

May 28, 2024  
Tokio Marine Holdings, Inc.

## **Tokio Marine Group's Initiatives Towards " Promoting Japan as a Leading Asset Management Center"**

Tokio Marine Holdings, Inc. (President and Group CEO Satoru Komiya), is pleased to announce its initiatives to create a "virtuous cycle of growth and distribution", as a financial institution involved in the investment chain, based on the "Policy Plan for Promoting Japan as a Leading Asset Management Center " published by the government in December 2023.

Since our foundation in 1879 and guided by our purpose of “to protect our customers and society in their times of need”, we have worked to address the challenges faced by our customers and society in each era by leveraging the expertise and knowledge within our Japanese and International group companies to deliver unique solutions.

In the area of asset management, we have committed as Tokio Marine Group to help solve the challenges arising from social and lifestyle changes, such as the era of 100-year lifespans, and to achieving a "virtuous cycle of growth and distribution" by focusing on the following three perspectives:

### **As an Insurance Company:**

As an insurance company engaged in both the life and non-life business, we aim to support the sustainable growth of companies and the realization of a prosperous life for individuals by providing a wide range of insurance products that manage various risks and contribute to asset formation of our customers, thereby delivering a sense of safety and security.

### **As an Asset Owner:**

As an institutional investor managing assets based on insurance liabilities, we will work to enhance the enterprise value of our investees and adopt advanced investment strategies while maintaining appropriate liquidity. We aim to secure high and stable investment returns with a long-term perspective.

### **As an Asset Manager:**

As an asset management company entrusted with the management of external funds, we will contribute to the asset formation of investors by working to enhance the enterprise value of our investees and by offering a diverse range of investment products.

### **Our Group's Initiatives:**

A key function in fulfilling the above roles is our asset management capabilities. We have endeavored to enhance this by incorporating global asset management know-how that we have gained through our expansion and through the efforts of Tokio Marine Asset Management Co., Ltd. (hereinafter referred to as "Tokio Marine Asset Management"), which specializes in managing alternative assets in addition to traditional assets. Moreover, we have been proactive in working in diverse areas of the investment field and by nurturing emerging fund managers.

Moving forward, we will explore new investment opportunities, including those involving emerging fund managers, and consider providing institutional investors with investment opportunities in these emerging managers by further leveraging capabilities of Tokio Marine Asset Management.

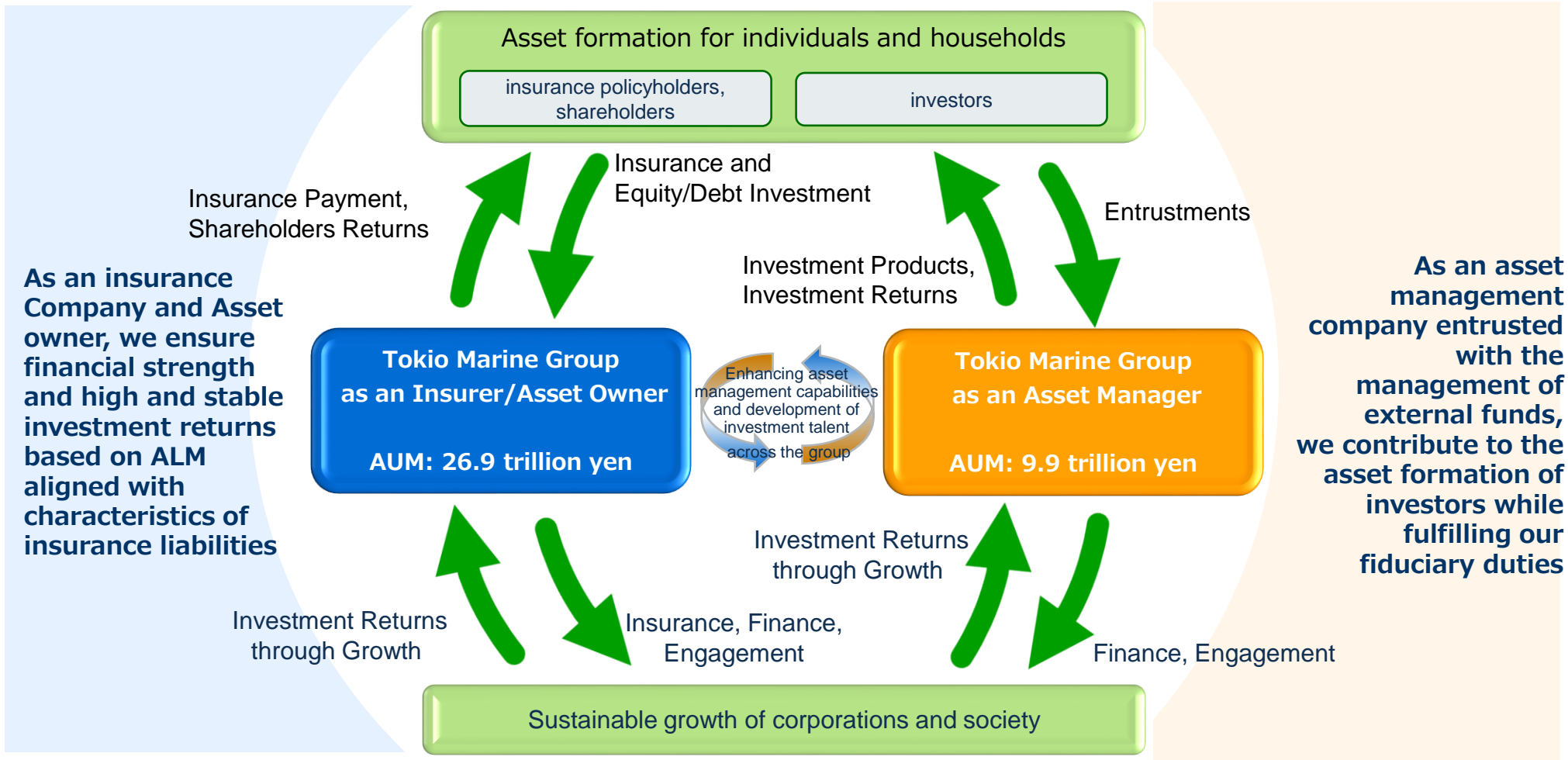
We believe that such efforts to enhance our asset management capabilities directly contribute to fulfilling the financial function of investing capital in the areas necessary for solving social issues, and this is both from the perspective as an asset owner and an asset manager.

Regarding our asset management structure, we have also worked to strengthen governance by appointing an officer from our international one of our group companies as joint Chief Investment Officer (Co-CIO) to utilize their expertise and insights on a global basis and also by the early adoption of independent external directors and establishing a nomination committee at Tokio Marine Asset Management.

We will continue to enhance both our asset management capabilities and structure, and by providing optimal solutions to all our stakeholders we will support the sustainable growth of individuals, corporations, and society. We aim to become a partner that protects our customers not only in their times of need but at all times and help to realize the government's vision of a "Leading Asset Management Center".

# TM Group's Involvement in the Investment Chain

As a financial group with Assets Under Management (AUM) totaling 37 trillion yen, Tokio Marine (TM) Group plays an important role in the investment chain

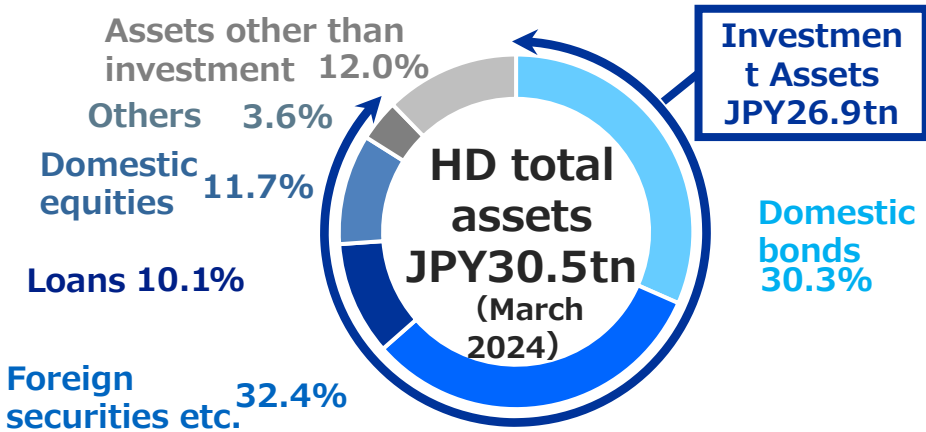


# TM Group's Involvement in the Investment Chain

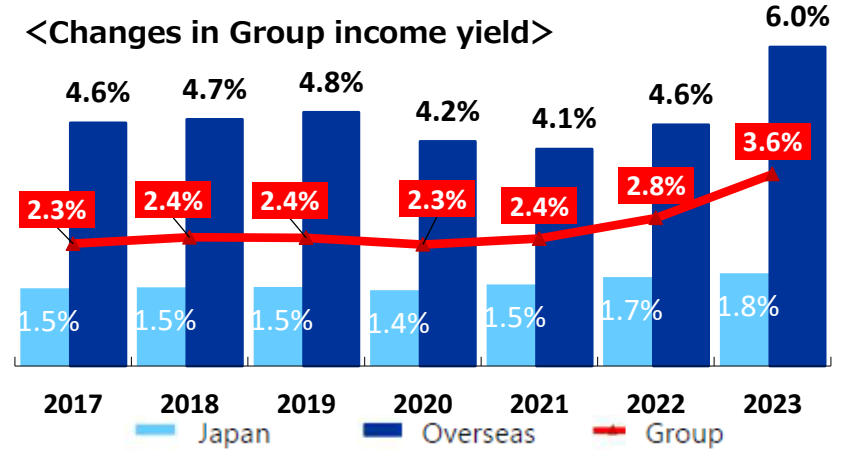
## Involvement as an Insurer and Asset Owner

- Engage in unique investment strategies in response to the market environment, enhancing returns while controlling risk
- Engage in constructive dialogues with the corporations we invest in to enhance their enterprise and social value
- Conduct thematic and impact investments as of our ESG investment to generate economic and social value

### Investment Portfolio (March 2024)



### Securing a stable yield



### Investment activities in new fields

- We are advancing thematic investment financing in green bonds, sustainability bonds, green loans, etc., with a balance of approximately 138 billion yen as of the end of March 2024
- From 2022, we began impact investing in funds such as renewable energy funds which provide measurable social returns, with a commitment amount of approximately 29 billion yen as of the end of March 2024
- We engage in stewardship activities aiming at enhancing the enterprise value through engagement (constructive dialogue) and other means, with the goal of promoting sustainable growth

### Governance & Developing Professionals

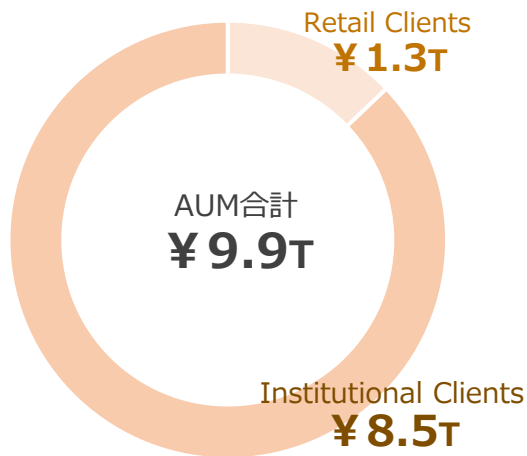
- Utilization of Professionals: Appointing the CEO of DFG/TMDCM to the position of Global Co-CIO at TMHD
- Recruitment of Professionals: Recruiting competitive talents at HD
- Development of Professionals: Providing opportunities for gaining a diverse set of experiences through assignments at overseas subsidiaries, TMAM, and external investment managers
- Developing management talents through Asset Management business  
 Our asset management business is a series of continuous challenges, and the individuals who have experienced these are involved in the current management of our group

# TM Group's Involvement in the Investment Chain

## Involvement as an Asset Manager

- Tokio Marine Asset Management (TMAM) is an asset management company in Tokio Marine Group. It operates an investment advisory business primarily for institutional clients and an investment trust business primarily for retail clients.
- Since its founding in 1985, it has been growing by continuous enhancement and improvement in qualities of asset management capabilities and services provided to investors.

**AUM** (end of March 2024)



■ TMAM's asset management capabilities and services are highly appreciated by institutional investors

■ In recent years, the AUM of alternative assets has been growing, differentiating TMAM from other Japanese asset managers

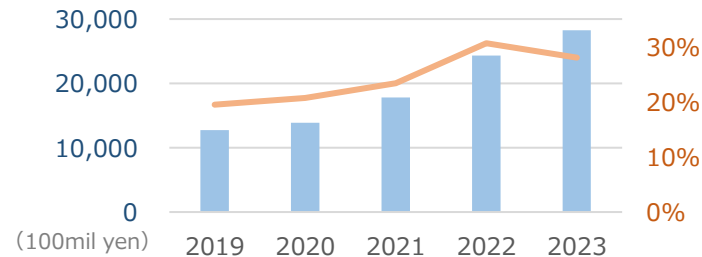
On institutional investors' survey in Japan for asset managers' quality (2023)\*,

**TMAM achieved 1st place in the "Overall Satisfaction"**

\* Survey conducted by Rating and Investment Information, Inc. (R&I) and published in "Pension Information" No. 932.

AUM of alternative assets : **¥ 2.8T**

Percentage of alternative assets : **30%**



## Governance with a balance of autonomy

Independent Directors	<ul style="list-style-type: none"> <li>• Has been appointing independent directors in 2014</li> <li>• Has been enhancing board diversity (ex. appointment of a female independent director)</li> </ul>
Nominating Committee	<ul style="list-style-type: none"> <li>• Established a nominating committee chaired by an independent director in 2016</li> </ul>
Experienced Executives	<ul style="list-style-type: none"> <li>• From outside Tokio Marine Group, has been hiring executives with extensive experiences and deep expertise in asset management business</li> </ul>
Product Governance	<ul style="list-style-type: none"> <li>• Established a product governance structure to ensure TMAM's fiduciary with the involvement of independent directors</li> </ul>

## Asset management capabilities

Continuous enhancement on asset management capability	<ul style="list-style-type: none"> <li>• Strengthened asset management capabilities for alternative assets (ex. transfer of investment functions for them from Tokio Marine Nichido to TMAM)</li> <li>• Introduced engagement activities aimed at long-term growth of investees.</li> <li>• Launched ESG-related products such as renewable energy funds</li> </ul>
Human resource development	<ul style="list-style-type: none"> <li>• Introduced a new personnel system from FY2024 to develop human resources with a high level of expertise and challenging spirit based on the integrity of fulfilling fiduciary responsibilities, and to retain these employees</li> </ul>

# TM Group's challenge to enhance asset management capabilities

- Tokio Marine Group is always working to enhance its asset management capabilities, contributing to its stakeholders by providing high returns and excellent investment opportunities.

## Initiatives done so far

### Proactive financing a wide variety of investment field

Ahead of other financial groups, Implemented investments in impact investing, venture investment, and domestic private equity

Impact Investments	<ul style="list-style-type: none"> <li>• Started impact investing from the fiscal year 2022 (with a commitment amount of 29 billion yen as of the end of March 2024)"</li> </ul>
Venture Investments	<ul style="list-style-type: none"> <li>• Implemented investments in digital businesses and startups through direct and venture funds</li> </ul>
Investments in Domestic Emerging Managers	<ul style="list-style-type: none"> <li>• As part of alternative investments, continued investing in multiple domestic private equity funds.</li> </ul>

### Incubation of emerging managers

Continuously worked on establishing new companies for enhancing asset management capabilities from the past, producing many fund managers

Incubation of Emerging Managers	<ul style="list-style-type: none"> <li>• Established and nurtured many investment managers, such as TMAM, Tokio Marine Capital, and Tokio Marine Mezzanine.</li> </ul>
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## Initiative in future

### Plan for future initiatives

Sets investment budget to explore new investment opportunities	<ul style="list-style-type: none"> <li>• To enhance asset management capabilities, will consider collaboration with excellent domestic and international fund managers, including emerging fund managers, primarily focusing on alternative investment strategies such as venture capital, through the utilization of exploratory investment budget.</li> </ul>
Promotes R&D activities to enhance asset management capabilities as an asset manager	<ul style="list-style-type: none"> <li>• At Tokio Marine Asset Management, will continue to promote the research and development of new asset classes and investment strategies that benefit its investors. In doing so, will consider utilizing not only our own fund managers but also external emerging fund managers.</li> </ul>
As a gatekeeper, provides investment opportunities in emerging fund managers	<ul style="list-style-type: none"> <li>• At Tokio Marine Asset Management, will consider a scheme that utilizes its discerning capability to find and propose investment products managed by excellent domestic and international fund managers, including emerging fund managers, primarily for institutional investors (such as pension funds).</li> </ul>