



CEO Observations Ahead of the 2024 Shareholder Meeting

Dear Fellow Shareholder,

On behalf of our Board of Directors, thank you for your investment in Tokio Marine.

Since our founding in 1879, we have consistently elevated our corporate value by contributing to our customers and the communities we serve. This dedication has, in turn, fostered our growth and development. Today, Tokio Marine benefits from the guidance and insight of an outstanding group of directors, who ensure that we remain true to that history while navigating evolving markets.

At our upcoming Ordinary General Meeting of Shareholders on June 24th, 2024 (“Shareholder Meeting”), you will have the opportunity to vote on the election of Tokio Marine’s Board, along with other important items. We believe that our Board has earned your continued support through their diligent efforts on behalf of shareholders.

This past year, our Board oversaw another strong year for Tokio Marine and implemented governance and control initiatives in response to operational challenges that emerged. Our Board implemented these changes proactively to protect our customers and society of today, and also those of the future.

Our Board guided the development of our recently announced 2026 Mid-Term Business Plan (“2026 MTBP”), which lays out our plans for future growth, disciplined capital allocation, and strong Group-level governance enhancements based on our unwavering fundamental purpose to protect our customers and society in times of need.

I want to take this opportunity to reflect on the successes and learnings of fiscal year 2023, and share the Board’s plans to take advantage of future opportunities for continued growth and strong returns.

A Year in Review

Record Performance Results

Under the leadership of our Board, Tokio Marine delivered record results in fiscal year 2023. We achieved a +11% year-over-year increase in adjusted net income of 685.5 billion yen¹ for the year and an adjusted ROE of 15.0%¹, all while navigating the impacts of recent natural disasters, including the Hawaii wildfires, and conservative measures taken for U.S. CRE loans. We significantly surpassed our previous Mid-Term Business Plan goals of adjusted net income of

¹ Normalized Nat Cats to an average annual level and excluding the capital gains from the sale of business-related equities (for part of sale exceeding the initial plan). Also excluding capital gains/losses in North America, etc.



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approximately 480 to 540 billion yen and adjusted ROE of approximately 12%. Our success benefited investors through the tremendous value our business has generated, as demonstrated by the 88% total shareholder return (TSR)² over the fiscal year, outpacing the TOPIX index by 51%. These results are a testament to the strength of Tokio Marine’s global platform and the efforts of all of Tokio Marine’s people in fulfilling our company’s purpose and their commitment to achieving Top-tier EPS growth among global insurers, while managing EPS volatility.

Highlights

685.5 billion yen

Adjusted Net Income³

+13% YoY

EPS Growth³

+23% YoY

DPS Growth

+51%

relative TSR² compared to TOPIX index

Fiscal year 2023 marks a milestone on our ongoing journey to become a truly global insurance company that delivers sustainable, long-term growth to benefit both our shareholders and all our stakeholders.

Business Improvement Plan

While we are proud of our exceptional financial performance, fiscal year 2023 also presented operational challenges for the company. In December 2023, our Japanese subsidiary Tokio Marine & Nichido Fire Insurance (“TMNF”) received a business improvement order (the “Order”) from the Japan Financial Services Agency (“JFSA”) relating to an industry-wide price-fixing investigation order from the prior year.

The Business Improvement Plan (the “Plan”) that TMNF submitted in February 2024 describes in detail our approach over the past several months to identifying the root cause of these issues, and the safeguards and initiatives that we have been enacting – including significantly strengthening internal controls, reinforcing our compliance culture, and instilling a sense of responsibility across our organization – to ensure that such issues do not occur again. The Plan has been accepted by the JFSA, and we will be updating JFSA and our shareholders regarding our progress on a quarterly basis.

We recognize that such incidents erode the trust that we have diligently built over the past 145 years as a company, and we are very focused on regaining this trust from our customers and society. Strengthening and improving our internal controls and governance were a core focus for Tokio Marine even before the Order. We are committed to continue building our governance

² Represents dividend adjusted total shareholder return measured over the period April 1, 2023 to March 31, 2024 (Sources: Capital IQ).

³ Normalized Nat Cats to an average annual level and excluding the capital gains from the sale of business-related equities (for part of sale exceeding the initial plan). Also excluding capital gains/losses in North America, etc.



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oversight and to continue engaging with our shareholders to incorporate your perspectives and best practices into our decision-making.

Go-Forward Business Strategy

Looking ahead, we are excited by our business prospects, and our 2026 MTBP lays out Tokio Marine's major strategies for the next three years. As we continue to promote our core strategies of global risk diversification and globally integrated group management, we are also focused on achieving the goals of our 2026 MTBP, which will enhance growth and discipline.

I would like to highlight some of the key initiatives underlying these strategies for your consideration.

We aim to continue delivering exceptional financial results, and, over the next three years, seek to **maintain Top-tier EPS growth** at +16% or more (3Y CAGR)⁴ and deliver **World's Top-class ROE**, projecting adjusted ROE in fiscal year 2026 at 20% or higher.⁴

Additionally, we are now aiming to **reduce our current business-related equities holdings in listed companies⁵ by 50% in three years**, reaching approximately 20% of IFRS net assets by fiscal year 2026, even though the value of our current business-related equities holdings has risen recently due to stock market increases, **and completely liquidate our remaining business-related equities by fiscal year 2029**. Over twenty years ago, Tokio Marine proactively started large-scale sales of our business-related equities, and we have already reduced our business-related equities by 72%⁶ (on a book value basis).

The acceleration of our existing business-related equities reduction program **will provide us with surplus capital which we will deploy pursuant to our disciplined capital policy**: prioritizing quality M&A and risk-taking, and if no such opportunities present themselves, returning this capital to our shareholders through share buybacks. This approach is in line with our track record, and we will continue to manage our operations in this manner.

We are also introducing **TMNF's "Re-New" strategy**: to re-establish TMNF as a truly trusted customer-oriented company while maintaining TMNF as a stable profit base for Tokio Marine. As part of this strategy, TMNF is focused on achieving sustained bottom-line growth through the development of a sales model that emphasizes the value of our insurance products, and a diverse sales platform focused on productivity and quality. In light of recent industry-wide events, Japan's property/casualty insurance industry must build a stronger culture of

⁴ In FY2023, which serves as the starting point, normalized Nat Cats to an average annual level as well as excluding the capital gains from the sale of business-related equities (for part of sale exceeding the initial plan) and capital gains/losses in North America, etc.

⁵ Excluding those related to capital and business alliance.

⁶ When the end of March 2002 is set as 100.



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transparency. Acting as a leader within our industry to further improve business norms and practices will benefit our business and society as a whole.

Finally, we are taking steps to continue **strengthening our governance oversight and practices** at the Group level. We recently established a Group Audit Committee and are pursuing other key actions – including consolidating our Japanese Compliance, Risk Management, and Internal Audit divisions into the parent company and conducting direct audits of Japanese businesses – in order to ensure robust governance and effective management at the Group level as well as at each individual business unit.

In Closing, We Ask for Your Continued Support

On behalf of the entire management team, the Board, and everyone at Tokio Marine, thank you for your continued trust, support, and investment in our company. We aim to become a company that is indispensable to society by supporting customers in their time of need and always being there for them. The strategies and initiatives outlined in our 2026 MTBP build upon the exceptional results delivered under our prior MTBP, and position Tokio Marine well for the years ahead. I am fully confident that our management team and Board of Directors are equipped to deliver on these goals.

We encourage you to review our Notice of Convocation for more information on the ballot items up for vote, and we respectfully request that you vote for the election of all of our directors at our upcoming Shareholder Meeting. Thank you again for your investment and confidence in Tokio Marine.

Sincerely,

Satoru Komiya

President and Group CEO