Sustainability Indicators* (http://www.tokiomarinehd.com/en/sustainability/library/pdf/sr_indicators.pdf). Greenhouse gas (GHG) emissions are estimated using emissions factors, which are subject to scientific and estimation uncertainties given instruments for measuring GHG emissions may vary in characteristics, in terms of functions and assumed parameters.

2. Our Independence and Quality Control
We have met the independence requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior. In addition, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the *International Standard on Quality Control 1* issued by the International Auditing and Assurance Standards Board.

3. Our responsibilities
Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the *International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information - ("ISAE 3000")* (Revised) and, with respect to GHG emissions, the *International Standard on Assurance Engagements: Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410")*, issued by the International Auditing and Assurance Standards Board. The procedures, which we have performed according to our professional judgment, include inquiries, document inspection, analytical procedures, reconciliation between source documents and Indicators in the Report, and the following:

- Making inquiries regarding the Company's own criteria that it determined with consideration of Japanese environmental regulations, and evaluating the appropriateness thereof;
- Inspecting relevant documents with regard to the design of the Company's internal controls related to the Indicators, and inquiring of personnel responsible thereof at the Company and 2 major subsidiaries visited;
- Performing analytical procedures concerning the Indicators at the Company and 2 major subsidiaries visited; and
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the Company and 2 major subsidiaries visited.

The procedures performed in a limited assurance engagement are more limited in nature, timing and extent than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower than would have been obtained if we had performed a reasonable assurance engagement.

4. Conclusion
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators included in the Report have not been measured and reported in accordance with the Company's own criteria that it determined with consideration of Japanese environmental regulations.

[Click on the image for an enlarged view](#)

Tokio Marine Holdings 2021 Sustainability Report 198

3.4 GRI Standards Content Index

Sustainability Report 2021 is prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards.

◎ Specifying Material GRI Indicators (Topics)

Tokio Marine Group considers GRI items (topics) as material topics. GRI items (topics) are those corresponding to "Eight Material Issues (Materiality) and Four Priority Issues" and those closely related to "Disclosure of Environmental, Social and Governance Contents" and conducive to clarification of and comparability with GRI reporting principles.

Material GRI Indicator	Materiality (★Four designated as priority issues)								Disclosure of Environmental, Social and Governance Contents
	① Combat climate change★	② Improve disaster resilience★	③ Support people's healthy and enriching lives★	④ Promote and support diversity and inclusion★	⑤ Facilitate and foster innovation through digitalization	⑥ Protect the natural environment	⑦ Provide education to children	⑧ Disclose highly transparent and timely information	
102: General Disclosures 4. Governance									Corporate Governance Risk Management
201: Economic Performance									Climate-Related Financial Disclosure Based on the TCFD Recommendations Special Feature: Research on Climate Change and Natural Disaster Risks Underpinning Environmental Initiatives Promoting Disaster Prevention and Mitigation through Products and Services
203: Indirect Economic Impacts									Contributing to the Creation of a Safe and Secure Society
205: Anti-Corruption									Anti-Corruption Initiatives
206: Anti-Competitive Behavior									Anti-Corruption Initiatives
301: Materials									Promoting Environmental Management
302: Energy									Climate-Related Financial Disclosure Based on the TCFD Recommendations
303: Water									Promoting Environmental Management
304: Biodiversity									Protecting the Global Environment through Products and Services Preservation of Biodiversity and Wetlands
305: Emissions									Climate-Related Financial Disclosure Based on the TCFD Recommendations
306: Effluents and Waste									Promoting Environmental Management
307: Environmental Compliance									Promoting Environmental Management
308: Supplier Environmental Assessment									Sustainability in the Value Chain
401: Employment									Global Human Resources Strategy
403: Occupational Health and Safety									Promoting Health and Productivity Management
404: Training and Education									Developing and Utilizing Diverse Human Resources
405: Diversity and Equal Opportunity									Promoting Diversity and Inclusion
412: Human Rights Assessment									Respect for Human Rights
413: Local Communities									Social Contribution and Awareness-Raising Activities
414: Supplier Social Assessment									Sustainability in the Value Chain
417: Marketing and Labeling									Improving Quality from the Customer's Perspective
418: Customer Privacy									Information Security
419: Socioeconomic Compliance									Compliance
Development of Clean Energy (Topic)									Promoting the Widespread Use of Clean Energy
Sustainable Investment and Financing (Topic)									Sustainability in the Value Chain
Disasters, Accidents and Microinsurance (Topic)									Contributing to the Creation of a Safe and Secure Society
Comprehensive Insurance Service Encompassing Treatment, Finance, Longevity and Health									Contributing to the Creation of a Safe and Secure Society

◎ GRI Content Index (in Accordance with Core)

GRI Standards	General Disclosures	References (Reasons for Omission)
GRI 101: Foundation 2016 (GRI 101 does not include General Disclosures)		
Universal Disclosures		
GRI 102: General Disclosures 2016	1. Organizational profile	
	102-1 Name of the organization	About Us (Company Information) > Corporate Information
	102-2 Activities, brands, products, and services	About Us (Company Information) > Tokio Marine Group
	102-3 Location of headquarters	About Us (Company Information) > Corporate Information
	102-4 Location of operations	About Us (Company Information) > Tokio Marine Group
	102-5 Ownership and legal form	Investor Relations > Stock Information > Stock Information
	102-6 Markets served	About Us (Company Information) > Tokio Marine Group
	102-7 Scale of the organization	About Us (Company Information) > Tokio Marine Group Investor Relations > Financial Data
	102-8 Information on employees and other workers	Sustainability Performance Data > ● Human Rights and Labor > Basic Data > Number of employees (Tokio Marine Holdings and major subsidiaries) [Information on employee gender at overseas major subsidiaries, employment contract and employment type are not disclosed.]
	102-9 Supply chain	Tokio Marine Group's Governance Initiatives > Sustainability in the Value Chain
	102-10 Significant changes to the organization and its supply chain	Editorial Policy > ● Scope of This Report
	102-11 Precautionary principle of approach	Tokio Marine Group's Governance Initiatives > Risk Management External Evaluations and Participation in Initiatives Tokio Marine Group's Environmental Initiatives > Special Feature: Research on Climate Change and Natural Disaster Risks Underpinning Environmental Initiatives
	102-12 External initiatives	External Evaluations and Participation in Initiatives Tokio Marine Group's Governance Initiatives > Sustainability in the Value Chain > ● Study and Research on Promotion of ESG Initiatives through the Provision of Products and Services
	102-13 Membership of associations	External Evaluations and Participation in Initiatives

GRI Standards	General Disclosures	References (Reasons for Omission)
GRI 102: General Disclosures 2016	2. Strategy	
	102-14 Statement from senior decision-maker	Top Message
	3. Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior	Purpose of Tokio Marine Group
	4. Governance	
	102-18 Governance structure	About Us (Company Information) > Governance About Us > Company Information > Organizational Chart Organizational Structure for Promoting Sustainability
	5. Stakeholder engagement	
	102-40 List of stakeholder groups	Stakeholder Engagement > Tokio Marine Group's Stakeholders
	102-41 Collective bargaining agreements	Sustainability Performance Data > ● Fair Personnel System and Management > Labor union participation rate (Tokio Marine Holdings and domestic major subsidiaries)
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement [Engaged stakeholders are selected by eliminating antisocial forces and adhering to guidelines and policies of related businesses. Sustainability dialogue participants are selected based on their suitability for the theme.]
	102-43 Approach to stakeholder engagement	Stakeholder Engagement > Tokio Marine Group's Stakeholders
	102-44 Key topics and concerns raised	Stakeholder Engagement > Sustainability Dialogue > Opinions Received from Experts in the Past and Subsequent Responses

GRI Standards	General Disclosures	References (Reasons for Omission)
6. Reporting practice		
102-45 Entities included in the consolidated financial statements		About Us (Company Information) > Tokio Marine Group
102-46 Defining report content and topic Boundaries		<ul style="list-style-type: none"> • Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
102-47 List of material topics		<ul style="list-style-type: none"> • Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
102-48 Restatements of information		Editorial Policy > ● Scope of This Report
102-49 Changes in reporting		Not applicable
102-50 Reporting period		Editorial Policy > ● Scope of This Report
102-51 Date of most recent report		Editorial Policy > ● Date of Publication
102-52 Reporting cycle		Editorial Policy > ● Date of Publication
102-53 Contact point for questions regarding the report		Editorial Policy
102-54 Claims of reporting in accordance with the GRI Standards		GRI Standards Content Index
102-55 GRI content index		GRI Standards Content Index
102-56 External assurance		Third-Party Assurance
Material Topics		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Tokio Marine Group's Environmental Initiatives > Corporate Governance
	103-3 Evaluation of the management approach	Tokio Marine Group's Environmental Initiatives > Compliance
		Stakeholder Engagement

GRI Standards	General Disclosures	References (Reasons for Omission)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sustainability Performance Data > ● Local Community and Social Contribution Activities
	201-2 Financial implications and other risks and opportunities due to climate change	Tokio Marine Group's Environmental Initiatives > Climate-Related Financial Disclosure Based on the TCFD Recommendations
		Tokio Marine Group's Environmental Initiatives > Promoting Environmental Management > Performance Reporting: Environmental Accounting
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Eight Material Issues and Four Priority Issues
		Recognition about ISO 26000
		Tokio Marine Group's Environmental Initiatives > Special Feature: Research on Climate Change and Natural Disaster Risks Underpinning Environmental Initiatives
		Tokio Marine Group's Environmental Initiatives > Protecting the Global Environment through Products and Services
		Tokio Marine Group's Social Initiatives > Contributing to the Creation of a Safe and Secure Society > Social Contribution and Awareness-Raising Activities > Medical and Nursing Care
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Tokio Marine Group's Social Initiatives > Contributing to the Creation of a Safe and Secure Society > Social Contribution and Awareness-Raising Activities > Developing Youth and Promoting Sports > ● Nurturing Future Generations, Encouraging International Exchange and Promoting Sports in Local Communities through Foundations
		Tokio Marine Group's Social Initiatives > Contributing to the Creation of a Safe and Secure Society > Social Contribution and Awareness-Raising Activities > Medical and Nursing Care
	203-2 Significant indirect economic impacts	Tokio Marine Group's Social Initiatives > Contributing to the Creation of a Safe and Secure Society > Responding to Poverty Issues

GRI Standards	General Disclosures	References (Reasons for Omission)
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Eight Material Issues and Four Priority Issues > Process for Specifying Materiality GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Tokio Marine Group's Governance Initiatives > Compliance and Anti-Corruption Tokio Marine Group's Governance Initiatives > Compliance and Anti-Corruption > Hotline System (Internal Whistle Blower System)
	205-1 Operations assessed for risks related to corruption	<ul style="list-style-type: none"> Tokio Marine Group's Governance Initiatives > Compliance and Anti-Corruption [Details regarding risk assessment are not disclosed.]
	Anti-competitive Behavior	
	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Eight Material Issues and Four Priority Issues > Process for Specifying Materiality GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
GRI 103: Management Approach 2016	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Tokio Marine Group's Governance Initiatives > Compliance > Anti-Corruption Initiatives Tokio Marine Group's Governance Initiatives > Compliance > Anti-Corruption Initiatives > Hotline System (Internal Whistle Blower System)
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not applicable
Materials		
103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Eight Material Issues and Four Priority Issues > Process for Specifying Materiality GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics) 	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Promoting Environmental Management

GRI Standards	General Disclosures	References (Reasons for Omission)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Performance Data > ● Environment
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Eight Material Issues and Four Priority Issues > Process for Specifying Materiality GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Promoting Environmental Management
	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> Sustainability Performance Data > ● Environment > ■ Environmental Load Data (Tokio Marine Holdings and major subsidiaries)
Water and Effluents		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Eight Material Issues and Four Priority Issues > Process for Specifying Materiality GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Promoting Environmental Management
	303-1 Interactions with water as a shared resource	Tokio Marine Group's Environmental Initiatives > Responding to Climate Change > Initiatives for Responding to Climate Change > ● Reduction of Environmental Footprint in Business Activities
	303-2 Management of water discharge-related impacts	
GRI 303: Water and Effluents 2018 Topic-specific Disclosures	303-3 Water withdrawal	<ul style="list-style-type: none"> Sustainability Performance Data > ● Environment > ■ Environmental Load Data (Tokio Marine & Nichido)

GRI Standards	General Disclosures	References (Reasons for Omission)
Biodiversity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
		Promoting Environmental Management
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Tokio Marine Group's Environmental Initiatives > Protecting the Global Environment > Protecting the Global Environment through Products and Services
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
		Promoting Environmental Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity	Sustainability Performance Data > ●Environment
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
		Promoting Environmental Management
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Sustainability Performance Data > ●Environment > Environmental Load Data (Tokio Marine & Nichido)

GRI Standards	General Disclosures	References (Reasons for Omission)
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
		Promoting Environmental Management
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Not applicable
Supplier Environmental Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
		Tokio Marine Group's Governance Initiatives > Sustainability in the Value Chain
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Tokio Marine Group's Governance Initiatives > Sustainability in the Value Chain [According to Tokio Marine & Nichido's Principle of Transactions, we ask suppliers for confirmation of "compliance with laws, regulations and social norms" and "consideration for the environment." However, the indicators are not disclosed.]
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
		Tokio Marine Group's Social Initiatives > Promoting the Development and Active Roles of Human Resources > Our Stance on Human Resources

GRI Standards	General Disclosures	References (Reasons for Omission)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Performance Data > ● Human Rights and Labor
	401-3 Parental leave	Sustainability Performance Data > ● Reform of Working Styles [Discloses the number of employees using work/life balance related systems]
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	• Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
		Tokio Marine Group's Social Initiatives > Promoting Health and Productivity Management
GRI 403: Occupational Health and Safety 2018 Management Approach Disclosures	403-1 Occupational health and safety management system	Tokio Marine Group's Social Initiatives > Promoting Health and Productivity Management > Our Stance on Promoting Health and Productivity Management > ● Tokio Marine Group's Health and Productivity Management Vision
	403-2 Hazard identification, risk assessment, and incident investigation	Tokio Marine Group's Social Initiatives > Promoting Health and Productivity Management > Our Stance on Promoting Health and Productivity Management > ● Relationship between Tokio Marine Group's Health and Productivity Management Vision and Health-Related Measures
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Tokio Marine Group's Social Initiatives > Promoting Health and Productivity Management > Our Stance on Promoting Health and Productivity Management > ● Promotion Structure
	403-5 Worker training on occupational health and safety	Tokio Marine Group's Social Initiatives > Promoting Health and Productivity Management > Health and Productivity Management / Occupational Health and Safety Initiatives and External Evaluation
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Tokio Marine Group's Social Initiatives > Promoting Health and Productivity Management > Efforts to Spread Health and Productivity Management throughout Society > Supporting Customers' Health and Productivity Management
GRI 403: Occupational Health and Safety 2018 Topic-specific Disclosures	403-9 Work-related injuries	Sustainability Performance Data > ● Health Management and Occupational Health and Safety > Industrial accidents (Tokio Marine Holdings and domestic major subsidiaries)

GRI Standards	General Disclosures	References (Reasons for Omission)
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	• Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
Tokio Marine Group's Social Initiatives > Promoting the Development and Active Roles of Human Resources > Our Stance on Human Resources		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Tokio Marine Group's Social Initiatives > Promoting the Development and Active Roles of Human Resources > Our Stance on Human Resources
		Sustainability Performance Data > ● Development of Human Resources > Job request system (job posting system) (Tokio Marine & Nichido)
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	• Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	Recognition about ISO 26000
		Tokio Marine Group's Social Initiatives > Promoting Diversity and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Performance Data > ● Utilizing Diverse Human Resources > Number of directors and managers (Tokio Marine Holdings and domestic major subsidiaries)
		Sustainability Performance Data > ● Human Rights and Labor > Basic Data

GRI Standards	General Disclosures	References (Reasons for Omission)
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Tokio Marine Group's Social Initiatives > Respect for Human Rights
GRI412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	<ul style="list-style-type: none"> Tokio Marine Group's Social Initiatives > Respect for Human Rights Sustainability Performance Data > ● Human Rights > Human rights training participation rate (Tokio Marine Holdings and domestic major subsidiaries) Sustainability Performance Data > ● Human Rights > Human rights training hours (Tokio Marine & Nichido)
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
GRI 103: Management Approach 2016	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Tokio Marine Group's Social Initiatives > Contributing to the Creation of a Safe and Secure Society > Responding to Technology Innovation Tokio Marine Group's Environmental Initiatives > Protecting the Global Environment > Participation in Social Contribution and Awareness-Raising Activities for the Protection of the Global Environment Tokio Marine Group's Social Initiatives > Social Contribution and Awareness-Raising Activities > Medical and Nursing Care

GRI Standards	General Disclosures	References (Reasons for Omission)
GRI 413: Local Communities 2016		<ul style="list-style-type: none"> 413-1 Operations with local community engagement, impact assessments, and development programs
		Tokio Marine Group's Environmental Initiatives > Special Feature: Research on Climate Change and Natural Disaster Risks Underpinning Environmental Initiatives
		Tokio Marine Group's Environmental Initiatives > Protecting the Global Environment through Products and Services > Tree Planting Activities in Southeast Asia and Communicating Relevant Information > Economic Value and Impact on Local Communities from Mangrove Planting
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Tokio Marine Group's Governance Initiatives > Sustainability in the Value Chain
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Tokio Marine Group's Governance Initiatives > Sustainability in the Value Chain
GRI 415: Public Policy	415-1 Political contributions	Value of political contributions* ¹
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • Eight Material Issues and Four Priority Issues > Process for Specifying Materiality • GRI Standards Content Index > ● Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components	Organizational Structure for Promoting Sustainability
	103-3 Evaluation of the management approach	<ul style="list-style-type: none"> Recognition about ISO 26000 Tokio Marine Group's Governance Initiatives > Information Security Tokio Marine Group's Social Initiatives > Improving Quality from the Customer's Perspective > Response to Customer Feedback

GRI Standards	General Disclosures	References (Reasons for Omission)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Tokio Marine Group's Governance Initiatives > Information Security Tokio Marine Group's Social Initiatives > Improving Quality from the Customer's Perspective > Response to Customer Feedback > Fiscal 2020 Number of Customer Feedback Comments
Socioeconomic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components 103-3 Evaluation of the management approach	Organizational Structure for Promoting Sustainability Recognition about ISO 26000 Tokio Marine Group's Governance Initiatives > Compliance > Anti-Corruption Initiatives Tokio Marine Group's Governance Initiatives > Compliance > Anti-Corruption Initiatives > Hotline System (Internal Whistle Blower System) Tokio Marine Group's Social Initiatives > Respect for Human Rights > Management Stance concerning Respect for Human Rights and Various Initiatives > Hotline System (Whistle Blower System)
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Not applicable
Promoting ESG Initiatives through the Provision of Products and Services*		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components 103-3 Evaluation of the management approach	Tokio Marine Group's Governance Initiatives > Sustainability in the Value Chain > ●Study and Research on Promotion of ESG Initiatives through the Provision of Products and Services, ●Efforts to Promote ESG Initiatives through the Provision of Products and Services
Development of Clean Energy*		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)

GRI Standards	General Disclosures	References (Reasons for Omission)
GRI 103: Management Approach 2016	103-2 The management approach and its components 103-3 Evaluation of the management approach	Tokio Marine Group's Environmental Initiatives > Promoting the Widespread Use of Clean Energy
Sustainable Investment*		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components 103-3 Evaluation of the management approach	Tokio Marine Group's Governance Initiatives > Sustainability in the Value Chain > ●Study and Research on Sustainable Investments and Financing, ●Policies and Operational System for Sustainable Investments and Financing, ●Exercise of Voting Rights and Disclosure of the Results of Exercise of Voting Rights, ●Efforts for Sustainable Investments
Disasters and Traffic Safety*		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components 103-3 Evaluation of the management approach	Tokio Marine Group's Social Initiatives > Contributing to the Creation of a Safe and Secure Society > Responding to Technology Innovation
Comprehensive Insurance Service Encompassing Treatment, Finance, Longevity and Health*		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	•Eight Material Issues and Four Priority Issues > Process for Specifying Materiality •GRI Standards Content Index > ●Specifying Material GRI Indicators (Topics)
	103-2 The management approach and its components 103-3 Evaluation of the management approach	Tokio Marine Group's Social Initiatives > Contributing to the Creation of a Safe and Secure Society

* Material issues identified by Tokio Marine Group that have no relevance to any of the items in the standards.

*1 In Fiscal 2021, Tokio Marine Group made political donations amounting to 18.2 million yen. In Japan, it is mandatory for political organizations to release the status of income and spending of political funds. Therefore, the above mentioned amount is to be disclosed in the Official Gazette and prefectural public notice. Tokio Marine Group contributed 24.9 million Yen to The General Insurance Association of Japan for its sustainability-related activities.

3.5 Recognition about ISO 26000

In Tokio Marine Group, the departments handling each respective function are responsible for implementing initiatives for each sustainability issue. By referring to the core subjects addressed in ISO 26000, specifically organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues and community involvement and development, Tokio Marine Group reviews the materiality of its sustainability issues and makes efforts to improve them. The management systems for each issue are listed within each section of this report.

ISO 26000 Core Issues and Issues		Management Elements	Reference
Human rights	Due diligence/ Human rights risk situations/ Avoidance of complicity/ Discrimination and vulnerable groups	Approach regarding impact	Respect for Human Rights > Basic Approach to Human Rights
		Policies/ Commitment	Tokio Marine Group Sustainability Charter (Respect for Human Rights and Dignity)
		Goals and targets	Respect for Human Rights > Basic Approach to Human Rights
		Responsibilities and management resources	Respect for Human Rights > Management Stance concerning Respect for Human Rights and Various Initiatives
		Complaint handling mechanism	Respect for Human Rights > Management Stance concerning Respect for Human Rights and Various Initiatives > Hotline System (Whistle Blower System)
		Specific steps	Respect for Human Rights
		Management methods	
Labor practices	Employment and employment relationships/ Conditions of work and social protection/ Social dialogue/ Health and safety at work/ Human development and training in the workplace	Approach regarding impact	Promoting Health and Productivity Management
		Policies/ Commitment	Tokio Marine Group Sustainability Charter (Respect for Human Rights and Dignity)
		Goals and targets	Eight Material Issues and Four Priority Issues
		Responsibilities and management resources	Promoting the Development and Active Roles of Human Resources
		Complaint handling mechanism	Promoting the Development and Active Roles of Human Resources > Fair Personnel System and Management > Raising Employee Satisfaction Levels
		Specific steps	Promoting Health and Productivity Management, Promoting the Development and Active Roles of Human Resources
		Management methods	

ISO 26000 Core Issues and Issues		Management Elements	Reference
The environment	Prevention of pollution/ Sustainable resource use	Approach regarding impact	Promoting Environmental Management
		Policies/ Commitment	Tokio Marine Group Sustainability Charter
		Management methods	What Our Environmental Management Aims for: Environmental Philosophy and Policy
		Goals and targets	Eight Material Issues and Four Priority Issues
		Responsibilities and management resources	Promoting Environmental Management > Structure for Promoting Environmental Management
		Complaint handling mechanism	Promoting Environmental Management > Structure for Promoting Environmental Management ("Green Assist")
		Specific steps	Promoting Environmental Management
Biodiversity and restoration of natural habitats	Climate change mitigation and adaptation	Approach regarding impact	Responding to Climate Change > Initiatives for Responding to Climate Change
		Policies/ Commitment	Tokio Marine Group Sustainability Charter
		Management methods	Eight Material Issues and Four Priority Issues
		Goals and targets	Promoting Environmental Management > Structure for Promoting Environmental Management
		Responsibilities and management resources	Promoting Environmental Management > Structure for Promoting Environmental Management
		Complaint handling mechanism	Promoting Environmental Management > Structure for Promoting Environmental Management ("Green Assist")
		Specific steps	Responding to Climate Change > Climate-Related Financial Disclosure Based on the TCFD Recommendations
	Protecting the Global Environment > Preservation of Biodiversity and Wetlands	Approach regarding impact	Promoting the Widespread Use of Clean Energy
		Policies/ Commitment	Tokio Marine Group's Vision for Preserving Biodiversity and Wetlands
		Management methods	Protecting the Global Environment > Preservation of Biodiversity and Wetlands
		Goals and targets	Protecting the Global Environment > Preservation of Biodiversity and Wetlands > Tokio Marine Group's Vision for Preserving Biodiversity and Wetlands
		Responsibilities and management resources	Eight Material Issues and Four Priority Issues
		Complaint handling mechanism	Promoting Environmental Management > Structure for Promoting Environmental Management
		Specific steps	Promoting Environmental Management > Structure for Promoting Environmental Management ("Green Assist")
	Protecting the Global Environment > Protecting the Global Environment through Products and Services	Approach regarding impact	Protecting the Global Environment > Protecting the Global Environment through Products and Services
		Policies/ Commitment	
		Management methods	
		Goals and targets	
		Responsibilities and management resources	
		Complaint handling mechanism	
		Specific steps	

ISO 26000 Core Issues and Issues		Management Elements	Reference
Fair operating practices	Anti-corruption/ Responsible political involvement/ Fair competition/ Respect for property rights	Management methods	Approach regarding impact
			Compliance > Anti-Corruption Initiatives
			Policies/Commitment Tokio Marine Group Sustainability Charter Tokio Marine Group Compliance Code of Conduct
			Goals and targets
			Eight Material Issues and Four Priority Issues
			Responsibilities and management resources
			Compliance > Anti-Corruption Initiatives > Compliance System
	Promoting social responsibility in the value chain	Management methods	Complaint handling mechanism
			Compliance > Anti-Corruption Initiatives > Hotline System (Internal Whistle Blower System)
			Specific steps
			Compliance
			Approach regarding impact
			Sustainability in the Value Chain
			Policies/Commitment Tokio Marine Group Sustainability Charter (Respect for Human Rights and Dignity)
Consumer issues	Consumer service, support, and complaint and dispute resolution/ Education and awareness	Management methods	Sustainability in the Value Chain > Supply Chain Management > Tokio Marine Group Principle of Transactions
			Goals and targets
			Sustainability in the Value Chain
			Responsibilities and management resources
			Eight Material Issues and Four Priority Issues
			Complaint handling mechanism
			Respect for Human Rights > Management Stance concerning Respect for Human Rights and Various Initiatives > Hotline System (Whistle Blower System)
			Improving Quality from the Customer's Perspective > Response to Customer Feedback
			Specific steps
		Improving Quality from the Customer's Perspective > Response to Customer Feedback, Sustainability in the Value Chain	

ISO 26000 Core Issues and Issues		Management Elements	Reference
Consumer issues	Community involvement and development	Consumer data protection and privacy	Approach regarding impact
			Information Security
			Policies/Commitment
			Information Security > Basic Policies on Information Security
			Goals and targets
			Eight Material Issues and Four Priority Issues
		Management methods	Responsibilities and management resources
			Information Security
			Complaint handling mechanism
			Improving Quality from the Customer's Perspective > Response to Customer Feedback
			Specific steps
			Information Security > Initiatives for Information Security and Cyber Security
			Efforts to Promote ESG Initiatives through the Provision of Products and Services > System for Sustainable Consumption
			Approach regarding impact
		Sustainable consumption	Policies/Commitment Tokio Marine Group Sustainability Charter
			Goals and targets
			Eight Material Issues and Four Priority Issues
			Responsibilities and management resources
			Efforts to Promote ESG Initiatives through the Provision of Products and Services > System for Sustainable Consumption
			Complaint handling mechanism
		Community involvement	Improving Quality from the Customer's Perspective > Response to Customer Feedback
			Specific steps
			Contributing to the Creation of a Safe and Secure Society > Responding to Poverty Issues
		Management methods	Approach regarding impact
			Approach to Sustainability Strategies
			Policies/Commitment Tokio Marine Group Sustainability Charter
			Goals and targets
			Eight Material Issues and Four Priority Issues
			Responsibilities and management resources
			Organizational Structure for Promoting Sustainability
			Complaint handling mechanism
		Stakeholder Engagement	
		Specific steps	Protecting the Global Environment > Participation in Social Contribution and Awareness-Raising Activities for the Protection of the Global Environment
			Contributing to the Creation of a Safe and Secure Society
			Contributing to the Creation of a Safe and Secure Society > Social Contribution and Awareness-Raising Activities

3.6 Editorial Policy

This report is intended to report on the principal sustainability activities of Tokio Marine Group in fiscal 2020 to all our stakeholders.

The Tokio Marine Group Sustainability Report 2021 focuses mainly on the philosophy and direction of Tokio Marine Group's sustainability initiatives as well as our activities based on eight material issues and four priority issues, and discloses detailed information.

We also publish Integrated Annual Report 2021 for investors.

[Integrated Annual Report 2021](#)

◎ Guidelines Referred to in Preparing this Report

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- ISO 26000 Guidance on Social Responsibility
- United Nations Global Compact, "Guidelines for Communication on Progress (COPs)"

◎ Scope of This Report

• Reporting organizations

Fundamentally, this report covers Tokio Marine Holdings and its major domestic and overseas Group companies*.

*Tokio Marine & Nichido, Nisshin Fire, Tokio Marine & Nichido Life, Tokio Marine Asset Management, etc.

• Reporting period

This report covers activities conducted primarily during fiscal 2020 (April 2020 - March 2021). However, for the purpose of further clarification, on occasion, reference is made to activities undertaken outside the reporting period.

• Principal changes during the reporting period

None

◎ Dates of Publication

- Previous edition: November 2021
- Current edition: February 2022
- Next edition: November 2022 (scheduled)

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