

June 29, 2020
Tokio Marine Holdings, Inc.
TSE code number: 8766

Allotment of stock acquisition rights pursuant to a stock option compensation plan

The Board of Directors of Tokio Marine Holdings, Inc. (the "Company") announced that it has resolved today to issue stock acquisition rights to the Company's and its major subsidiaries' directors (referred to as the "Directors")(*), in accordance with Article 238, paragraphs 1 and 2 and Article 240 of the Companies Act, in order to strengthen the correlation between compensation for Directors and share price and business results of the Company and to cause Directors to share with shareholders the merits and the risks of share price fluctuation.

(*) Directors and executive officers of the Company, Tokio Marine & Nichido Fire Insurance Co., Ltd. ("Tokio Marine & Nichido"), Nisshin Fire & Marine Insurance Co., Ltd. ("Nisshin Fire") and Tokio Marine & Nichido Life Insurance Co., Ltd. ("Tokio Marine & Nichido Life").

1. Name of the Stock Acquisition Rights

July 2020 Tokio Marine Holdings Stock Acquisition Rights (stock option scheme under a stock-linked compensation plan) (the "Stock Acquisition Rights").

2. Total number of the Stock Acquisition Rights

1,435 stock acquisition rights.

The above is expected number of the allotment. If the total number of the Stock Acquisition Rights to be allotted is less than expected, such as in the case where applications are not made as expected, total number of allotment of Stock Acquisition Rights will be reduced accordingly.

3. Class and number of shares to be issued upon exercise of the Stock Acquisition Rights

The shares to be issued upon the exercise of the Stock Acquisition Rights shall be the common stock of the Company. The number of shares to be issued upon exercise of each Stock Acquisition Right shall be 100.

Regardless of the above, if the Company conducts a stock split (including an allotment of the Company's common stock without receipt of monetary consideration) or a stock consolidation, the Company shall adjust the number of shares to be issued upon exercise of each Stock Acquisition Right in accordance with the following equation.

Number of shares after the adjustment
= Number of shares before the adjustment x stock split or stock consolidation ratio

Other than the above, if an inevitable need arises after the date of allotment, the Company shall adjust the number of shares to be issued upon exercise of each Stock Acquisition Right as appropriate and to the extent reasonable.

Fractional number less than one share after the adjustment shall be truncated.

If the number of shares is to be adjusted, the Company shall give notification or a public notice of the proposed adjustment to the holders of the Stock Acquisition Rights appearing on the register of the Stock Acquisition Rights on the date preceding the date of the adjustment of the number of shares. Should the Company be unable to give such notification or public notice on the date preceding the date of the adjustment, the Company shall give such notification or a public notice as soon as practically possible.

4. Amount to be paid upon exercise of the Stock Acquisition Rights

The amount payable to the Company upon exercise of the Stock Acquisition Rights shall be determined by multiplying one (1) yen, the per-share exercise price, by the number of common shares to be issued upon exercise of such Stock Acquisition Rights.

5. Exercise period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights shall be from July 15, 2020 through July 14, 2050.

6. Matters concerning the amount of capital and capital reserve increase resulting from the issuance of the shares upon exercise of the Stock Acquisition Rights

(i) The amount of capital increase resulting from the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by multiplying the maximum limit of capital increase, as calculated in accordance with the provisions of Article 17, paragraph 1 of the Company Accounting Regulation, by 0.5, and any fraction of less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen.

(ii) The amount of capital reserve increase resulting from the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by deducting the capital to be increased, as provided in (i) above, from the maximum limit of capital increase, as also provided in (i) above.

7. Restriction on transfer of the Stock Acquisition Rights

Any transfer of the Stock Acquisition Rights requires the approval of the Board of Directors of the Company.

8. Conditions regarding the acquisition of the Stock Acquisition Rights

i. The Company shall be able to acquire the Stock Acquisition Rights without any consideration

on the day which shall be determined by the Board of Directors, if any of the following items (i), (ii), (iii), (iv) or (v) is approved by shareholders in a general meeting of shareholders, or where a shareholder approval in a general meeting of shareholders is not necessary, when approved by the Board of Directors.

(i) Approval of a merger contract pursuant to which the Company shall be a dissolving company;

(ii) Approval of an agreement or a plan for corporate split pursuant to which the Company shall be a split company;

(iii) Approval of a share exchange agreement or a share transfer plan where the Company shall become a wholly-owned subsidiary of another company;

(iv) Approval of an amendment of the Company's Articles of Incorporation so that any acquisition by transfer of shares issued by the Company shall require approval of the Company; or

(v) Approval of an amendment of the Company's Articles of Incorporation that would require an approval of the Company for an acquisition by transfer of shares issued upon exercise of the Stock Acquisition Rights, or that would allow the Company to acquire all such shares with the approval by shareholders in a general meeting of shareholders.

ii. If directors and executive officers of the Company, Tokio Marine & Nichido, Nisshin Fire, and Tokio Marine & Nichido Life, who are the holders of the Stock Acquisition Rights, retires from any position of such entity, the Company shall, at the discretion of the representative director of the Company, be able to acquire, without any consideration, the number of the Stock Acquisition Rights (fractional portions of the number shall be disregarded), which is calculated by multiplying the number allotted to him or her under his or her position (excluding the number determined as the vested number as of the allotment date under the Stock Acquisition Rights allotment agreement between the Company and him or her) and the number dividing the number of months from the next month of the month including the date of his or her retirement to June 2021 by 12.

iii. If the Board of Directors approves the acquisition of all or a portion of the Stock Acquisition Rights, the Company shall be able to acquire, without any consideration, the Stock Acquisition Rights which have been approved for acquisition.

9. Policy regarding cancellation of the Stock Acquisition Rights in the event of reorganization and issuance of stock acquisition rights of a subject company of reorganization

If the Company conducts a merger (but only when the Company is the dissolving company), company split, share exchange or share transfer (hereinafter collectively the "corporate reorganization"), the Company shall grant the persons holding the Stock Acquisition Rights existing immediately before the effectiveness of the corporate reorganization (hereinafter the "existing Stock Acquisition Rights") stock acquisition rights of the joint stock company as stipulated in Article 236, paragraph 1, subparagraph 8, items (a) to (e) (hereinafter the "subject

company") of the Companies Act in accordance with the following conditions. In such event, the existing Stock Acquisition Rights shall be cancelled and the stock acquisition rights of the subject company shall be newly issued. This only applies in cases where such grant of stock acquisition rights is stipulated in the applicable merger contract, statutory consolidation contract, company split contract, share exchange contract or share transfer plan.

(i) The number of the stock acquisition rights of the subject company to be granted

The number of the stock acquisition rights of the subject company to be granted shall be the same as the number of existing Stock Acquisition Rights.

(ii) The class of shares of the subject company to be issued upon exercise of the stock acquisition rights

Common stock of the subject company.

(iii) The number of shares of the subject company to be issued upon exercise of the stock acquisition rights

It shall be determined following Item 3 above, considering the terms and conditions of the company reorganization.

(iv) Amount to be paid upon exercise of the stock acquisition rights

The amount payable to the Company upon exercise of the stock acquisition rights shall be determined by multiplying one (1) yen, the per-share exercise price of the subject company, by the number of shares of the subject company to be issued upon exercise of such stock acquisition rights as determined in accordance with (iii) above.

(v) Exercise period of the stock acquisition rights

The exercise period of the stock acquisition rights shall begin on the date of commencement of the exercise period stipulated in Item 5 above or the effective date of the corporate reorganization, whichever is later, and end on the closing date of the exercise period stipulated in Item 5 above.

(vi) Matters concerning the amount of capital and capital reserve increase resulting from the issuance of the shares upon exercise of the stock acquisition rights

Shall be determined in accordance with Item 6 above.

(vii) Restriction on the transfer of the stock acquisition rights

Any transfer of the stock acquisition rights requires the approval of the Board of Directors of the subject company.

(viii) Conditions regarding the acquisition of the stock acquisition rights

Shall be determined in accordance with Item 8 above.

(ix) Additional conditions for the exercise of the stock acquisition rights

Shall be determined in accordance with Item 11 below.

10. Treatment of fractional shares upon exercise of the Stock Acquisition Rights

If fractional portions of shares are to be allotted upon exercise of the Stock Acquisition Rights, they shall be disregarded.

11. Additional conditions for the exercise of the Stock Acquisition Rights

The Stock Acquisition Rights held by any of the Directors that he or she received in his or her capacity as a director and an executive officer of the relevant entity may only be exercised after he or she has retired from any position as a director, an executive officer or audit & supervisory board member of such entity.

12. Calculation of the amount to be paid for allotment of the Stock Acquisition Rights

The amount to be paid for allotment of the Stock Acquisition Rights shall be the option price per share calculated based on the following formula, multiplied by the number of shares to be issued upon exercise of the Stock Acquisition Rights.

$$C = SN(d) - Xe^{-rT}N(d - \sigma\sqrt{T})$$

In this formula,

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

(i) C = option price per share

(ii) S = share price: the closing price of the regular trading of Company's common stock on the Tokyo Stock Exchange on July 14, 2020 (or the standard price on the following trading day if there is no closing price on July 14, 2020) minus present value of the aggregate amount of expected dividends that will be paid over the period of the expected duration.

(iii) X = exercise price: 1 yen

(iv) T = expected duration: 2 years

(v) σ = volatility: computed based on the closing price of the regular trading on each trading day of the Company's common stock from July 15, 2018 to July 14, 2020.

(vi) r = risk-free interest rate: the interest rate on Japanese government bonds with remaining period corresponding to the expected duration

(vii) $N(.)$ = cumulative distribution function of the standard normal distribution

Note 1: The option price to be calculated as described above is a fair value of the Stock Acquisition Rights. Accordingly, the issuance of the Stock Acquisition Rights is not an issuance of shares with favorable terms.

Note 2: The Stock Acquisition Rights are allotted to directors and executive officers of the Company by offsetting their monetary remuneration claims against the Company and their obligations to pay for the allotment of the Stock Acquisition Rights. In respect of the directors and executive officers of Tokio Marine & Nichido, Nisshin Fire and Tokio Marine & Nichido Life, such offset described above shall be conducted after the Company assumes from Tokio Marine & Nichido, Nisshin Fire and Tokio Marine & Nichido Life the monetary remuneration claims held by the directors and executive officers against Tokio Marine & Nichido, Nisshin Fire and Tokio Marine & Nichido Life.

13. Date of allotment of the Stock Acquisition Rights

Date of allotment of the Stock Acquisition Rights shall be July 14, 2020.

14. Date of payment of consideration in exchange of the Stock Acquisition Rights

Date of payment of consideration in exchange of the Stock Acquisition Rights shall be July 14, 2020.

15. Persons that will be allotted with the Stock Acquisition Rights

Persons that will be allotted with the Stock Acquisition Rights	Number of persons	Number of the Stock Acquisition Rights to be allotted
Directors and executive officers of the Company	25	398
Directors and executive officers of Tokio Marine & Nichido	51	759
Directors and executive officers of Nisshin Fire	17	184
Directors and executive officers of Tokio Marine & Nichido Life	8	94
Total	101	1,435

(Note) Since some directors of the Company and its major subsidiaries hold concurrent offices in more than one of these companies, the actual number of the persons to be allotted with the Stock Acquisition Rights is 88.