

Integrated Annual Report 2024

“Inspiring confidence. Accelerating progress.”

References

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

Environment
Social
Governance



Positioning of This Integrated Report

General
Specialized

Financial information

Integrated reports

Investor relations event materials

Financial results-related materials (annual securities reports, etc.)

Non-financial information

Sustainability booklets

Sustainability reports

Corporate governance reports

Corporate website

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

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

Forward-Looking Statements

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

Abbreviations Used in This Material

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



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

Satoru Komiya
President and
Group CEO

What We Aspire to Achieve

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

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

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

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

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

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

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

Today, natural catastrophes such as hurricanes and earthquakes cause economic losses of several hundreds of

billions of dollars each year, and the losses are increasing. However, only about 30% of these losses are covered by insurance. The remaining 70% is the “protection gap” for which insurance companies have not been able to provide support.

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

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

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

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

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

○ Geneva Association 2024 Annual General Assembly (Kyoto)

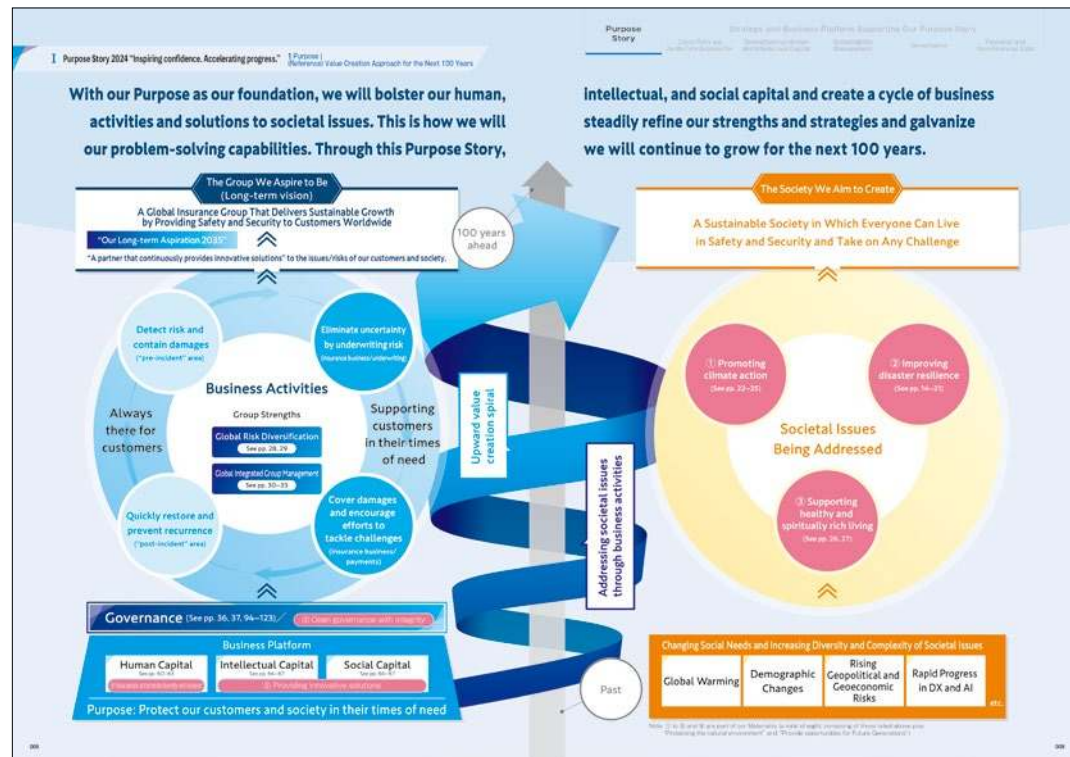


*: The Geneva Association is an insurance industry think tank made up of the CEOs of approximately 70 insurance companies from around the world.

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

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

Value Creation Approach



Our current positioning and unique strengths

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

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

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

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

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

Purpose Story

Strategy and Business Platform Supporting Our Purpose Story

Capital Policy and the Mid-Term Business Plan

Strengthening, Human, Intellectual, and Social Capital

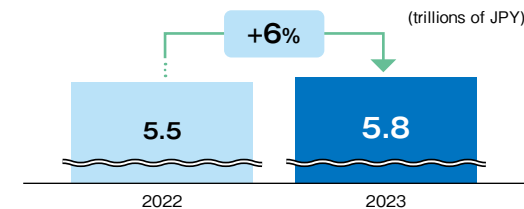
Sustainability Management

Governance

Financial and Non-Financial Data

FY2023 Performance

Net Premium Written



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

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

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

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

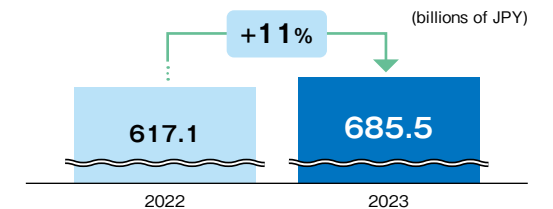
Next is “global Integrated Group Management.” Expansion of our non-Japanese business through M&As resulted in a diversified risk portfolio and profit growth. Yet for Tokio Marine, our greatest achievement is welcoming talent with great expertise and industry knowledge.

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

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

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

Adjusted Net Income (normalized basis*)



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

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

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

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

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

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

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

*: Nat Cats loss normalized to an average annual level. 2022 excludes the capital gains/losses in North America, losses from COVID, war, and South African Floods, capital gains from sale of business-related equities (for sales exceeding 100 billion yen), and FX gains/losses between foreign currencies. 2023 excludes the capital gains/losses in North America, capital gains from sale of business-related equities (sales exceeding 150 billion yen), and FX gains/losses between foreign currencies.

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

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

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

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

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

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

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

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

○ Our Long-term Aspiration 2035



“A Partner that continuously provides innovative solutions” to the issues/risks of our customers and society

Evolution of the “Insurance” business



Solution that contributes to “Well-being”

Solution for “Prevention, mitigation, and recovery”

Growth in the “solution” business other than insurance

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

Enhancing Governance as the Foundation of Everything

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

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

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

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

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

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

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

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

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

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

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

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

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



In Closing

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

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

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

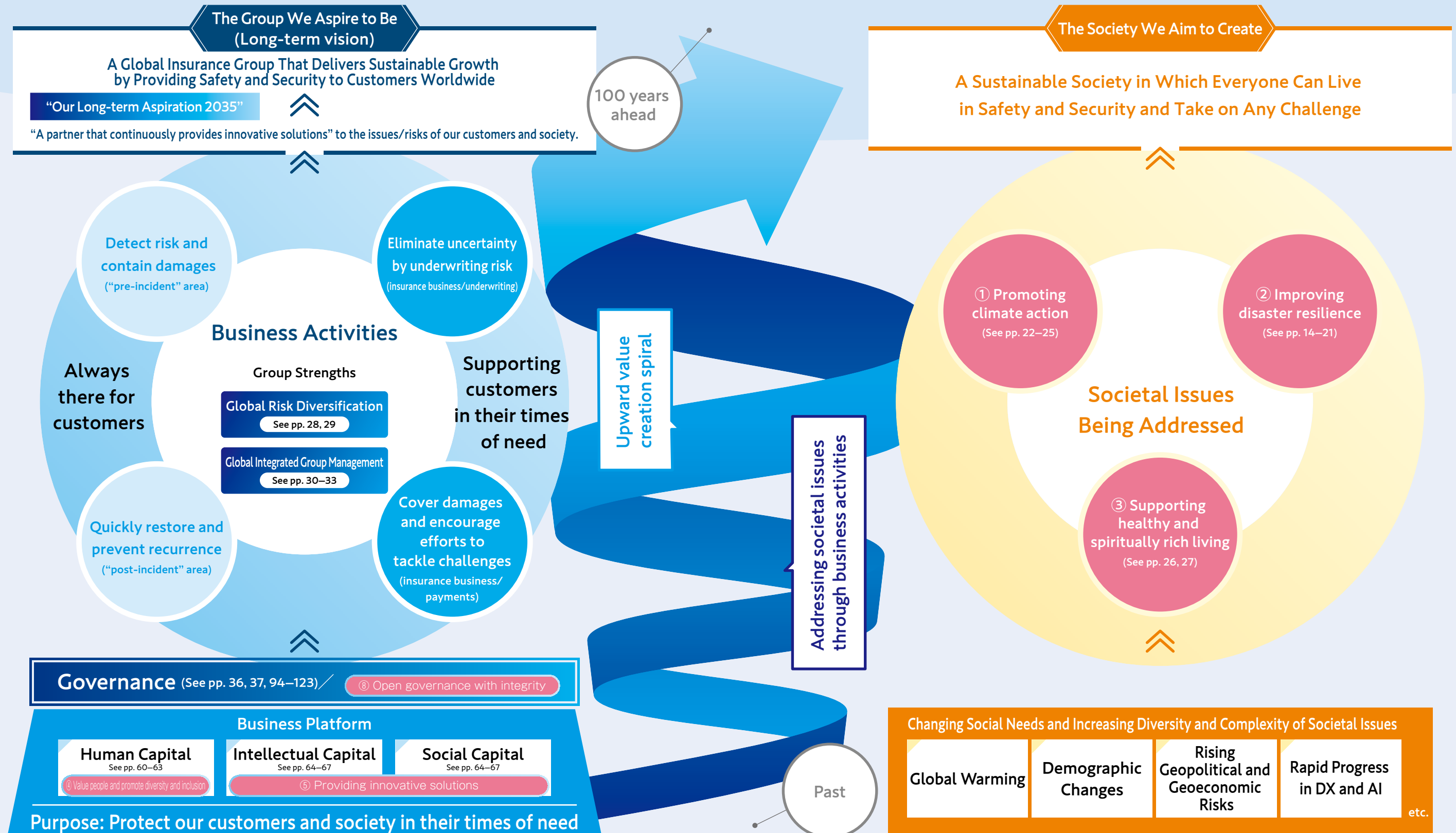
We understand that the current business environment is not easy at all; however, we will manage our business on the back of our strong business foundation and our abilities to overcome and to respond to difficulties. With a strong desire to achieve the top-tier EPS growth and to raise ROE in the next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

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

I appreciate your continued support for the Tokio Marine Group.

With our Purpose as our foundation, we will bolster our human, activities and solutions to societal issues. This is how we will our problem-solving capabilities. Through this Purpose Story,

intellectual, and social capital and create a cycle of business steadily refine our strengths and strategies and galvanize we will continue to grow for the next 100 years.



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

We have set milestones for
and are steadily moving forward toward

2026, 2035, and 2050,
the realization of the society and the company we envision.

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

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

“Our Long-term
Aspiration 2035”

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

Achieve world-class
EPS growth

Improve ROE to be on
par with global peers

DPS growth consistent
with EPS growth

Plan for FY2026	CAGR of +16% or more	CAGR of +15% or more	20% or more	Considering the impact of introducing IFRS/ICS, we plan to review various indicators and definitions in FY2026 (details on pp. 50, 51).
(excl. capital gains from sale of business-related equities)	(+8% or more)	(+7% or more)	(14% or more)	

FY2024 Projections	514 yen	1 trillion yen	18.1%	50%	200.0 billion yen (announced May 2024)
(same as above)	(315 yen)	(610 billion yen)	(11.0%)		

FY2023 Results	347 yen	685.5 billion yen	15.0%	50%	120.0 billion yen
(same as above)	(302 yen)	(596.5 billion yen)	(13.0%)		

Financial KPIs

Adjusted
EPS*1

Adjusted
net income*1

Adjusted
ROE*1

Dividend
payout ratio

Capital level
adjustment
(share
buybacks)

100 years
ahead

20 50

20 35

20 26

20 23

The Society We Aim to Create

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

FY2050

Net zero
(including insurance customers and
investment and financing recipients)

Offer pre- and post-
incident peace of mind,
rather than staying
just as a payer of
insurance claims

Development and
provision of new
healthcare services
that contribute
to well-being

FY2030

-60%*2
(compared with FY2015)

Dialogue with 200 customer
companies with high emissions;
in-depth proposals and
discussions with 160*3

Expansion of solution lineup
towards the realization of
comprehensive disaster
prevention and
mitigation solution business

Build an ecosystem
that improves health
starting with health check

Plan for FY2026

Expansion of GX-related
underwriting

Pre-incident disaster
prevention package
(from May 2024)

Liquefaction damage
mitigation service
(from May 2024) etc.

Promotion of PoC for
commercialization

Plan for FY2024

-43%*2
(compared with FY2015)

Establishment of
Tokio Marine Resilience
(November 2023)

Establishment of preparatory
company looking
ahead to commercialization
of prevention/
pre-symptomatic areas
(April 2023)

FY2023 Results

Reduction of
greenhouse gas
emissions

Promoting climate action

Acceleration of
development and provision
of disaster prevention
and mitigation solutions

Improving disaster resilience

Expansion of
healthcare-related
products and services

Supporting healthy and spiritually rich living

Major non-
financial KPIs

*1: Normalized base (see p. 47*2 for details)

*2: Based on our business activities (Scope 1 + 2 + 3 (Categories 1, 3, 4, and 6)), FY2023 is based on preliminary figures.

*3: Goals for Tokio Marine Nichido (2030)



Purpose Story 2024 “Inspiring confidence. Accelerating progress.”

2 Facing Societal Issues

**Purpose
Story**

Strategy and Business Platform Supporting Our Purpose Story

- Capital Policy and
the Mid-Term Business Plan
- Strengthening, Human,
Intellectual, and Social Capital
- Sustainability
Management
- Governance
- Financial and
Non-Financial Data



Purpose Story 2024 “Inspiring confidence. Accelerating progress.”

3 Driving Force | Global Risk Diversification

**Purpose
Story**

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Non-Financial Data

