

⑤ Nature-related Issue Analysis

Tokio Marine Group globally engages in business revolved around insurance. Similar to the effects of GHG emissions on climate action, it is important to recognize and reduce the dependencies and impacts not only of our own operations but also of businesses and value chains of insurance customers as well as investment and financing recipients on natural capital. For this reason, we assessed the operations of Tokio Marine Group, including its value chain, and conducted environmental surveys to ensure that 29 Business operations located in nature conservation and similar areas (sales offices of Group companies and major insurance agencies in Japan) do not have significant negative impacts on natural capital and biodiversity.

In terms of businesses and value chains of insurance customers as well as investment and financing recipients, we believe it is important to identify the sectors, value chains and regions that have high dependencies and impacts on natural capital in our insurance underwriting and investment and financing portfolios and then use the findings for our nature-related risk management and capturing new business opportunities as well as at customers and our investment and financing recipients. This report focuses on the detailed analysis of insurance underwriting and investment and financing portfolios and summarizes nature-related risks and opportunities in our business as well as future policies.

● Overview of Approach Adopted to Analyze Insurance Underwriting and Investment and Financing Portfolios

In fiscal 2023, Tokio Marine Group analyzed insurance underwriting and investment and financing portfolios of Tokio Marine & Nichido using the ENCORE^{*1} analysis tool to identify nature-related material sectors and their dependencies and impacts on natural capital (STEP 1 and STEP 2 in the right chart).

^{*1} Short for exploring natural capital opportunities, risks and exposure, ENCORE is a tool to assess the potential dependencies and impacts of business activities on natural capital and biodiversity

In fiscal 2024, to deepen our understanding on the dependencies and impacts on natural capital in the material sectors identified in fiscal 2023, we targeted the automobile manufacturing industry for the LEAP approach analysis (STEP 3). We chose this industry because it is considered high risk, as listed in the TNFD/TCFD's list of material sectors, and also because of its high relevance to nature-related business opportunities for Tokio Marine, which operates insurance and solution businesses. The analysis was conducted using the LEAP approach, as follows (STEP 4):

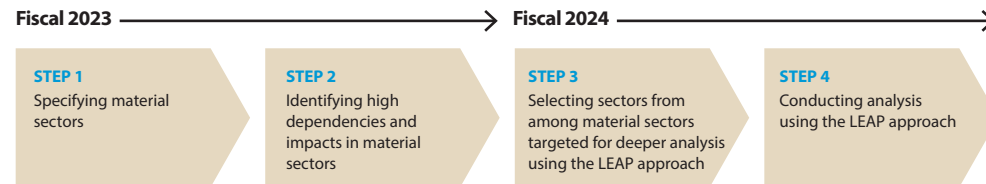
Locate: Automobile manufacturers, tire manufacturers and battery manufacturers were selected for analysis as their businesses involve processes with high dependencies and impacts on natural capital among the value chain of the automobile manufacturing industry.

Evaluate: Identify priority areas in which the dependencies and impacts on natural capital are high, from among vehicle assembly sites run directly by automobile manufacturers as well as tire/battery manufacturing sites in the value chain.

Assess: Identify nature-related risks and opportunities that customers as well as investment and financing recipients have in the priority areas through assessment.

Prepare: Consider our future policies regarding the major nature-related risks and opportunities that have been identified.

Approach taken to analyze insurance underwriting and investment and financing portfolios



● STEP 1: Specifying Material Sectors

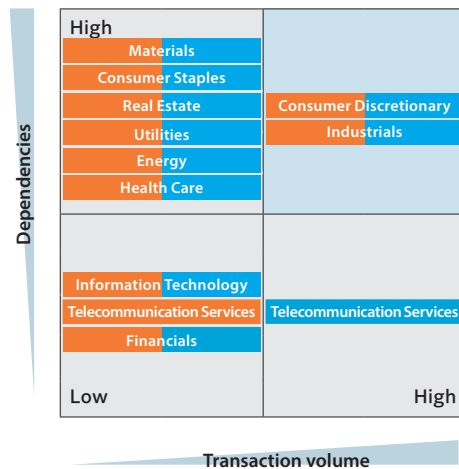
Tokio Marine Group underwrites insurance and provides investment and financing for various companies. We thus need to identify priority sectors in our portfolios to effectively respond to nature-related risks and opportunities. In fiscal 2023, we performed ENCORE analysis on insurance underwriting (insurance policies with companies^{*2}) and investment and financing (domestic listed equities and domestic bonds) recipients of Tokio Marine & Nichido, which is responsible for most of the corporate transactions in the Group. The analysis was conducted using the two axes of “dependencies/impacts” and “transaction volume in insurance underwriting and investment and financing portfolios” as defined in the ENCORE analysis tool. Consequently, we identified “Consumer Discretionary^{*3}” and “Industrials^{*4}” as our material sectors.

Identifying Key Sectors

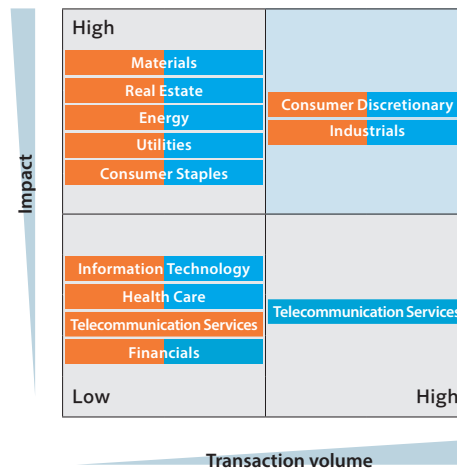
■ =Insurance underwriting

■ =Investment and financing

Dependencies on nature



Impacts on nature



● STEP 2: Identifying High Dependencies and Impacts in Material Sectors

We analyzed our climate- and nature-related dependencies and impacts in the identified material sectors and found that our dependencies and impacts are high on the following ecosystem services and impact drivers of natural capital, respectively. (See Appendix 1 for detailed analysis.)

In the Consumer Discretionary category, our dependencies are high on the ecosystem services of flood and storm protection, groundwater, surface water, water flow regulation and mediation of sensory impacts. Meanwhile, we have high impacts on natural capital through greenhouse gas (GHG) emissions, soil pollutants, water pollutants, water use, solid waste, non-GHG air pollution and light and noise pollution.

In the Industrials category, we have high dependencies on the ecosystem services of flood and storm protection and climate regulation, while we cause high impacts on natural capital through GHG emissions, soil pollutants, water pollutants, non-GHG air pollution and light and noise pollution.

Both the Consumer Discretionary and Industrials sectors show high dependencies and impacts on

■ Dependencies on nature

Ecosystem Services	Flood & Storm Regulation	Ground Water	Surface Water	Water Flow Regulation	Mediation of Sensory Impacts	Climate Regulation	Water Quality	Dilution by Atmosphere & Ecosystems	Mass Stabilization & Erosion Control	Filtration	Ventilation
Consumer Discretionary	■	■	■	■	■	■	■	■	■	■	■
Industrials	■	■	■	■	■	■	■	■	■	■	■

■ Impacts on nature

Impact Drivers	GHG Emissions	Soil Pollutants	Water Pollutants	Water Use	Solid Waste	Non-GHG Air Pollutants	Light and Noise Pollution	Terrestrial Ecosystem Use	Marine Ecosystem Use
Consumer Discretionary	■	■	■	■	■	■	■	■	■
Industrials	■	■	■	■	■	■	■	■	■

Low High

*2 Listed companies with 1,000 or more employees

*3 Consumer Discretionary: Automobile Manufacturers, Auto Parts and Equipment, Household Appliances, etc.

*4 Industrials: Trading Companies and Distributors, Industrial Machinery, Construction Machinery and Heavy Trucks, Air Freight and Logistics, Aerospace and Defense, etc.

water-related items, GHG emissions and land, which indicates that the relationship with natural capital is fundamental to our insurance underwriting and investment and financing portfolios.

● STEP 3: Selecting Subsectors from among Material Sectors Targeted for Deeper Analysis Using the LEAP Approach

To make use of the analysis results obtained at STEP 1 and STEP 2 to the enhancement of our nature-related risk management and the development of business opportunities, we must fully understand the value chain structure, activities and products of each sector and analyze their nature-related risks in detail. There are various subsectors within the Consumer Discretionary and Industrials sectors, which were identified as material. Therefore, it is necessary to identify these subsectors first to carry out effective analysis using the LEAP approach.

Sectors	Subsectors	Sectors listed in the TNFD/TCFD's list of priority sectors	Business opportunities for the Company	Data availability, others ^{*5}
Consumer discretionary	Automotive Parts and Equipment		⊙	○
	Automobile Manufacturing	○	⊙	○
	Furniture and Decoration	○	○	○
	Household Appliances	○	○	
	Motorcycle Manufacturing	○	⊙	
Industrials	Aerospace and Defense	○	○	
	Agricultural Machinery	○	○	
	Air Freight and Logistics	○	⊙	
	Construction Machinery and Heavy Trucks		○	
	Heavy-duty Electric Machinery	○	○	
	Industrial Machinery		○	
	Trading Companies and Distributors	○	⊙	

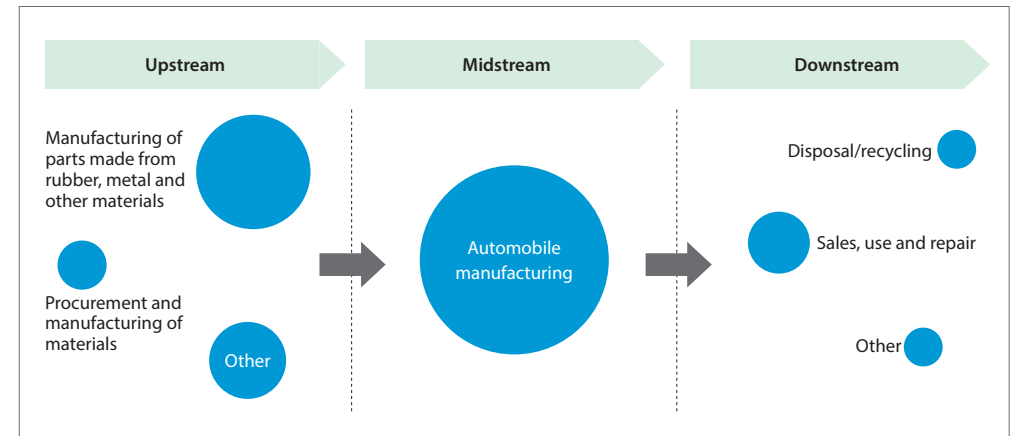
^{*5} Including the possibility of target and objective setting in line with the Sustainability Accounting Standards Board (SASB)

Subsectors are shown in the figure at the lower left. They were selected from several perspectives: whether they belong to the sectors listed in the TNFD/TCFD's list of priority sectors; whether they are associated with our nature-related business opportunities such as the provision of insurance and solution businesses (subsectors whose average impact on nature is high in our analysis on insurance underwriting and investment and financing portfolios using the ENCORE analysis tool, and for which we are better positioned to help address challenges); and whether it is possible to obtain data. After narrowing down the subsectors, we selected automobile manufacturing.

The actual analysis carried out using the LEAP approach is as described in STEP 4.

● STEP 4: Locate—Identifying Key Processes in the Value Chain

At the Locate stage, we identified processes fundamental to the relationship with nature in the automobile manufacturing industry's value chain. Specifically, we organized information on the automobile



● Each circle indicates the size of the trade volume of resource inputs (use) and outputs verified using EXIOBASE.

manufacturing industry's value chain and processes using the analysis results and findings obtained by the World Economic Forum and Organisation for Economic Co-operation and Development as a reference. We then verified the resource inputs (use) and outputs of each sector using EXIOBASE⁶ (Multi-Regional Environmentally Extended Supply-Use Table and Input-Output Table), covering all economic activities across national borders. Based on the findings, processes with a significant trade volume of resource inputs (use) and outputs were chosen in all stages from upstream to midstream and downstream, as shown in the chart from the previous page. Finally, referencing the Science Based Targets Network (SBTN) guidelines, we identified "manufacturing of parts made from rubber, metal and other materials" in the upstream stage, and "vehicle manufacturing" in the midstream stage as processes fundamental to the relationship with nature.

^{*6} EXIOBASE: A global, detailed multi-regional economic database that includes environmental data, containing the resource inputs and outputs of each sector.

● STEP 4: Evaluate—Identifying Priority Areas

At the Evaluate stage, we selected major businesses from our insurance underwriting and investment and financing portfolios for analysis that belong to the automobile manufacturing industry identified at STEP 3 and that have processes in the value chain identified at the Locate stage. Areas where high nature-related risks were identified as follows.

The results of analysis in "identifying high dependencies and impacts in material sectors" carried out at STEP 2 indicate that our portfolios have high dependencies and impacts on GHG emissions, water and land. GHG emissions were excluded from our analysis because engagement is already underway to carry out analyses among insurance customers and investment and financing recipients aimed at reducing GHG emissions. We thus focused on water and land instead. Specifically, we analyzed the following sites, using the Aqeduct⁷ tools that enable the assessment of the dependencies and impacts on water and the WWF Risk Filter Suite tools⁸, which enable an assessment of dependencies and impacts on land and biodiversity.

Sites subject to analysis⁹

- Manufacturing sites of 10 automobile manufacturers (140 in Japan and 334 overseas)
- Traction battery manufacturing sites and R&D facilities of 10 automobile manufacturers (29 in Japan and 35 overseas)
- Manufacturing sites of 5 tire manufacturers (64 in Japan and 76 overseas)
- Manufacturing sites of 5 battery manufacturers (20 in Japan and 313 overseas)

The analysis using the Aqeduct tools revealed that 158 sites of automobile manufacturers (primarily in Thailand, China and the United States), 67 sites of tire manufacturers (primarily in Thailand, the United States, China and India) and 20 sites of traction battery manufacturers (primarily in China, the United States, Japan and Germany) were located in areas with either extremely high or high water risks. We also analyzed the dependencies and impacts on land and biodiversity in these areas using the WWF Risk Filter Suite tools and identified risks and opportunities at the Assess stage in STEP 4.

^{*7} Aqeduct: Water risk assessment tools developed by the World Resources Institute (WRI)

^{*8} WWF Risk Filter Suite: Risk assessment tools developed by the World Wide Fund for Nature (WWF). It consists of the Biodiversity Risk Filter used to assess biodiversity risks and the Water Risk Filter designed for water risks, allowing comprehensive analysis of risks including biodiversity, water and soil.

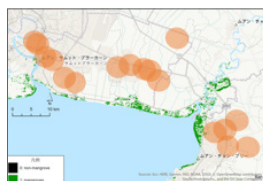
^{*9} Only manufacturing sites and R&D facilities are included. Sales offices are excluded.

● STEP 4: Assess—Identifying Risks and Opportunities in the Priority Areas

At the Assess stage, we selected from the businesses identified at the Evaluate stage and carried out additional analyses of six leading firms while considering the aspect of engagement: two automobile manufacturers, two tire manufacturers and two battery manufacturers. We then identified the nature-related risks and opportunities of their sites and facilities located in the priority areas, based on the analysis results obtained using the WWF Risk Filter Suite tools and information published by the manufacturers (see the table on the next page).

- **Physical risks:** Water stress as well as the risk of tropical depression, such as cyclones, and extreme heat were found to be high in the priority areas. It also revealed that their production activities, which rely heavily on water resources, may be negatively impacted by the depletion of freshwater and an impact on ecosystem services.
- **Transition risks:** Pollution and reputation risks were identified at almost all target companies. More stringent regulations and a rising public awareness on the environment may negatively impact corporate trust and fund procurement.
- **Business opportunities:** The progress of electric vehicles was found to create opportunities, including improvements in technology and water reuse, for automobile and battery manufacturers. Specifically, resource conservation may be achieved through greater resource efficiency and cost reduction through the effective use and/or reuse of water resources.

We also carried out biome analyses^{*10} on the manufacturing sites of each manufacturer. The findings confirmed that many manufacturing sites were located close to rivers, revealing the importance of water resources. When water stress is high in these areas, it is necessary for these manufacturers to be vigilant about the possibility of reduced productivity caused by changes in river flow and water quality as well as the environmental impact of water intake and discharge. For example, the analysis results have revealed that the majority of leading automobile and tire manufacturers have sites by the Gulf of Thailand where mangrove trees grow, indicating the possibility of mangrove planting and restoration to address these issues.



Geographical relationship between mangrove habitats and the manufacturing sites of automobile and tire manufacturers by the Gulf of Thailand ©ESRI Japan

- Manufacturing sites
- Mangrove habitats

See “Managing Climate Change and Nature-Related Risk Based on Enterprise Risk Management (ERM)” on page 49 and “Appendix 2: Nature-related Risks and their Transmission Channels in the Automobile Manufacturing Industry” on page 60.

^{*10} Biome analysis: Biome (such as rainforest) is a grouping of terrestrial ecosystems. The classification of biomes developed by the International Union for Conservation of Nature (IUCN) was used for the analysis. Representative biomes, where a large number of sites and facilities selected for analysis are located, were chosen and analyzed.

● STEP 4: Prepare—Future Response

We intend to use nature-related risks and opportunities identified in the operations of leading automobile manufacturers to engage with insurance customers and investment and financing recipients. We will assist our corporate customers’ business continuity against natural disasters, such as floods, typhoons and hurricanes, by providing insurance products and solutions. We will also support them through consulting services as they shift toward nature-positive management. Moreover, in our efforts to capture business opportunities, we will strive to help the automobile industry’s efforts to develop technologies associated with electrification of vehicles through insurance and financing. These initiatives are aimed at developing business models that will lead to new mobility solutions and the transition to a circular economy.

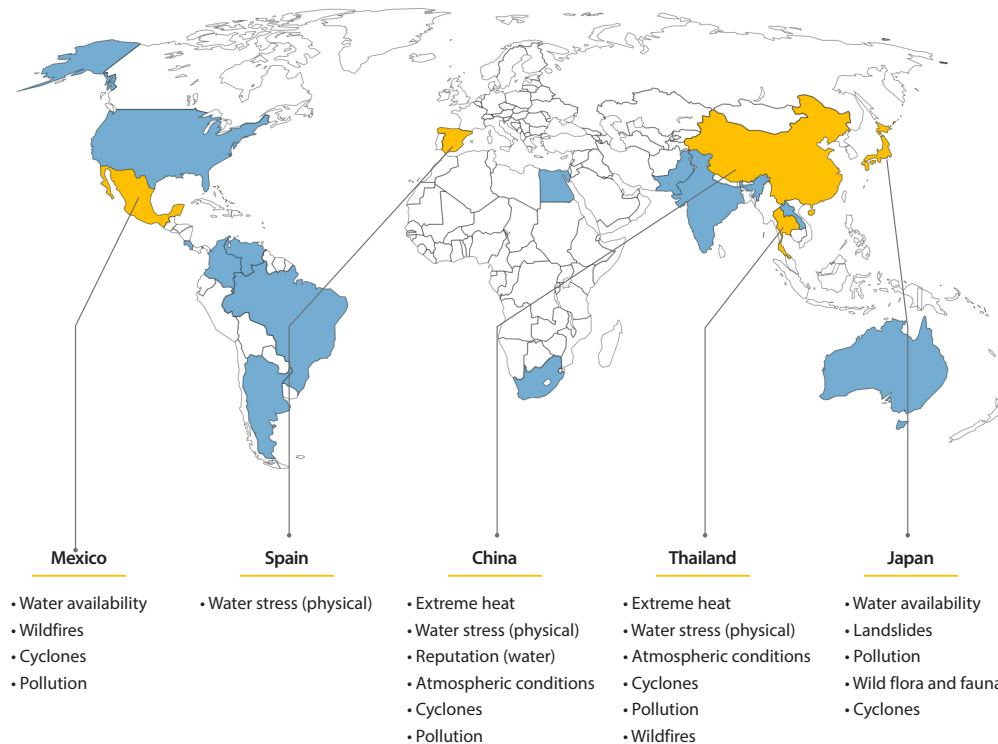
Specific measures against the nature-related risks and opportunities we have identified will be discussed at and reported to the Sustainability Committee on a regular basis to support our efforts to become “nature positive” in 2030.

Risks and opportunities identified in the value chains of leading automobile manufacturers

Companies		Carmaker A	Carmaker B	Battery maker C	Battery maker D	Tire maker E	Tire maker F
Value chain		Direct operations	Direct operations	Battery parts production	Battery parts production	Rubber product production	Rubber product production
Operation sites		Japan, China, Thailand	Japan, China	China	China, Spain	China, Mexico, Thailand	China, Thailand
Risks and opportunities	Physical risks	Water stress, biodiversity	Water stress, biodiversity	Water stress, tropical cyclones, extreme heat	Water stress, tropical cyclones, extreme heat	Water stress, tropical cyclones, extreme heat	Water stress, landslides, tropical cyclones, extreme heat
	Transition risks	Pollution, reputational risks	Pollution, reputational risks	Pollution	Pollution	Pollution, freshwater species, reputational risks	Pollution, reputational risks
	Opportunities	Increased demand due to electrification of vehicles, recycling of water resources	Increased demand due to electrification of vehicles	Increased demand due to electrification of vehicles, improved testing efficiency	Increased demand due to electrification of vehicles	Effective use of water resources, recycling	Entry into nature business, recycling

Location map of risks in the automobile manufacturing sector in our portfolio

- Priority areas where manufacturing sites of many automobile, battery and tire manufacturers are located
- Priority areas where manufacturing sites of some manufacturers are located

**⑥ Initiatives of Tokio Marine Group**

Tokio Marine Group assumes the roles of an insurance company, institutional investor, asset manager, global company and good corporate citizen. In every role, we are promoting the creation of a safe, secure and sustainable future to protect our customers and local communities in times of need even 100 years from now.

Initiatives as an Insurance Company**(Providing Solutions through Insurance Products and Services)**

Tokio Marine Group supports customers' efforts to realize a decarbonized society and a society in harmony with nature by providing solutions through its insurance products and services.

Tokio Marine & Nichido has established the GX Office, an organization dedicated to green transformation (GX), within the Marketing Strategy Department and has been focusing on the development and provision of insurance products and solutions aimed at realizing a decarbonized society. Specific offerings include insurance to assist renewable energy operators, insurance covering flood disaster risks, and risk advisory services to clean energy developers. In addition, we assist companies in formulating and implementing carbon-neutral business strategies. Globally, the GX Project was launched to share information and promote initiatives in the decarbonization field, promoting possible collaboration and exploring business expansion opportunities among the Group companies. To offer greater value, we launched the new Tokio Marine GX project in May 2025. GCube, a Group company and a global leading player specializing in underwriting insurance for renewable energy operators, will take the lead in implementing GX initiatives. We will make concerted efforts across the Group to research and develop insurance products and risk consulting services that help them manage risks associated with new technologies.

In realizing a society in harmony with nature, we are developing and providing services that will help resolve customers' nature-related issues. Specifically, Tokio Marine & Nichido offers several products,

such as soil decontamination costs insurance, to compensate for the costs of cleaning up soil pollution exceeding the Ministry of the Environment's standards. Another example is aquaculture insurance for fish farming being promoted by the Japanese government to counter a decline in marine resources, such as salmon, tuna and mackerel, and ensure their stable supplies. Moreover, Tokio Marine & Nichido has been striving for the transition to a circular economy. The concept regards products and raw materials that are otherwise discarded as new resources, which are reused without generating waste. As a global non-life insurance company, it exercises its strength of being able to collect various accident-related information and works together with partner companies to engage in initiatives such as reducing food loss and waste and promoting recovery and reuse of automotive parts.

[Insurance and Services to Promote the Spread of Renewable Energy]

There is momentum toward decarbonization worldwide and a shift to renewable energy in major countries for a more efficient electricity supply. In building and expanding of renewable energy power generation plants, insurance is indispensable as project financing will not be extended without insurance. In 2020, Tokio Marine Group acquired GCube. The company launched its business in the 1990s when the renewable energy market was still in the early stage and there was not much demand for insurance. Currently, having eight out of the 10 world's leading renewable energy operators



Establishment	1987
Location	London, U.K.
Business content	Underwriting insurance specifically covering risks related to renewable energy business
Premiums written	Approx. USD152 million (fiscal 2024)
Insurance products	Construction insurance, cargo insurance for transporting materials, insurance after the completion of facility construction, etc.

as its customers, GCube supports more than 2,000 projects in 38 countries, with its written premiums amounting to USD152 million in 2024.

Excellent underwriting capabilities and superior claims service capabilities are essential in underwriting insurance for renewable energy power plants.

GCube performs appropriate risk assessment and calculates insurance premiums based on a vast amount of loss data accumulated over 30 years since its foundation. An underwriting decision is made while considering factors such as the location of the power plant, the structural type of its foundation, equipment used by contractors and contracts with suppliers and contractors. Evaluating these factors requires a high level of expertise. GCube has made more than 4,000 claim payments since 2011, and its specialized adjusters (loss appraisers) give advice on loss prevention based on accident statistics.

Moreover, GCube strives to further enhance its underwriting capabilities by quantifying risks according to the service life and usage conditions of each equipment. The company also provides advisory services to customer operators, such as advising them on the conditions of insurance policies (setting an appropriate amount of deductible, etc.) according to each risk based on these quantified risks.



Report created by GCube

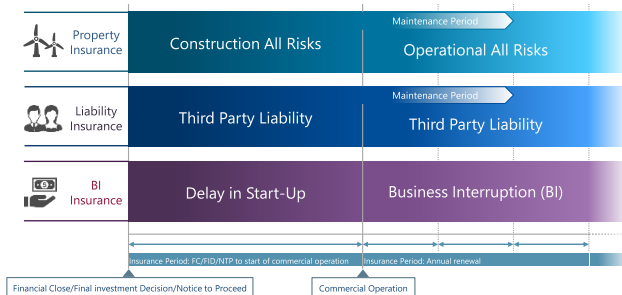
[Insurance and Services to Support Offshore Wind Power Generation]

Tokio Marine & Nichido has been underwriting insurance for offshore wind power generation projects across the world since 2013 when they were not yet widely known in Japan. The company is now regarded as one of the major international players in this field.



Offshore wind power generation projects, which require large-scale investment, often entail project financing and involve various parties, including the manufacturer of windmills and other contractors. Thus, an insurance package exclusively designed for such projects plays a crucial role. Such an insurance package offers comprehensive and seamless total support in order to cover a variety of risks faced by each party involved in constructing and operating wind farms. As a managing underwriter, Tokio Marine & Nichido offers globally competitive coverage in its insurance package. Contracts related to such projects vary by country or region. Thus, Tokio Marine & Nichido's insurance policy has been adjusted to their respective conditions to provide appropriate risk coverage. As for risks specific to Japan, the company has been actively promoting initiatives that harness its knowledge of maritime risks, which has been accumulated through its long history and tradition of providing hull and cargo insurance, and the experiences of underwriting insurance for marine development projects.

Determine various risks involved in each phase and create insurance package providing necessary coverage at a price reflecting the risks

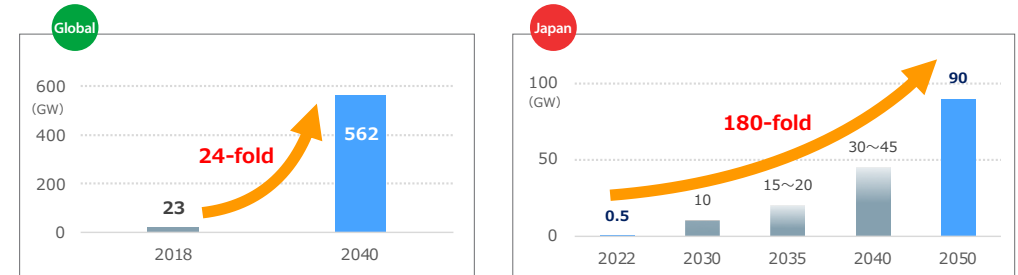


As offshore projects require preparations for typhoons and other natural disaster risks and pose greater challenges than land projects, we have made a range of efforts to counter these challenges. Given that Japan faces many natural disasters, we have built a risk model specific to the country through industry-academia collaboration with the Nippon Kaiji Kyokai (known as ClassNK) and Kyoto University.

Additionally, we have formulated the Guidelines for Marine Warranty Survey in Japan by applying our experiences in offshore wind power generation projects in Europe and modifying a marine warranty survey, which is common in Europe, to match the actual state of construction and other related contractors and weather conditions in Japan.

At Tokio Marine & Nichido, premiums related to offshore wind power generation increased by about 2.7 billion yen from fiscal 2020 to fiscal 2024. The number of projects is expected to increase further, and we anticipate continued, sharp market growth both in and outside Japan.

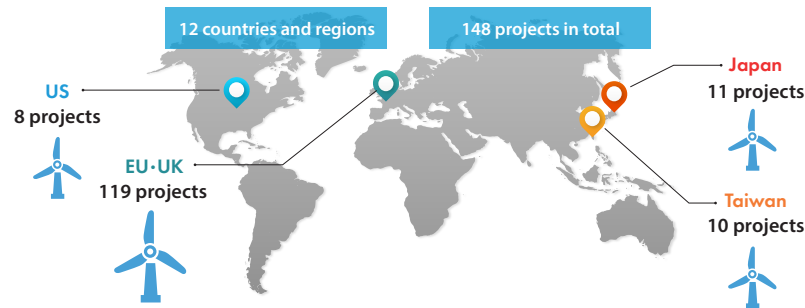
Electricity generated by offshore wind power



Source: Vision for Offshore Wind Power Industry (1st Draft), materials from the Japan Wind Power Association and partially surveyed by Tokio Marine Holdings

Tokio Marine & Nichido now has underwritten insurance for 111 projects in 12 countries and regions. Adding those underwritten by GCube, the Group has underwritten insurance for as many as 148 projects. Offshore wind power generation is said to play a crucial role in shifting our main power source to renewable energy. Going forward, we will continue to leverage the Group's strengths to generate synergies, support offshore wind power projects globally and contribute to the transition to a decarbonized society.

Projects for which Tokio Marine Group has underwritten insurance



[Insurance Package for Solar PPA Operators]

Tokio Marine & Nichido offers Insurance Package for Solar PPA Operators, an insurance product providing power purchase agreement (PPA) operators with comprehensive coverage for various risks, including the risk of damage to power generation facilities, third party 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 the 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 unexpected and sudden accident during the term of the contract. By offering this insurance package, the company contributes to the promotion of renewable energy based on the solar PPA model.

[Guarantee Insurance for Electric Vehicles and Storage Batteries]

Guarantee insurance provides coverage for damage or loss caused by performance defects in products. By providing guarantee insurance, U.K. based Tokio Marine Kiln (TMK) supports the transition to a decarbonized society.

The spread of EVs, which do not emit CO₂, will lead to decarbonization, but buyers, especially those wishing to buy used EVs, are concerned about possible defects in the performance of batteries and other components. In response, TMK offers guarantee insurance for used EVs to cover the damage caused by performance defects or failure so that consumers can buy these EVs with a sense of reassurance. This will also lead to a longer lifespan of EVs, which in turn will reduce the disposal of raw materials and CO₂ emitted from the manufacturing processes.

For operators generating power using renewable energy, a gap between the amount of electricity generated and the demand for electricity poses a challenge, as the supply of renewable energy is unstable and is easily affected by weather. As a solution, systems to store electricity generated by operators have been drawing much attention. TMK also provides guarantee insurance for such systems and is contributing to the spread of the electricity storage systems as well as an expansion of the renewable energy power generation market.



Battery Energy Storage System

[Recovery and Reuse of Auto Parts from End-of-Life Vehicles]

The Ellen MacArthur Foundation is an internationally well known organization promoting circular economy. It released a report entitled “Completing the picture: How the circular economy tackles climate change,” which states that a transition to renewable energy, complemented by energy efficiency, can only address 55% of global GHG emissions while reducing the remaining 45% requires a circular economy and transformation of the way we make and use products.

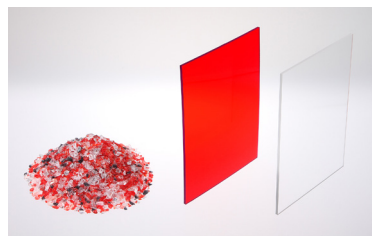
Tokio Marine & Nichido, E. design Insurance and Nisshin Fire acquire end-of-life vehicles in exchange for the payment of insurance claims. The three companies collect materials from the vehicles' taillights and airbags through a network of auto dismantlers and work with a chemical manufacturer to recycle and reuse them again as raw materials.

This initiative both serves to reduce waste through circular economy and helps achieve decarbonization. For example, recycling acrylic resin from used taillights can reduce CO₂ emissions by 50% compared to newly manufactured acrylic resin.

As insurance companies handle many end-of-life vehicles, we will continue to contribute to the achievement of decarbonization and nature positivity by expanding the recovery and reuse of auto parts.



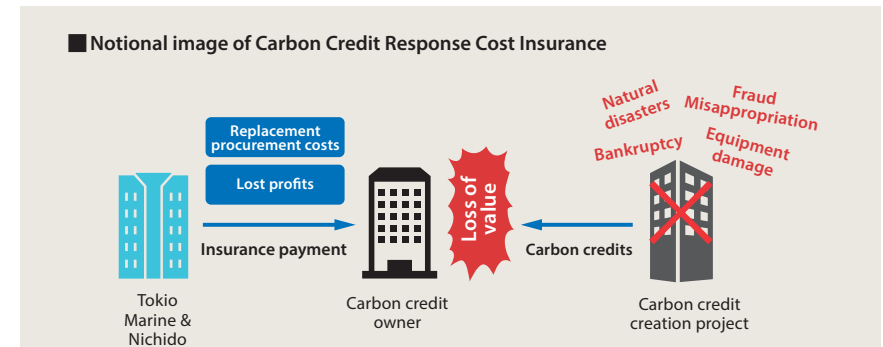
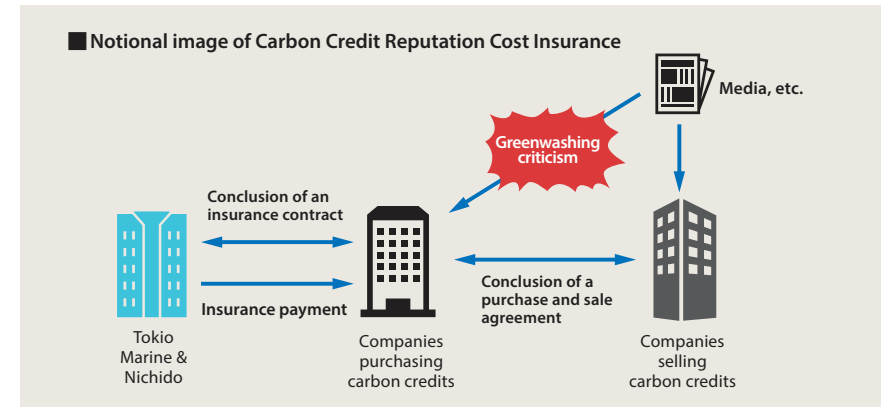
End-of-life vehicles



Acrylic resin recycled from end-of-life taillights

[Carbon Credits-related Insurance]

Detailed operational rules for the international trade in carbon credits were approved at the COP29 climate summit in 2024, which shows that there are growing expectations for carbon credits as a way to achieve carbon neutrality globally.



Tokio Marine & Nichido has been conducting engagement with companies that purchase and/or create carbon credits from a risk management perspective and developing the necessary insurance and solutions.

Using the knowledge acquired from this initiative, the company developed Carbon Credit Reputation Cost Insurance in July 2024 for companies that purchase carbon credits in the voluntary market. The insurance covers the costs of responding to greenwashing criticism and the consulting fees with specialized organizations. In February 2025, the company also introduced Carbon Credit Response Cost Insurance for carbon credit owners that compensates the insured for the costs of procuring replacement units when the value of carbon credit is damaged.

We will conduct closer engagement with leading companies that create and use carbon credits through these products, while helping enhance the risk management capacity of the carbon credit domain by participating in discussions with and providing information to government working groups and private organizations.

Tokio Marine & Nichido intends to help achieve carbon neutrality by developing insurance products and services that encourage the growth of the carbon credits market.

[Support for Realizing Regional Decarbonization]

To achieve regional decarbonization, it is important for stakeholders in the regional community to collaborate so that they can create a zero-carbon city together. Tokio Marine Group is working with local residents, such as by supporting project management to ensure inter-community collaboration and providing solutions to local companies promoting management aimed at decarbonization.

Nagano City established the Nagano Regional Decarbonization Promotion Council, and we have been acting as a secretariat together with other companies. The initiative was chosen as a model project by the Ministry of the Environment in fiscal 2024. We help organize recruitment seminars and workshops on GX-oriented recruitment and provide support to address management issues to successfully set up exemplary GX-oriented businesses through engagement.

Fukushima Prefecture collaborates with regional financial institutions and chambers of commerce to consider and implement decarbonization measures for companies in the region as part of the Fukushima Business Decarbonization Support Project. At the Study Group on Decarbonization Management for Small and Medium-sized Enterprises held in fiscal 2024, employees of financial institutions and commercial and industrial associations were present to discuss decarbonization management with companies and give them practical advice.

We will continue to work with residents of the community to help create a zero-carbon city.



[Engagement with Companies]

In September 2023, Tokio Marine & Nichido set an interim target of holding dialogue with 200 large corporate customers¹, which account for approximately 90% of the company's insurance-associated GHG emissions, and achieving Level 2 or higher engagement with more than 160 customers by 2030.

As of the end of fiscal 2024, we had dialogue of Level 2 or greater with 121 companies, which account for approximately 61% of the engagement target. Subsequently, we have made proposals on how to address challenges to promote decarbonization or provided insurance underwriting and solutions. We also had dialogue primarily with 200 large corporate customers to help create a society in harmony with nature.

Level	Topics	Activities	Number of companies with which to have engagements
1	Identify issues	Understand customer's decarbonization plans and initiatives based on the company's management plan, IR reports, etc., while presenting our list of decarbonization solutions.	50 companies
2	Make proposal based on identified issues	Provide concrete solutions after creating a shared understanding of issues with each company Support introduction of renewable energy, conduct risk assessment and underwrite insurance to mitigate risks Provide consultation services for climate change-related information disclosures and formulation of decarbonization plans, etc.	84 companies
3	Provide insurance and solutions	Support customers' transition through our pro-posed list of solutions and insurance services.	37 companies

* Companies listed in the Prime Market of the Tokyo Stock Exchange, selected from Tokio Marine Nichido's top 150 customers in terms of written insurance premiums and top 100 customers in terms of GHG emissions

Example of Engagement Implemented by Tokio Marine & Nichido

Engagement levels

Electric power company A (Tokyo Stock Exchange Prime Market)

Level 1

Identify issues

- Make appropriate assessment of natural disaster risks when financing a new renewable energy generation business

Level 2

Make proposal based on identified issues

- Harness our proprietary know-how to assess risks associated with renewable energy projects and propose the necessary insurance products

Level 3

Provide insurance and solutions

Provide the following insurance products and solutions:

- Advisory on risk assessment and insurance procurement for renewable energy projects
- Insurance products tailored to risks in each phase of renewable energy facility construction

New initiatives that help customers make progress with decarbonization

- Following the launch of a new renewable energy project, achieve the target for reducing GHG emissions from business activities ahead of schedule
- Revise the roadmap to achieve net zero by 2050

[Providing Solutions by Tokio Marine dR]

Companies' financial situations may be negatively impacted by various factors. They include physical damage to assets due to floods and other meteorological disasters caused by climate change; a loss of profits due to supply chain disruptions; and changes in policies, laws and regulations, technology and markets as we transition to a low-carbon economy. At the same time, these factors can also spawn opportunities for companies, such as cost savings achieved from improved resource efficiency and the development of new products and services. This is why investors are now demanding the disclosure of such information. Tokio Marine dR supports the identification, assessment, scenario analysis and information disclosure of climate-related risks and opportunities based on the climate-related disclosure standards.

The loss of natural capital and biodiversity is recognized as a global threat and challenge fundamental to the sustainability of human activities, as evidenced by the adoption of the Post-2020 Global Biodiversity Framework at the Conference of the Parties to the Convention on Biological Diversity (COP15). Against this background, companies now need to accurately understand the benefits and impacts of their business activities and take steps to mitigate the loss of natural capital and biodiversity and encourage their restoration. Tokio Marine dR helps companies identify areas in which their business activities interface with natural capital and biodiversity, evaluate dependencies and impacts, assess material risks and opportunities, develop countermeasures and support information disclosure based on the LEAP approach developed by the TNFD.

In addition, using the knowledge acquired from operating in the non-life insurance field, the company provides a wide range of services, including consultation on soil environmental assessment and soil pollution countermeasures as well as risk assessments of renewable energy power stations.

**Examples of Climate Change and Natural Capital-related Services Provided by Tokio Marine dR**

Service	Overview
Consultation on climate-related information disclosures	Provide support for the identification, assessment, scenario analysis and disclosure of sustainability-related information on climate-related risks and opportunities by applying the expertise on the assessment of natural disaster risks acquired over the years and a track record of helping companies adopt the TCFD recommendations.
Physical risk scenario analysis	Carry out a risk assessment of business facilities of companies against current and future meteorological disasters caused by climate change and help them formulate risk control measures and plans to adapt to climate change. Carry out scenario analysis of raw material and water procurement on request.
Consultation on setting SBT goals	Applying the track record of helping companies adopt ESG practices, provide support for setting GHG emissions reduction targets in line with the SBT initiative (such as by organizing items required for SBT application, developing action plans and building an internal consensus) and GHG emissions calculation, which represents basic data needed to set the targets (by verifying the validity of the calculation method, analyzing and organizing issues and developing a standard operating procedure for tab-ulation).
Support for nature-positive management (Help companies adopt the TNFD recommendations)	Provide support for clarifying the relationship between business activities and natural capital/biodiversity, identifying the dependencies and impacts on natural capital and biodiversity and assessing risks and opportunities based on the LEAP approach (a comprehensive method used to assess the dependencies, impacts, risks and opportunities of nature-related issues developed by the TNFD) to enable companies to manage nature-related risks and impacts and disclose relevant information.
Consultation on water risks	Provide support for information disclosure of countermeasures and initiatives against water risks by applying the track record of providing services for the assessment and analysis of natural disaster risks and countermeasure development as well as consulting capabilities related to sustainability and ESG management.
Consultation on CDP reporting	As CDP's accredited scoring partner, Tokio Marine dR was involved in the scoring in the area of climate change from 2018 to 2023. It became a CDP-accredited solutions provider in 2025. As a consulting expert in climate change, it offers support to companies dealing with CDP reporting for the first time and to those wishing to improve their scores.
Consultation on external ESG rating	After discovering the status of ESG disclosure, make a list of items that should be disclosed and organize priority initiatives while considering the impact of the data. Study and analyze the status of disclosure of competitors and organize issues to address on request.
Support for obtaining environmental building certifications and turning existing buildings into zero-energy buildings (ZEB)	Provide support for obtaining environmental building certifications, including the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) and Building-Housing Energy-efficiency Labeling System (BELS) and initiatives for ZEB.
Providing diagnosis of energy efficiency of buildings; understanding the current status of ESG practices and verifying the effects	Produce ESG reports summarizing the current status of ESG practices used for buildings, recommended energy-saving measures and verification of the effects and provide support to improve the risk management and performance of real estate investment.
Soil environmental assessment, soil pollution countermeasures and consultation	As part of the risk assessment of soil pollution, investigations are conducted such as screening (preliminary site investigation), the history of hazardous substances use and confirmation of the extent of soil pollution and pollutants. When pollution is confirmed through the risk assessment, comprehensive consultation for executing decontamination work is provided, from developing a decontamination plan to negotiating with local governments and communicating with local residents.
Risk assessment of renewable energy power stations (Risk advisory services for clean energy developers)	Using the knowledge on damage assessment acquired in the non-life insurance field, conduct quantitative assessments of natural disaster risks required when procuring funds through the project finance method mainly used to fund renewable energy projects and large-scale infrastructure projects.

[Providing Solutions by Tokio Marine Resilience]

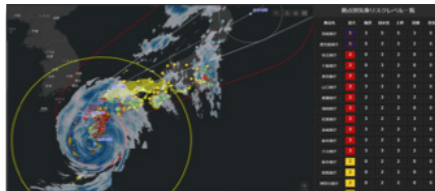
In November 2023, Tokio Marine Group established Tokio Marine Resilience Co., Ltd., a Group company specializing in the solutions business in the disaster prevention and mitigation domain. The company has launched this new business to offer value to all phases of the disaster prevention and mitigation value chain (assessment, preparedness, evacuation, reconstruction of livelihoods) and started providing disaster prevention and mitigation services.

(1) Providing Solutions to Companies

We provide various solutions such as a resilient information distribution service that allows real-time monitoring of meteorological risks. We also offer software as a service (SaaS), including imatome, an all-in-one crisis management service designed to automate the initial response (BCP) to a disaster, and an emergency stockpile solution to ease the burden on employees in charge of the management and distribution of supplies.



Dashboard screen of imatome, an all-in-one crisis management service



Resilient information distribution service



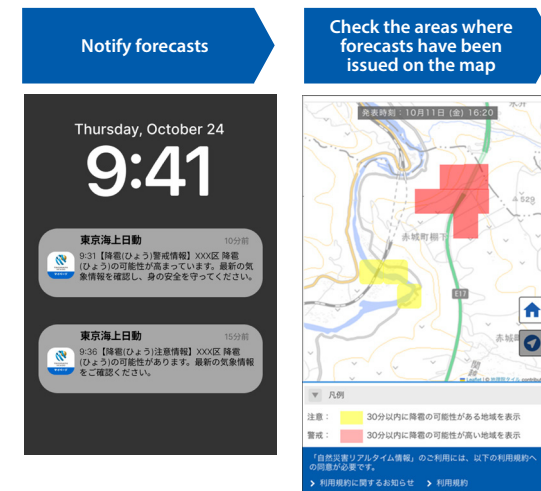
"Unit 1-Day Rescue" emergency stockpile solution

In developing services, the company also utilizes solutions co-created by the CORE consortium. Tokio Marine Resilience will continue to evolve its disaster prevention and mitigation services.

(2) Providing Solutions to Policyholders (Individual Customers)

Tokio Marine & Nichido operates a website for its policyholders that sends hail alerts and shows the areas where hail has fallen on the map. The company also promotes initiatives to reduce damage by providing disaster information in advance.

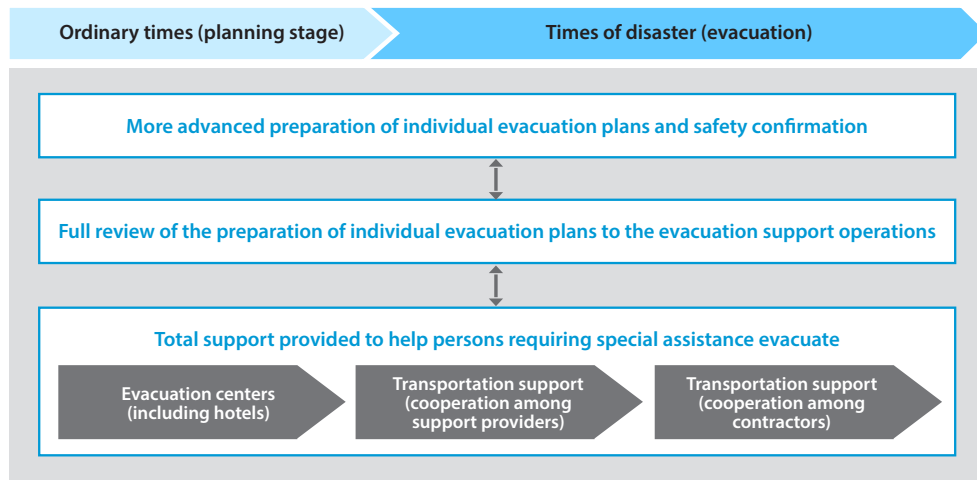
Going forward, Tokio Marine & Nichido plans to improve the system to issue other types of alerts as well. The company also strives to roll it out to other Group companies and increase the amount of information uploaded to minimize damage to customers.



(3) Providing Solutions to Local Governments

Tokio Marine Resilience became a main contractor of the Tokyo Data Platform Case Study Project (fiscal 2024). The purpose of the project was to help address issues related to the entire evacuation process for persons requiring special assistance by using disaster-related data collected by public and private sectors. Specifically, the company fully reviewed the evacuation support operations during a disaster, including the preparation of individual evacuation plans, and clarified the method of cooperation in the event of a disaster with private businesses that have concluded disaster cooperation agreements with municipalities.

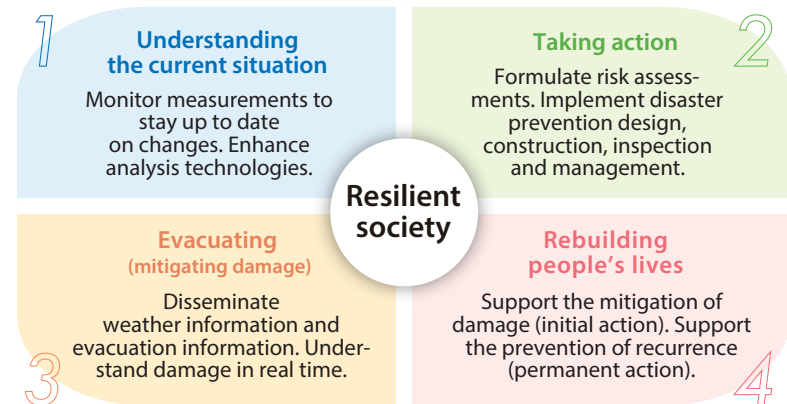
Tokio Marine Resilience intends to help create a safe and secure society by encouraging local governments to prepare individual evacuation plans.



[Disaster Prevention Consortium]

The Disaster Prevention Consortium (CORE) comprising companies with proven disaster prevention and mitigation capabilities from a wide range of industries was established in November 2021. (As of April 30, 2025, it had 129 member companies.)

CORE aims to jointly create disaster prevention and mitigation businesses using the technologies and data managed by member companies. It also strives to solve challenges relating to the four facets of disaster prevention and develop new solutions in collaboration with the government and local governments. Tokio Marine Group launched the sale of Real Time Hazzard in June 2024, for which CORE led the development. It is a solution service designed to monitor areas threatened by flooding 24 hours a day, 7 days a week, and issues alerts to prevent water disasters.



[System for Responding Quickly to Natural Disasters]

We cannot eliminate natural disasters, but we can reduce damage by enhancing resilience in society, as described in the Scenario Analysis section. Accordingly, Tokio Marine Group has been focusing on providing solutions to prevent damage, reduce damage when a disaster does occur and support early recovery.

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 disaster response offices, satellite offices (temporary offices to conduct damage assessment and other operations in disaster-stricken areas) and backup offices (insurance claim centers) to facilitate speedy initial response. The company's IT network enables claims service offices across Japan to exchange and share information in real time, which in turn allows for providing support smoothly from remote regions. Tokio Marine & Nichido makes company-wide efforts, with employees, loss appraisers and adjusters dispatched to the disaster areas visiting customers affected by the disaster to check on damages to houses and other properties, in order to quickly pay insurance claims using digital, AI and other technologies.

We have installed a system to check damage remotely, thereby setting up a structure to maintain our claims services even when employees are unable to come to the office due to an infectious disease or disaster.

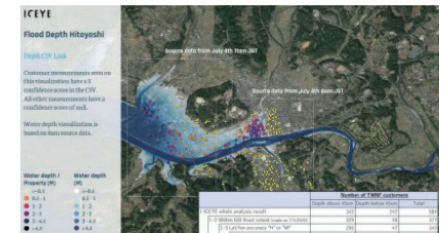
**[Development of Claims Payments Using Satellite Imaging and AI]**

Tokio Marine & Nichido concluded a capital and business alliance with ABeam Consulting Ltd. and has been working together to pay insurance claims using satellite imagery in 2018. To increase the level of sophistication of these activities, the company has been collaborating with ICEYE, which possess advanced satellite image analysis technologies.

Mainly in the event of a flood disaster, this initiative will enable a more detailed calculation of damage and the height of flooding using AI to analyze data, including images on social media and data from immersion sensors in addition to acquired satellite images. The data will be combined with Tokio Marine & Nichido's customer data, such as location and property information, to determine the damage on a customer-by-customer basis and significantly reduce the time before customers receive their insurance claims.

Tokio Marine Holdings and ICEYE aim to advance various initiatives, including the digital transformation of insurance claim services related to natural disasters and the joint development of new insurance products and services, by leveraging ICEYE's technologies for high-precision, high-frequency earth observation and its technology development team dedicated to the insurance field to help solve diverse social issues.

We actually determined the damage caused by the wildfires that broke out in Iwate Prefecture in Japan in February 2025 using satellite imagery. The extent of damage was verified promptly and remotely thanks to satellite imagery, enabling us to pay insurance claims without having to wait until the evacuation orders were lifted. This initiative contributed to early recovery of survivors' livelihoods.



Overlaying the extent of a flood disaster analyzed by AI on a satellite image

Initiatives as an Institutional Investor (Investment and Financing)

Tokio Marine Group recognizes that climate change and loss of natural capital are issues that are closely linked. As such, we engage in ESG investment and financing, which gives appropriate consideration to the environment, social and governance (ESG) factors encompassing these two issues while supporting the transition to a decarbonized society and conservation of natural capital.

Specific efforts include ESG integration where both financial and non-financial data are used in the investment decision-making process; constructive and purposeful dialogue with investment and financing recipients, which encompasses ESG issues; exercising voting rights for these recipients; and addressing specific sectors based on climate change as well as environmental and social risks. We have also been promoting efforts to become nature positive in 2030 and carbon neutral in 2050 in our investment and financing portfolios. Additionally, mainly Group insurance companies in Japan have been engaging the lead in generating sustainability outcomes for resolving environmental and social issues through sustainability-themed investment and financing as well as impact investing.

Sustainability-themed investment and financing include investment in green bonds, sustainability bonds and transition bonds. Additionally, Tokio Marine & Nichido executed its first green loan and invested in the GX Economy Transition Bonds (climate transition bonds) issued by the Japanese government as an effort to support the transition to a decarbonized society. Additionally, in fiscal 2024, the company made new investments in blue bonds issued by the Indonesian government to support marine environment conservation and sustainable fisheries, and also invested in Japan's first publicly issued impact bonds.

[Investment in Publicly Issued Impact Bonds]

In fiscal 2024, Tokio Marine & Nichido invested in the first publicly issued impact bonds (sustainable and positive impact bonds) in Japan, issued by Toyoda Gosei Co., Ltd. Toyoda Gosei established a unique framework to procure funds aimed at promoting ESG initiatives and comprehensively analyzing and

identifying its impacts on the environment, society and the economy. It has also established an impact management system, which enables the evaluation and reporting of the impact progress using its own key performance indicators (KPIs). These are Japan's first publicly issued bonds based on the impact finance framework. The proceeds from the issuance of the bonds are used for the development and production of products designed for battery electric vehicles (BEVs), which are expected to become popular to realize a decarbonized society, as well as safety system products such as airbags.

Tokio Marine & Nichido will continue to support its initiatives, including the transition to a decarbonized society, through this investment.

In fiscal 2022, Tokio Marine & Nichido established a team to carry out impact investing that generates both social and economic value. The company has made investment commitments to renewable energy funds and a real estate climate impact fund that will be conducive to counter climate change as well as a forestry funds and agriculture strategic investment fund that will help conserve natural capital. It made an investment commitment to a new forestry fund in fiscal 2024 to support initiatives for natural capital conservation and carbon neutrality.

[Investing in Real Estate Climate Impact Fund That Focuses on Climate Action]

In fiscal 2023, we signed through Tokio Marine & Nichido an agreement to invest in the Fidelity European Real Estate Climate Impact Fund, which addresses climate change issues through the acquisition and renovation of commercial real estate in Europe.

This fund aims to implement sustainability-enhancing renovations to existing buildings acquired through real estate investments to reduce GHG emissions and improve asset value and well-being of users. Through the investment, Tokio Marine & Nichido financially aids the climate action in the real estate sector and provide support for achieving a net-zero society.

[Investment in a Forestry Fund]

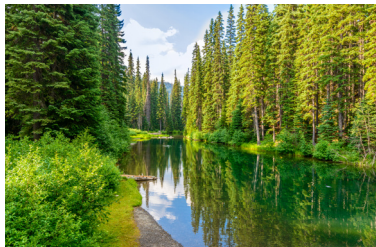
In fiscal 2023, we signed through Tokio Marine & Nichido an agreement to invest in the Manulife Forest Climate Fund, which invests globally, including in the United States and Australia.

This fund manages forests mainly to acquire carbon credits that are receiving growing expectations for their role in reducing GHG emissions. It plans to acquire international certification to promote sustainable forest management, such as the Sustainable Forest Initiative (SFI) and Forest Stewardship Council (FSC) certification, for the forests it manages.

In fiscal 2024, we signed through Tokio Marine & Nichido an agreement to invest in The Reforestation Fund I, managed by BTG Pactual Timberland Investment Group, LLC.

This fund aims to issue carbon credits through the reforestation and conservation of commercial plantations and natural forests for timber production in South American cattle pasture. It plans to manage forests sustainably to generate impact such as biodiversity conservation in collaboration with Conservation International, an international environmental NGO.

Tokio Marine & Nichido supports initiatives for natural capital conservation and carbon neutrality through investments in forestry funds.

**[Investment in an Agriculture Strategic Investment Fund]**

In fiscal 2023, we also signed through Tokio Marine & Nichido an agreement to invest in the Macquarie Agriculture Fund Crop Australia 2, a fund to invest in Australian farmland and agriculture-related businesses.

This fund mainly invests in companies that own and operate farmland in Australia and promotes environmentally friendly operations, such as the use of renewable energy, the reduced use of pesticides and fertilizers by introducing the latest technology and afforestation in abandoned farmland. Through the investment, Tokio Marine & Nichido provides financial support to sustainable agricultural operations for the ultimate goal of reducing GHG emissions and conserving biodiversity while also supporting the agriculture sector to address climate change and nature-related issues for achieving carbon neutrality.



The Group's balance for sustainability-themed investing and financing and committed amount for impact investments as of March 31, 2025, are as shown below.

Through these initiatives, Tokio Marine Group contributes to becoming carbon neutral and nature positive.

Investment cases	Investments and financing as of March 31, 2025*
Sustainability-themed investments and financing	149.1 billion yen
Impact investing	31.5 billion yen

*Total balance of Tokio Marine & Nichido, Tokio Marine & Nichido Life and Nisshin Fire for sustainability-themed investments and financing; Total committed amount of Tokio Marine & Nichido for impact investing

Policies Concerning Insurance Underwriting and Investment and Financing

As responsible insurance underwriting and investment and financing activities, Tokio Marine Group pays attention to the risks of negatively impacting the environment and society and undertakes transactions

Policies concerning specific sectors

1. Inhumane weapons Biological weapons Chemical weapons Cluster munitions Anti-personnel landmines	We will not undertake business transactions (insurance underwriting, investment and financing) with the inhumane weapons sector, which manufactures inhumane weapons, as these pose major humanitarian concerns.
2. Coal-fired power generation	Compared to other power generation, coal-fired power generation emits more GHG and also produces toxic substances such as sulfur oxides and nitrogen oxides. Given the high risk of contributing to environmental impacts such as climate change and air pollution, we will not undertake new business transactions (insurance underwriting, investment and financing) for coal-fired power plants ^{*1} , regardless of whether they are new projects or not.
3. Thermal coal mining	As with coal-fired power generation, the development of coal mines for power generation projects may result in increased GHG emissions through combustion at thermal power plants in the future. We also recognize the risks to the workers' occupational health and safety and the impacts of hazardous waste on local biodiversity. In light of the negative impacts on climate change, ecosystems and human rights, we will not undertake new business transactions (insurance underwriting, investment and financing) for thermal coal mining projects ^{*1} , regardless of whether they are new projects or not.
4. Oil sands	We recognize that oil sands mining has the potential to emit large amounts of GHG compared to conventional oil and gas extraction. We also recognize the risks of infringing indigenous peoples' rights and negatively impacting the surrounding wildlife and ecosystems. In light of the negative impacts on climate change, ecosystems and human rights, we will not undertake new business transactions (insurance underwriting, investment and financing) for oil sands mining projects.
5. Arctic oil and gas	Oil and gas extraction projects in the Arctic Circle (all areas north of latitude 66°33', including the Arctic National Wildlife Refuge) entail significant risks of altering the habitats and ecosystems of rare species and marine life. We are also aware of the negative impacts on the livelihoods and cultures of indigenous peoples. In light of the negative impacts on ecosystems and biodiversity, as well as on the indigenous peoples' rights, we will not undertake new business transactions (insurance underwriting, investment and financing) for oil and gas extraction projects ^{*2} in the Arctic Circle.

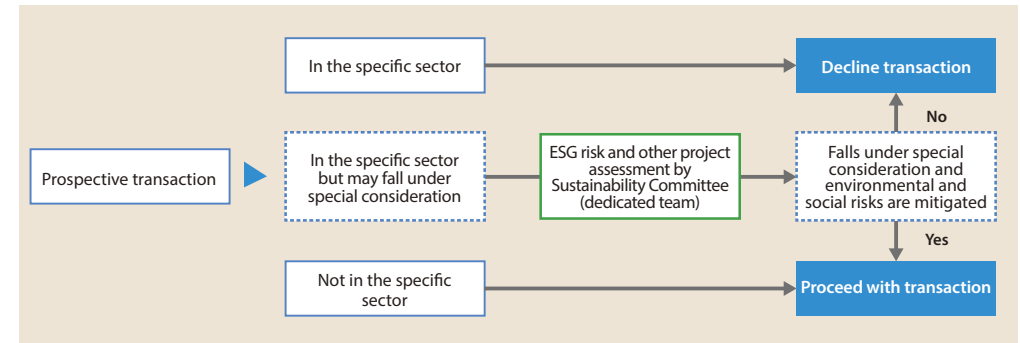
*1 Exceptions for projects with innovative technologies and approaches, such as CCS/CCUS (carbon dioxide capture and storage / carbon dioxide capture, utilization and storage) and mixed combustion, may be granted after careful consideration, aiming to achieve the goals of the Paris Agreement

*2 Exemptions for projects with decarbonization plans that are aligned with the Paris Agreement

(insurance underwriting, investments and financing) based on the customer's consideration for the environment and society. In this judging process, we comprehensively evaluate not just climate change risks but also risks to indigenous peoples' rights and workers' occupational health and safety as well as nature-related risks on natural capital and biodiversity.

Tokio Marine Group has established a strict underwriting management process for specific sectors that we deem to pose a high risk to the environment and society. For projects that relate to any of the specific sectors but may be subject to special consideration, we determine whether to underwrite insurance by using an escalation process, through which a dedicated team will perform risk assessments. We seek the approval of the Sustainability Committee if necessary.

In fiscal 2024, we received inquiries for three projects in the specific sectors. Of these, three were deemed eligible and underwent an assessment by the dedicated team.



Initiatives as an Asset Manager

■ Fund Formation

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

Performance of renewable energy funds (Total as of March 31, 2025)

Amount committed		Approx. 48 billion yen
Units installed		43
Power generation capacity (DC)		Approx. 280 MW



■ Engagement

[Corporate Engagement: Carbon Neutral]

TMAM holds engagement dialogue with a group of companies, mostly companies in which it has made equity investment, in the materials, manufacturing, transportation and public utilities sectors where climate change issues are considered crucial. Working toward a reduction of GHG emissions, which serves as a KPI in each company, and helping these companies achieve or make an upward adjustment to their respective reduction plans, TMAM evaluates the progress of their efforts from the following three perspectives.

- (1) Level of GHG emissions reduction targets set by each company (compared to Japan's Nationally Determined Contributions, or NDCs)
- (2) Technical difficulty of achieving carbon neutrality
- (3) How actively each company is pursuing GHG emissions reduction in their reduction strategies and the likelihood of them achieving the targets

Many companies in the materials and manufacturing sectors are facing difficulties as in Perspective (2) above, because their existing production processes inevitably emit GHGs and thus require fundamental changes, such as shifting to hydrogen utilization technologies. For this reason, TMAM engaged in dialogue mainly from the longer-term perspective of achieving carbon neutrality by fiscal 2050, rather than talking about milestone targets for fiscal 2030. Accordingly, TMAM has requested companies in these sectors to establish a financing scheme for the necessary R&D and capital investment, in addition to the creation and disclosure of a relevant, super long-term vision.

In the transportation sector, TMAM's dialogue counterparts are companies whose business activities are subject to strict global rules. TMAM has confirmed their steady progress toward the reduction targets, which largely surpasses the level outlined by the NDCs and should be regarded highly in terms of Perspective (1) above, and the status of development and feasibility of technologies for utilizing nature-derived fuels.

There is a consensus that the path to carbon neutrality in the public utilities sector is to increase the proportions of renewable energy, such as solar and wind power, as well as nuclear power, in the power generation mix. As such, the main themes of the dialogue included the appropriateness of the level of GHG emissions reduction targets in relation to the current power generation mix; the progress in acquisition of government's authorization and other efforts for restarting nuclear power plants; the degree of achievement of renewable energy development plans that are shifting from solar power to onshore and offshore wind power; and the robustness of the necessary capital investment financing. While many companies appeared to have increased their likelihood of achieving the fiscal 2030 milestone targets for GHG emissions reduction owing to the restart of nuclear power plants and increased transparency of the restart schedule, there was a case where TMAM suggested to a company whose energy mix shows a high proportion of thermal power to reconsider its reduction targets, which seemed too ambitious.

[Corporate Engagement: Nature Positive]

TMAM holds engagement dialogue with a group of companies in the materials, manufacturing, services, transportation and public utilities sectors where biodiversity issues are considered crucial. Accordingly, TMAM evaluates how these companies recognize and work toward TNFD disclosures based on the five evaluation levels shown below.

- (1) Understanding the issues associated with TNFD disclosures and the need to make relevant efforts
- (2) Understanding and having identified the dependencies and impacts on nature of their business activities
- (3) Having determined the scope and schedule of disclosure in the form of a TNFD report or a similar format
- (4) Recognizing strategic opportunities and risks and implementing and disclosing initiatives to reduce (increase) negative (positive) impacts on nature
- (5) Implementing and disclosing highly effective strategies that specify priority areas and domains, and measuring and disclosing the value of relevant natural capital and advanced metrics (such as TNFD core disclosure metrics C4.0–7.4)

In the materials sector, while some companies were still at Level (1) or (2) above, there were chemical and paper companies that have actively sought strategies to realize natural capital value. In one case, a company calculated and disclosed the value of its own site in harmony with nature by using the Sheet for Valuation and Calculation of Ecosystem Services Related to Corporate Biodiversity Conservation Activities (trial version released by the Ministry of the Environment in March 2019) recommended by TMAM.

In the manufacturing sector, a marine products-related company has made TNFD disclosures corresponding to Evaluation Level (4) or (5). TMAM has thus requested the company to receive certification and register its site as a site in harmony with nature, perform advanced measurements and

consider value-added strategies. Despite being at Evaluation Level (3), a food company was working to resolve challenges facing its suppliers in the agriculture, forestry and livestock industries (upstream in the value chain). In the future, TMAM plans to provide information that is helpful when the company actually takes corporate actions in this regard.

In the services sector, a company in the construction and real estate field, which is at Evaluation Level (4) or (5), is working to develop an approach to resolving suppliers' challenges in the forestry industry, while a media company is seeking a biodiversity strategy conducive to regional revitalization, despite being at Evaluation Level (1). TMAM will continue to engage with them to help them achieve their objectives.

A company in the transportation sector has made TNFD disclosures that were almost at Level (5). For further improvement, TMAM has requested the company to measure invasive alien species and the state of nature in priority areas (TNFD core disclosure metrics C4.0 and 5.0) and consider the implementation of improvement measures.

In the public utilities sectors, more companies appeared to have attached a higher priority to responding to risks (reducing negative impacts on nature) than to opportunities. However, one company at Level (5) has clearly described existing and future opportunities related to natural capital and their relevance to the Kunming-Montreal Biodiversity Framework's 2030 global targets. This company should serve as a model case for this sector.

[Policy Engagement]

In Japan, a system to certify and register sites in harmony with nature represents one of the “Other Effective Area-based Conservation Measures (OECM),” which are positioned as a primary means to implement the country’s biodiversity policies. TMAM is the only asset manager to participate in the working groups related to the system, the Support Certificate Model Trial Working Group (fiscal 2023) and Support Certificate Trial Working Group (fiscal 2024).

Topics discussed at the working group meetings in fiscal 2023 and 2024 included the design of a support certificate system that publicly certifies human, technical and financial support made for sites in harmony with nature, case studies of support providers and recipients and the use of the system to certify and register sites in harmony with nature in TNFD disclosures. At the end of each fiscal year, the results of discussions are reported to the parent committee, the Committee on Economic Incentives Related to the 30 by 30 Targets. (See the Ministry of the Environment website for the details of the report submitted at the end of March 2025.)

The support certificate system will go into full-scale operation in fiscal 2025 under the Act on Promoting Activities to Enhance Regional Biodiversity and will likely require follow-up activities after the launch. TMAM intends to continue its activities to engage in the environmental policymaking process.

■ Environmental Conservation Activities and Study on the Creation of Carbon Credits

Aiming to contribute to the promotion of decarbonization and conservation of biodiversity in the marine and agricultural fields by leveraging its financial strengths, TMAM participates in environmental conservation and restoration projects throughout Japan with the aim of contributing to the promotion of decarbonization and biodiversity conservation in the marine and agricultural sectors through the power of finance.

Since 2023, the company participates in a project set up in the Nosoko area of Ishigaki City, Okinawa Prefecture, which aims to restore seagrass beds. The project’s purpose is to regenerate seagrass at risk of extinction due to overgrazing by sea turtles and thereby restore the area’s carbon sink. Although seagrass is an endangered species, it is considered a promising carbon sink that absorbs a comparatively large amount of CO₂ because of its large size. The installation of barriers in May 2024 designed to prevent overgrazing led to the partial restoration of seagrass (see photo).

In recognition of these activities, the area became the first in Okinawa to be certified as a site in harmony with nature by Japan’s Ministry of the Environment in November 2024. TMAM has been a member of the 30 by 30 Alliance for Biodiversity, an initiative launched by the Ministry of the Environment.

The company is planning to expand the area of seagrass regeneration in the future and create blue carbon credits to ensure the sustainability of this project itself.

The local children of Nosoko Elementary School have helped run the project as part of biodiversity conservation efforts. In this way, the project contributes to teaching the future generation the importance of biodiversity conservation and people’s relationship with nature.



Successful restoration of seagrass
within the barriers

Initiatives as a Global Company

Because climate change and biodiversity affect each other and are interdependent, Tokio Marine Group recognizes that a comprehensive approach to diverse issues in the global environment is to promote both climate action and the conservation of biodiversity simultaneously. Accordingly, we have been active in holding dialogue with international organizations, governments, industry, academia, NPOs and NGOs.

Tokio Marine Group has been reinforcing its activities through various initiatives related to climate change in Japan and overseas as well as natural capital and biodiversity. In relation, we have been working to contribute to the conservation of these as a member of the United Nations Global Compact; United Nations Environment Programme Finance Initiative (UNEP FI) / Principles for Sustainable Insurance (PSI); TCFD Consortium; GX League; Taskforce on Nature-related Financial Disclosures (TNFD) Forum / TNFD Consultation Group of Japan; 30 by 30 Alliance for Biodiversity by the Ministry of the Environment; Ministry of the Environment Principles for Financial Action for the 21st Century; Keidanren Committee on Nature Conservation and as a Promotion Partner for the Keidanren Initiative for Biodiversity Conservation.

More specifically, as a member of the UNEP FI and the UN-supported Principles for Responsible Investment (PRI), Tokio Marine Group signed the COP15 Statement from the Private Financial Sector developed by the UNEP FI and PRI in December 2021 and made a commitment to contribute to the conservation of biodiversity through its business activities. Tokio Marine Group joined the TNFD Forum in January 2022 and, as its member, registered as an Early Adopter in January 2024. In Japan, we have been working as a member of the Ministry of the Environment Principles for Financial Action for the 21st Century to generate positive impacts and mitigate negative impacts on the environment, society and economy. In April 2022, we joined the ministry's 30 by 30 Alliance for Biodiversity to promote our efforts concerning the conservation of biodiversity.



Climate Change, Natural Capital and Biodiversity Initiatives Joined by Tokio Marine Group

Category	Name of initiative	Efforts of Tokio Marine Group
Human rights, labor, the environment and anti-corruption	United Nations Global Compact (UNGC) / Global Compact Network Japan	Tokio Marine Group endorses the UNGC's Ten Principles and promotes efforts on human rights, labor, the environment and anti-corruption.
Sustainable finance and insurance	United Nations Environment Programme Finance Initiative (UNEP FI) / Principles for Sustainable Insurance (PSI)	Tokio Marine Holdings promotes efforts for sustainable finance and insurance as a signatory.
	Ministry of the Environment Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century)	Tokio Marine & Nichido, Tokio Marine & Nichido Life, Nisshin Fire, E. design Insurance, Tokio Marine Millea SAST Insurance and Tokio Marine Asset Management promote efforts for the formation of a sustainable society as a signatory.
Sustainable investment	Principles for Responsible Investment (PRI)	Tokio Marine & Nichido and Tokio Marine Asset Management promote efforts on responsible investment.
	Japan Sustainable Investment Forum (JSIF)	Tokio Marine & Nichido and Tokio Marine Asset Management contribute to surveys and research on sustainable investment.
Climate change and nature-related disasters	Partnership for Carbon Accounting Financials (PCAF)	Tokio Marine & Nichido contributes to the discussion on the measurement and analysis of GHG emissions.
	The United Nations Office for Disaster Risk Reduction (UNDRR) — Private Sector Alliance for Disaster Resilient Societies (ARISE)	Tokio Marine & Nichido promotes efforts on disaster prevention and mitigation.
	The Geneva Association	Tokio Marine Holdings leads surveys and research on climate change and natural disaster risks as an executive committee member and a Joint-Chairman of the Climate Change and Emerging Environmental Topics Working Group.
	ClimateWise	Tokio Marine Kiln and Tokio Marine HCC promote climate action according to the seven ClimateWise Principles.
	Asia-Pacific Financial Forum (APFF)	Tokio Marine & Nichido leads the discussion on disaster risk financing and insurance and dissemination of climate change-related disclosure conducive to the promotion of sustainable financing.
	Insurance Development Forum (IDF)	Tokio Marine Group participates in relevant discussions as a member of the IDF's Operating Committee and Steering Committee.

Category	Name of initiative	Efforts of Tokio Marine Group
Climate change and nature-related disclosure	CDP	Tokio Marine Holdings supports companies' climate change-related surveys as a CDP Signatory.
	Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) TCFD Consortium	Tokio Marine Holdings contributes to the formulation of the TCFD recommendations.
	Taskforce on Nature-related Financial Disclosures (TNFD) Forum TNFD Consultation Group of Japan	Tokio Marine Holdings joined the TNFD Forum in January 2022 and became registered as a TNFD Early Adopter in January 2024.
Environmental value creation	Ministry of the Environment Eco-First System	Tokio Marine & Nichido has been continuously certified as an Eco-First company since 2008.
	Ministry of the Environment's COOL CHOICE	Tokio Marine & Nichido encourages "smart choices" to help promote decarbonization.
	Ministry of the Environment's "Fun to Share" Climate Change Campaign	Tokio Marine & Nichido proactively promotes efforts toward a low-carbon society.
	Ministry of the Environment's "Decokatsu" national movement to create new, enriching lifestyles leading to decarbonization	Tokio Marine & Nichido supports the activity in terms of products, services and related efforts as a member of the Decokatsu Support Team (Public-Private Partnership Council).
	Green Purchasing Network	Tokio Marine & Nichido promotes green purchasing.
	30 by 30 Alliance for Biodiversity by the Ministry of the Environment	Tokio Marine & Nichido joined the 30 by 30 Alliance in April 2022 to achieve the "30 by 30" targets.
	GX League	Tokio Marine & Nichido joined the GX League in May 2023 and conducts activities as a leader of the GX Management Promotion Working Group.
	Keidanren Committee on Nature Conservation	Tokio Marine & Nichido participates as a Permanent Committee Company.
	Keidanren Initiative for Biodiversity Conservation	Tokio Marine & Nichido endorsed the Keidanren Initiative for Biodiversity Conservation and became a Promotion Partner in January 2010.

Note: For details of each initiative, please refer to [Tokio Marine Holdings Sustainability Report 2024](#) (P.35–40)

Initiatives as a Good Corporate Citizen

In order to accomplish our goal of protecting customers and society in times of need, Tokio Marine Group cooperates and works with our stakeholders and promotes corporate citizenship activities with the participation of all employees around the world. Motivated employees work with sincerity and empathy, continue to find new ways to address nature-related issues and spread those mindsets and actions to the entire organization and Group. This in turn fosters a corporate culture of tackling nature-related issues as a natural course of action, and by doing so, creates a positive cycle between solving nature-related issues and facilitating corporate growth (enhancing corporate value) that will contribute to achieving “nature positive” by 2050.

Corporate Citizenship Activities with the Participation of All Group Employees

Tokio Marine Group is implementing different corporate citizenship activities around the world that emphasize voluntary participation by employees and tie-ups and collaboration with NPOs, NGOs and other groups. Each Group company strives to support the proactive involvement of employees in ongoing corporate citizenship activities in a number of ways, such as introducing corporate citizenship activities in which employees can participate and setting up leave systems for volunteer activities. In fiscal 2024, the total corporate citizenship activity participation rate among Group employees around the world (total number of participants in corporate citizenship activities against the number of employees) was 89%. Tokio Marine Group's annual target is to have each employee take part in one or more corporate citizenship activities every year.

Planting Mangroves and Protecting and Restoring Eelgrass Beds as Corporate Citizenship Activities

As mangrove forests have an effect of preserving natural capital and biodiversity, Tokio Marine & Nichido has engaged in the Mangrove Planting Project since 1999 under the concept of “insurance for the future of the Earth.” As of March 31, 2025, approximately 12,970 hectares of mangrove forest have been planted through this project in nine countries in the Asia-Pacific region.

Even though Tokio Marine & Nichido's Mangrove Planting Project has an aspect of climate action and improved disaster resilience, it can also be viewed as a corporate citizenship activity related to the preservation of natural capital and biodiversity. The project has now expanded to other Group companies. Tokio Marine & Nichido has publicized its Mangrove-based Value Co-creation 100-Year Declaration, which seeks to create value through natural blessings brought about by mangroves together with tree-planting NGOs, and we intend to carry on the project in the future as well.

In 2022, we launched activities to protect and restore eelgrass beds. We will promote these activities along with the Mangrove Planting Project as an effort to protect the global environment.

Green Lessons and Disaster Prevention Lessons: Raising Environmental Awareness and Disaster Preparedness

Tokio Marine Group has positioned future generations as a stakeholder and identified “Providing education to children” as one of our materials issues. As part of this initiative, we visit elementary schools and special needs schools to provide Green Lessons and Disaster Prevention Lessons with employees of Group companies serving as lecturers.

Under the theme of mangrove planting activities, our Green Lessons provide an opportunity for children to think about the prevention of global warming, biodiversity and ecosystem-based disaster risk reduction (Eco-DRR). As of March 31, 2025, these lessons were attended by a total of more than 61,000 children.



Likewise, our Disaster Prevention Lessons encourage children to explore the mechanisms that cause earthquakes and tsunamis as well as flood and landslide disasters, how to protect themselves in disasters, what preparations should be made in advance and what it will be like to live in a temporary shelter. As of March 31, 2025, the total number of participants exceeded 111,000.