Last Update: April 1, 2025

T&D Holdings, Inc.

Masahiko Moriyama
Representative Director and President
Contact: General Affairs Department
Securities Code: 8795
https://www.td-holdings.co.jp/

Status of the corporate governance of the Company is as follows.

I Basic approach to corporate governance, capital structure, corporate attributes, and other basic information

1. Basic approach

The Company has established the T&D Insurance Group Management Philosophy and the T&D Insurance Group Management Vision as the basic management principles shared by all the executives and employees of the T&D Insurance Group (referred to as the "Group" hereinafter).
• T&D Insurance Group Management Philosophy, T&D Insurance Group Management Vision (https://www.td-holdings.co.jp/group/vision.html)
In line with the T&D Insurance Group Management Philosophy, the Company has established the Basic Policy on Corporate Governance to ensure the Group's sustainable growth and increase corporate value over the medium to long term.
• Basic Policy on Corporate Governance (https://www.td-holdings.co.jp/company/governance/pdf/governance_policy.pdf)

[Basic Approach to Corporate Governance]
The Company's basic approach to corporate governance is to create efficient and transparent management systems to facilitate flexible and cohesive Group operations, and the Company shall continuously endeavor to enhance corporate governance.

1. The Company shall respect the rights of all shareholders and strive to develop a conducive environment for shareholders to appropriately exercise those rights. Efforts shall also be made to ensure the effective equality of all shareholders.

2. The Company shall strive to foster a sound corporate culture and climate by appropriately collaborating with a variety of stakeholders, including customers, all shareholders, employees, insurance agents, business partners and local communities.

3. The Company shall strive to increase the transparency of management through appropriate and timely disclosure of corporate information, including financial information and non-financial information regarding management strategies, management priorities, and other matters.

4. The Company shall strive to ensure the effectiveness of the Board of Directors' supervising function over the execution of business as the holding company responsible for the business execution management function of each Group company.

5. The Company shall engage in constructive dialogue with stakeholders in order to contribute to sustainable growth and the enhancement of corporate value over the medium to long term.

[Promoting Group Management]
As a holding company, the Company serves the role of determining management strategies of the Group, appropriately allocating management resources of the Group, and formulating capital policies, etc. of the Group. Additionally, the Company shall accurately identify management risks of subsidiaries with the focus on Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company (referred to as the "Three Life Insurance Companies" hereinafter), as well as T&D United Capital Co., Ltd., T&D Asset Management Co., Ltd., Pet & Family Insurance Co., Ltd., All Right Co., Ltd., and T&D INFORMATION SYSTEM Ltd., eight companies in total, (referred to as the "Direct Subsidiaries" hereinafter), and address the construction of a group management system including thorough management of profit, risk, etc., of the whole Group.
In April 2024, in order to promote and further strengthen integrated Group management, we introduced a group executive officer system under which the Representative Director and President of each company will manage their own company from a more group-oriented perspective.
On the other hand, the Direct Subsidiaries, with their own unique business strategies, aim to expand the Group's corporate value by maximizing their uniqueness and specialization through determining marketing strategies and operating businesses in line with their strengths.
As explained above, the Group promotes group management after identifying the roles and authority of the Company and the Direct Subsidiaries.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

We implement all principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] Update

[Principle 1-4. Cross-Shareholdings]
The Group is continuously working to reduce cross-shareholdings after formulating a plan. We shall continue to reduce them based on the conditions of the stock market, etc.

In the Basic Policy on Corporate Governance, the Company has formulated its policy on cross-shareholdings of the listed shares in the Group and its approach to the exercise of voting rights as follows.

1. When holding cross-shareholdings of listed shares, the Group shall adhere to the following policies:
(1) The purpose of holding cross-shareholdings of listed shares shall be to maintain and expand long-term, stable business relationships, to maintain and strengthen business partnerships, and to reap medium-to long-term benefits by an increase in equity value and by receiving dividends and so forth.
(2) Each year, the Company and the Board of Directors of each company of the Group with cross-shareholdings examine whether the shareholdings are appropriate or not by concretely scrutinizing the appropriateness of the purpose of the shareholdings and if the benefits and risks associated with the shareholdings are commensurate with the cost of capital.

(3) If it is deemed that it is unsuitable to continue with the cross-shareholdings as a result of the examination of the appropriateness of each cross-shareholding, such cross-shareholdings shall be made subject to sale so as to reduce them.
(4) Examination details of the above (2) and (3) of the Group shall be disclosed annually.

2. The Group exercises its voting rights with respect to its cross-shareholdings, believing that the appropriate exercise of voting rights will promote the establishment of a sound corporate governance system and sustainable growth of the counterparty as well as serve as an important means of enhancing shareholder interests.

3. When exercising the voting rights referred to in the preceding paragraph, the Company will not make judgments based on formal standards, but will seek to share a common understanding through dialogue and other means from a medium- to long-term perspective, while respecting the business judgment of the counterparty. Incidentally, if it is determined that there is a risk of harming shareholders' interests, the Company shall express its intention as a shareholder through the appropriate exercise of its voting right.

The Group is gradually reducing the balance of cross-shareholdings with the aim of enhancing capital efficiency.
In FY2023, the balance was reduced by approximately 27 billion yen on a book value basis (approximately 64 billion yen on a market value basis) (on a book value basis, the balance was reduced by more than 50% compared to the end of FY2020). As a result, the balance of cross-shareholdings at the end of FY2023 was reduced to 17% of net assets, which is below the 20% level targeted in the Group long-term vision (please see Graphs 1 and 2).
From FY2024 onward, we are continuing to reduce the balance of cross-shareholdings, excluding those of business partners and collaboration partners, etc., aiming for a balance of zero by the end of FY2030.

With regard to investment stocks held for pure investment purposes, including those whose holding purpose has been changed from cross-shareholdings, the Company, as an institutional investor, includes a certain level of domestic stocks in its investment portfolio for the purpose of maximizing investment efficiency, and the Asset Management Department determines whether to continue holding such stocks based on the receipt of dividends associated with medium- to long-term performance growth, stock price outlook, and other factors.

Regardless of the holding purpose, the Asset Management Department, which is independent of the departments engaged in financing, corporate sales, etc., is in charge of making decisions on and conducting the exercise of voting rights. With regard to the exercise of voting rights, the Company has established a committee involving third parties, such as outside experts, to examine decisions for and against the exercise of voting rights, the process of exercising voting rights, and other matters.
The results of the exercise of voting rights are reported to the Board of Directors, etc., and management itself confirms that voting rights are being exercised appropriately, and the results are also disclosed on the websites of each Group company.

In addition, we will not take any action to prevent the sale of our shares if we receive a proposal to sell our shares from a company that holds them as cross-shareholdings.

[Principle 1-7. Transactions between Related Parties]
In Article 21 of the Basic Policy on Corporate Governance, the Company sets forth the following with respect to transactions between related parties:

1. The Company shall put the following structure in place to ensure that transactions between the Company and its Directors or major shareholders (transactions between related parties) do not harm the interests of the Company and the common interests of its shareholders.
(1) In the T&D Insurance Group Compliance Code of Conduct, the Company shall establish provisions to prohibit any actions that cause conflicts of interests and so forth.
(2) Matters concerning conflict of interest transactions between Directors and the Company shall be determined by resolution of the Board of Directors in accordance with the rules of the Board of Directors. In addition, the Audit & Supervisory Committee shall monitor and verify whether or not there is any evidence of conflict of interest transactions that are in violation of the Directors' duties, based on the stipulations of the auditing standards of the Audit & Supervisory Committee.

[Supplementary Principle 2-4-1. Ensuring Diversity in Promotion to Core Personnel, etc.]
- The Group has set forth the Ideal Model in the Group Basic Personnel Policy (referred to as the "Basic Policy" hereinafter) as follows:
  - ○ The Group recognizes the social mission and responsibility of each company of the Group, and contributes to society through the growth of each and every employee and sustainable growth of the Group.
  - ○ The Group will create new value by flexibly responding to changes in society and diverse values via the discoveries ('Discover' in the Group's corporate philosophy) it makes through its diverse human resources who boldly take on future-oriented challenges ('Try' in the Group's corporate philosophy).
  - ○ The Group embraces the diversity of human resources and fosters a sense of unity (inclusion) to create a corporate culture that enables mutual reliance, gratitude, and respect between employees, thereby realizing a corporate group that gives its employees pride and responsibilities as members of the Group.

- The Basic Policy also stipulates and discloses Development, Placement, and Provision of Opportunities as follows.

(Development) The Group will develop autonomous human resources who have a high level of integrity (honesty, sincerity, and high-mindedness), flexibility to accept social changes and diverse values, and a global perspective, and who can sincerely engage in their own operations, think for themselves, act proactively, and produce expected results with an understanding of the Group's direction as a member of the Group.

(Placement) In order to enable each and every employee to fully exercise his or her own potential, the Group will implement appropriate personnel assignments that reflect the career aspirations, ability, and aptitude of each employee, in response to needs for placing the human resources of the Group and each company of the Group according to their business strategies. We will also implement personnel rotations that will lead to the development of suitable candidates for future leaders with a medium- to long-term perspective, who can drive the growth of the Group and each company of the Group.

(Provision of Opportunities) The Group provides highly ethical and professionally aware and responsible individuals with the opportunity to take the initiative actively for pursuing further growth, both domestically and internationally.

- In line with the Basic Policy, we assign employees to managerial positions according to their abilities regardless of the attributes of each person such as gender, age, nationality, etc.; promote the employment of elderly people and people with disabilities; introduce and enhance the system to support the employees in balancing childcare and nursing care with work; and develop awareness of all the employees toward human rights, etc., to prepare a work environment where all employees can work proactively with a sense of fulfillment.
- In particular, we believe that promoting the active participation of female employees is important for the Group, and have set targets of at least 25% in 2027 and at least 30% in 2030 for the percentage of female employees in managerial positions at the Three Life Insurance Companies (*).
  Incidentally, at the Three Life Insurance Companies combined, the percentage of female employees in managerial positions was 23.7% (as of April 2024).

  <Actual results as of April 2024>
  Taiyo Life Insurance Company: 22.5%
  Daido Life Insurance Company: 23.6%
  T&D Financial Life Insurance Company: 12.1%
  * We have set targets for the systematic and gradual development of female executives, including those in entry-level management positions.

- As mentioned above, we have addressed the issue of promoting the active participation of female employees considering it as an issue of the Group so far. On the other hand, we do not recognize any significant differences in the promotion of mid-career recruits or foreign nationals to managerial positions due to the timing of the recruitment or nationality. For this reason, we do not set goals, etc. for promoting such employees to managerial positions.

[Principle 2-6. Exercise Roles of an Asset Owner of Corporate Pension Plan]
In the Group, each subsidiary manages the corporate pension plan of its employees. The Three Life Insurance Companies are asset management organizations engaged in the management of corporate pension plans and the consignment of pension assets as insurance companies, and have established a management structure by assigning personnel with expertise in pension asset management.
As a result of such approach, we are also appropriately performing the functions expected of an asset owner.
In addition, conflicts of interest between corporate pension beneficiaries and the company are appropriately managed because, in accordance with the basic management policy, each company has appointed a trustee for the composition and management of pension assets from the perspective of maintaining medium- to long-term financial soundness and securing stable earnings, and each fund management institution selects investments and exercises voting rights.

[Principle 3-1. Enhancing Disclosure]
The Company's Management Philosophy, Management Vision, and group management plans are disclosed in various disclosure materials (Current Status of T&D Holdings, Integrated Reports) and on the Company website, etc.
・ T&D Insurance Group Management Philosophy, T&D Insurance Group Management Vision (https://www.td-holdings.co.jp/en/group/vision.html)
・ Group Long-Term Vision (https://www.td-holdings.co.jp/en/ir/ir-policy/long-term-vision.html)
・ Current Status of T&D Holdings(https://www.td-holdings.co.jp/ir/document/disclosure.html) *Only available in Japanese
・ Integrated Reports(https://www.td-holdings.co.jp/en/ir/document/annual.html)
Additionally, the Company stipulates its basic approach to corporate governance, policies and procedures for the appointment and dismissal of Directors and the Audit & Supervisory Committee Members, and policies on the determination of executive compensation, in the Basic Policy on Corporate Governance.
Article 2 Basic Approach to Corporate Governance
Article 6 Policies and Procedures for Appointment of the Directors
Article 11 Policies and Procedures for Appointment of the Audit & Supervisory Committee Members
Article 14 Roles and Composition of the Nomination and Compensation Committee
Article 15 Policies on Determining the Amount of Executive Compensation etc., or the Method of Calculation Thereof
With respect to the appointment and nomination of individual candidates for Directors and the Audit & Supervisory Committee Members, persons who satisfy the policies stipulated in Articles 6 and 11 of the above Basic Policy on Corporate Governance are appointed, and the personal history and reasons for selecting each candidate are described in the notice of convocation of the General Meeting of Shareholders. Regarding the candidates for Outside Directors, reasons for selecting as a candidate for Outside Director are described.
• Notice of Convocation of the 20th Ordinary General Meeting of Shareholders (Pages 8 to 21)
(https://ssl4.eir-parts.net/doc/TJ8795/ir_material16/229329/00.pdf)

[Supplementary Principle 3-1-3. Sustainability Initiatives, etc.]
1. Sustainability initiatives
The Group has established the Group's corporate philosophy, "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." For the Group, whose core business is life insurance that is based on the philosophy of mutual aid, aiming to realize a sustainable society, and contributing to people and society through its business is its fundamental philosophy and raison d'être as a company.
The Group has identified priority social issues, highly important to society and closely related to the business of the Group, from various sustainability areas related to the business activities of the Group, and has stipulated four priority sustainability themes to focus on. We will incorporate contributions to the SDGs into the process of selecting priority themes for sustainability and work to help achieve the SDGs through sustainability initiatives that leverage the characteristics and strengths of our business.
The Group has established the Group Sustainability Promotion Committee, which is chaired by the President of the Company with executives in charge of sustainability and CSR of each group company as the committee members, as a subordinate organization of the Board of Directors to promote sustainability as a whole Group.

In May 2022, we formulated the "T&D Insurance Group Sustainability Statement," which expresses the Group's stance on sustainability issues, as well as the direction and specific details of future initiatives.
For information on the T&D Insurance Group Sustainability Statement, please visit the Company website.
(https://www.td-holdings.co.jp/csr/statement/index.php)

2. Investment in human capital and intellectual property
Since the Group's inception, we have promoted a corporate culture where diverse human resources can exercise their own abilities while feeling fulfillment, and established a Group Basic Personnel Policy to identify basic policies of human resources management of the Group.
To develop autonomous human resources who can act proactively while understanding the direction of the Group to deliver expected results, we are committed to Fostering the Willingness to Tackle Challenges, Developing Group Awareness, and Revitalizing Communication and prepare a working environment that forms a basis for such approach to improve the human capital.

The Group considers that human resources that work together are the most valued and greatest driving force, which undertake business activities to realize the Group's corporate philosophy of "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies," and has established a Group Basic Personnel Policy as a basic policy for human resources management at the T&D Insurance Group.
To develop autonomous human resources who can act proactively while understanding the direction of the Group to deliver expected results, we are committed to having integrated Group management, fostering core human resources, and preparing growth opportunities and a work environment that gives a feeling of fulfillment.
With the Group long-term vision of "Try & Discover 2025," the Group commits to digital transformation in both customer service (front office operations) and innovation of the Company (back office operations) by making the most of the technology, which will give it a competitive edge. For information on the Group long-term vision of "Try & Discover 2025," please visit the Company website.
(https://www.td-holdings.co.jp/ir/ir-policy/pdf/long-term-vision.pdf)

3. Responding to climate change
The 2015 Paris Agreement set a long-term, universal goal of keeping the global average temperature increase well below 2°C above pre-industrial levels, and of pursuing efforts to limit it to 1.5°C. To achieve this goal, it is necessary to achieve net zero/carbon neutrality by 2050.
Global climate change is a business continuity risk for the Group, and we recognize that we are required to play our part as a member of society. The Group has set specific targets to reduce its own CO_2 emissions (Scope 1 and 2) by 40% by FY2025 and 70% by FY2030 (both from FY2013 levels) and achieve net zero emissions by FY2040.
To achieve this goal, the Company has joined an international initiative of RE100 that aims to source 100% of the electricity used in its own business activities from renewable energy sources, and has set an interim goal of sourcing 60% of its electricity use from renewable energy by FY2030. The Group will actively switch to renewable energy for its electricity use. Additionally, as a responsible institutional investor, at the Group we also set reduction targets for CO_2 emissions from our own investments and loans (Scope 3, Category 15), aiming to reduce the emissions by 50% from FY2020 levels by FY2030 (targeted at stocks, corporate bonds, and loans of domestically listed companies) and achieve net zero emissions in FY2050.
Furthermore, the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), developed recommendations for clear, comparable, and consistent disclosure of the risks and opportunities posed by climate change and published them in June 2017. Climate change is a global challenge, and its impacts will have a major effect on people's lives through changes in global economic behavior and society. The Group expresses its support for the TCFD's recommendations and is actively working to disclose easy-to-understand climate-related financial information.

For the results of scenario analysis, etc. conforming to the TCFD framework, please visit the Company website.
(https://www.td-holdings.co.jp/csr/csr-policy/tcfd.php)

[Supplementary Principle 4-1-1. Roles and Responsibilities of the Board of Directors]
In Article 4 of the Company's Basic Policy on Corporate Governance, the role of the Board of Directors is defined as follows:

1. The Board of Directors makes decisions on important business matters and oversees the execution of business in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules.

2. The Board of Directors shall delegate to the Representative Director and President the authority relating to the execution of business, except the matters set forth in the preceding paragraph, in order to make decisions on the execution of business expeditiously. The Representative Director and President may delegate authority for business execution to the executive officers in charge of each business.

[Principle 4-9. Independence Criteria for Independent Outside Directors]
In Article 13 of the Basic Policy on Corporate Governance, the Company sets forth the independence criteria for Independent Outside Directors as follows:

1. The Company shall appoint candidates for Outside Director from among individuals who satisfy the following independence criteria:
(1) The candidate is not currently, nor has been in the past 10 years, a person who executes the business of the Company or its subsidiaries.
(2) The candidate is not currently, nor has recently been, a person for which the Company is a major client or a person who executes business for such person, nor a major client of the Company or a person who executes business for such client.
(3) The candidate is not currently, nor has recently been, a consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to compensation for director/auditor from the Company.
(4) The candidate is not currently, nor has recently been, a relative of a person who executes business of the Company or its subsidiaries, nor a relative of persons described in (2) or (3) above.
(5) In addition to the above, there must be no doubt about the independence of the candidate in terms of fulfilling his or her duties as an Independent Outside Director.

[Supplementary Principle 4-10-1. Views on Independence, Authority, and Roles of the Nomination and Compensation Committee]
For the views on independence, authority, and roles of the Nomination and Compensation Committee see "Status of establishment of Non-statutory Committees, composition of the committee, and attributes of the chair of the committee (chairperson)" below.

[Supplementary Principle 4-11-1. Composition of the Board of Directors]
In Article 5 of the Company's Basic Policy on Corporate Governance, the Company sets forth the views on the overall balance of knowledge, experience, and skills, diversity, and size of the Board of Directors as follows:

1. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be no more than nine as stipulated in the Articles of Incorporation, and the number of Directors who are Audit & Supervisory Committee Members shall be no more than five as stipulated in the Articles of Incorporation. The Board of Directors shall be made up of individuals representing a balance of knowledge, experience and skills, and having diverse backgrounds including gender, age and internationality as befitting the expansive range of business domains in the life insurance business. In addition, the Company appoints two or more Directors who also serve as Directors of Direct Subsidiaries (excluding Directors who are Audit & Supervisory Committee Members) in order to facilitate adequate communication and prompt decision-making in the Group and strengthen the group governance. Furthermore, the Board of Directors appoints at least one-third of Directors as Outside Directors to ensure that the opinions of outside corporate managers, legal experts, accounting experts, and others with extensive experience and insight are appropriately reflected in the Group's management policies, the establishment of internal controls, etc., and the supervision of business execution.

<Reference>
The Company aims to further demonstrate the functions of the Board of Directors by ensuring a balance of the necessary expertise and experience from the standpoint of the three major board functions (formulation of overall strategy function, supervisory function, and business management function).
By electing talent with experience in corporate management from outside of the Group as well as expertise and experience in finance, legal affairs and other fields for its Outside Directors, and electing talent equipped with expertise and experience in line with the wide-ranging fields of the Group's core business of life insurance for its Internal Directors, the Company ensures a balance of expertise and experience of the entire Board of Directors.
*For the Board of Directors Skills Matrix see the end of the document.

[Supplementary Principle 4-11-2. Concurrent Positions Held by the Directors and the Audit & Supervisory Committee Members]
Articles 7 and 12 of the Company's Basic Policy on Corporate Governance stipulate that the Directors are required to fulfill their duties of due care and loyalty as a Director, and the Audit & Supervisory Committee Members are required to fulfill their duties of due care and loyalty as Audit & Supervisory Committee Members when concurrently serving as a director, etc. of a company other than the Company. Specific concurrent positions held are disclosed in the notice of convocation of the General Meeting of Shareholders.
• Notice of Convocation of the 20th Ordinary General Meeting of Shareholders (Page 40)
https://ssl4.eir-parts.net/doc/TJ8795/ir_material16/229329/00.pdf

[Supplementary Principle 4-11-3. Assessment of the Board of Directors]
Article 8 of the Company's Basic Policy on Corporate Governance stipulates that the Board of Directors shall evaluate annually whether it is functioning appropriately and producing results, and how it is contributing to the enhancement of the Company's corporate value over the medium to long term, taking into account the Directors' self-evaluations to ensure the effectiveness of the Board of Directors as a whole.
The following is a summary of the results of the assessment of the Board of Directors in FY2023.
"In FY2023, the Board of Directors of the Company conducted analysis and assessment on the effectiveness of the Board of Directors as a whole (including the non-statutory Nomination and Compensation Committee), based on a questionnaire survey and interviews with Directors. In addition, as a new initiative, we implemented self-evaluations for individual directors.
In the questionnaire survey, the effectiveness of the Board of Directors was assessed based on answers to the multiple-choice questions and opinions described on the evaluation items in the questionnaires such as the composition, operation, discussions, and supervisory function, etc. In the interviews, we confirmed the grounds for the evaluation presented in the questionnaire and the problems of the Board of Directors that should be addressed.
As a result of the analysis and assessment, the Company has identified the following items and determined that the Board of Directors has generally fulfilled its duties as expected and effectively functioned.
• The number of members of the Board of Directors and the ratio of Outside Directors are generally appropriate.
• From the perspective of integrated Group management, discussions are moving forward with an awareness of business portfolios, ROE, and other cost of capital considerations.
• Supervision and governance of subsidiaries are progressing well.
• The quality of discussions at meetings of the Board of Directors is improving, with more time spent on important agenda items.
• Progress is being made in sharing the content of dialogue with investors internally, reflecting the same in measures, and addressing issues.
The Company addressed the issues identified in the FY2022 assessment (ensuring diversity of the Board of Directors based on management strategies, promoting ROE management with an awareness of capital cost and capital profitability, and promoting group personnel management that contributes to the improvement of human capital) and believes that those issues have been steadily improved.
In addition, as issues to be addressed by the Board of Directors, we recognized that there is room for improvement in "promoting integrated Group management and group synergies" in addition to "promoting group human resource measures that contribute to improving human capital (effective allocation

of human capital, etc.)" and "ensuring diversity of the Board of Directors linked to management strategies (expansion of skills matrix, etc.)" with the aim of further enhancing the Board of Directors.
Furthermore, the results of the self-evaluation by individual directors implemented as a new initiative during the fiscal year will be utilized for further improving director training, etc.
The Company will continue to work on further enhancing the effectiveness of the Board of Directors through addressing the issues identified in the effectiveness assessment."

[Supplementary Principle 4-14-2. Director Training]
In Article 16 of the Basic Policy on Corporate Governance, the Company sets forth the following policies for training, etc. of Directors, etc.
1. At the time of appointment and continuously during the term in office, the Company will provide opportunities for Directors, etc. to acquire and renew the knowledge necessary for the proper performance of their roles and responsibilities.

[Principle 5-1. Policy for Constructive Dialogue with Shareholders]
In Article 19 of the Basic Policy on Corporate Governance, the Company sets forth and discloses its policies on developing systems and initiatives to promote dialogue with shareholders.
Through constructive dialogue with shareholders, we work to deepen their understanding of the Company Management Policy, and by regularly reporting to the Board of Directors the information and opinions gained through the dialogue, we are committed to ensuring sustainable growth of the Group and enhancement of corporate value over the medium to long term.

[Response to Realize Management Aware of Capital Cost and Stock Price] [English disclosure available]
In the Group's long-term vision, "Try & Discover 2025," the Group presents a vision of aiming to improve stock valuation by improving capital efficiency through enhancing profits in the Group's existing businesses with the domestic life insurance business as its core and capital management that allocates Group management resources to growth businesses.
For profit expansion, we will aim to achieve Group adjusted profit of 130.0 billion yen, which is the target for the fiscal year ending March 2026, and consider growth investment for further expansion.
From the perspective of improving capital efficiency, we strive to take measures such as (i) utilizing re-insurance, (ii) decreasing interest rate risk through the purchase of super-long-term bonds, (iii) reducing bonds denominated in foreign currencies, and (iv) reducing cross-shareholdings.
Additionally, we aim to reduce the cost of shareholders' equity by reducing risks, improving the stability of profits and so forth through advancement of enterprise risk management (ERM).
Towards reducing the cost of shareholders' equity, while controlling asset management risk based on ALM, we will promote a stable profit structure that is not susceptible to changes in the financial environment by expanding insurance underwriting risk with high return relative to risk.
For information on the Group's long-term vision, "Try & Discover 2025," please visit the Company website. (https://www.td-holdings.co.jp/en/ir/ir-policy/pdf/e_long-term-vision.pdf)

[Status of Dialogue with Shareholders, etc.]
The Group discloses its "IR Policy" on the Company website, and it defines the purpose and basic stance of its IR activities.
(https://www.td-holdings.co.jp/ir/policy.php)
Opinions obtained through dialogue with major shareholders in Japan and abroad are reported to the Board of Directors and reflected in the Company's management strategy.
Please refer to "2. Status of IR Activities" in "III. Implementation of Measures for Shareholders and Other Stakeholders," for the status of dialogue with shareholders, etc. (details of IR briefings and individual meetings and number of meetings held).

2. Capital Structure

Ratio of shares held by foreigners	30% or more

[Status of Major Shareholders]

Name or designation	Shares held	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	90,066,800	17.18
Custody Bank of Japan, Ltd. (Trust Account)	31,935,620	6.09
STATE STREET BANK AND TRUST COMPANY 505001	19,089,588	3.64
GOLDMAN, SACHS & CO. REG	14,249,380	2.72
JPMorgan Securities Japan Co., Ltd.	10,425,239	1.99
STATE STREET BANK WEST CLIENT - TREATY 505234	9,348,806	1.78
JP MORGAN CHASE BANK 385632	7,708,211	1.47
JP MORGAN CHASE BANK 385781	7,680,477	1.46
STATE STREET BANK AND TRUST COMPANY 505103	7,255,759	1.38
AIG General Insurance Company, Ltd.	6,000,000	1.14

Are there any controlling shareholders (except for the parent company)?	———
Are there any parent companies?	None

Supplementary explanation

(Notes)
1. The Company owns treasury stock of 19,672 thousand shares but it is excluded from the list of major shareholders shown above. Ratio of ownership is calculated after deducting treasury stock.
2. The content of the Large Shareholding Report (Change Report), for which the number of shares owned could not be confirmed as of September 30, 2024, is as follows:
(1) A change report made available for public inspection dated April 19, 2023, states that JPMorgan Asset Management (Japan) Limited and its six joint holders held the shares shown below as of April 14, 2023. However, since the Company is unable to confirm the actual number of shares held by them as of September 30, 2024, these shares are not included in the above list of major shareholders except 10,425 thousand shares held by JPMorgan Securities Japan Co., Ltd., which can be confirmed in the shareholder registry as of that date.
Submitted by JPMorgan Asset Management (Japan) Limited (and six other joint holders)
Number of shares held: 26,260,000
Ratio of shares, etc. held: 4.46%

(2) A change report made available for public inspection dated September 18, 2024, states that Wellington Management Company LLP and its two joint holders held the shares shown below as of September 13, 2024. However, since the Company is unable to confirm the actual number of shares held by them as of September 30, 2024, these shares are not included in the above list of major shareholders.
Submitted by Wellington Management Company LLP (and two other joint holders)
Number of shares held: 28,908,000
Ratio of shares, etc. held: 5.31%

3. Corporate attributes

Share Exchange Listed on and Market Categories	Tokyo Stock Exchange, Prime Market
End of fiscal year	March
Industry	Insurance
Number of employees (consolidated) as of the end of the previous fiscal year	1,000 or more
Sales (consolidated) as of the end of the previous fiscal year	1 trillion yen or more
Number of consolidated subsidiaries as of the end of the previous fiscal year	10 or more but less than 50

4. Guidelines on Measures to Protect Minority Shareholders in Conducting Transactions, etc. with Controlling Shareholders

———

5. Other Special Circumstances That May Have a Material Impact on Corporate Governance

Nothing applicable.

II Status of Business Management Organization and Other Corporate Governance Systems Related to Management Decision-making, Execution, and Supervision

1. Matters pertaining to institutional structure, organizational management, etc.

Organizational form	Company with an Audit & Supervisory Committee

[Board of Directors]

Number of directors under the Articles of Incorporation	14
Term of office of directors under the Articles of Incorporation	One year
Chairperson of the board of directors	President
Number of directors	14
Appointment of Outside Directors	Appointed
Number of Outside Directors	Six
Number of Outside Directors designated as independent officers	Five

Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kensaku Watanabe	Attorney at law											
Masazumi Kato	Came from another company								Δ			
Kenji Fuma	Came from another company						Δ					
Shinnosuke Yamada	Certified public accountant											
Atsuko Taishido	Attorney at law											
Koji Nitto	Came from another company								Δ			

* Choices of relationship with the Company
* "○" if applicable to the subject person for "current or recent," or "Δ" if applicable to the subject person for the "past."
* "●" if applicable to kin of the subject person for "current or recent," or "▲" if applicable to kin of the subject person for the "past."

a A person who executes business of a listed company or its subsidiary
b A person who executes business or a director who does not execute business of a parent company of a listed company
c A person who executes business of a sister company of a listed company
d A person whose major client or supplier is a listed company or a person who executes business thereof
e A major client or supplier of a listed company or a person who executes business thereof
f A consultant, an accounting expert, or a legal expert who receives large amounts of cash or other assets in addition to director/auditor compensation from a listed company
g Major shareholder of a listed company (if the major shareholder is a legal person, a person who executes business of the legal person)
h A person who executes business of a client or supplier of a listed company (those who do not fall under any of d, e, or f) (only the subject person)
i A person who executes business of a company with mutual appointment of the outside officers (only the subject person)
j A person who executes business of an entity to which a listed company makes a donation (only the subject person)
k Others

Relationship with the Company (2)

Name	Audit & Supervisory Committee Members	Independent officer	Supplementary explanation of applicable items	Reasons for the appointment
Kensaku Watanabe		○	―――	Mr. Watanabe meets the independence criteria for Outside Directors prescribed by the Company and Tokyo Stock Exchange, Inc., and is without a potential conflict of interests with general shareholders. He has sophisticated expertise and extensive insight as an attorney at law specialized in corporate legal affairs. He can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general

				shareholders as an Outside Director.
Masazumi Kato		○	There are transactions related to investment trusts between Russell Investments Japan Co., Ltd. (“Russell”), for which Mr. Masazumi Kato previously served as the representative director, and our subsidiaries. However, the trust fees paid by our subsidiaries to Russell (annual) amount to less than 1% of Russell’s sales revenue (annual). Therefore, we have determined that there is no risk that Mr. Kato’s independence as an outside director of the Company will be affected.	Mr. Kato meets the independence criteria for Outside Directors prescribed by the Company and Tokyo Stock Exchange, Inc., and is without a potential conflict of interests with general shareholders. He has extensive knowledge and experience in corporate management, having served as a representative executive vice president of a bank and vice chairman of a foreign asset management company. He can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders as an Outside Director.
Kenji Fuma		○	There were transactions based on an advisory agreement between Neural Inc. (“Neural”), for which Mr. Kenji Fuma serves as CEO, and the Company. However, the fees paid by the Company to Neural amounted to less than 2 million yen (annual). Therefore, we have determined that there is no risk that Mr. Fuma’s independence as an outside director of the Company will be affected.	Mr. Fuma meets the independence criteria for Outside Directors prescribed by the Company and Tokyo Stock Exchange, Inc., and is without a potential conflict of interests with general shareholders. He has extensive knowledge and experience running a sustainability management and ESG investment advisory firm. He can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders as an Outside Director.
Shinnosuke Yamada	○	○	———	Mr. Yamada meets the independence criteria for Outside Directors prescribed by the Company and Tokyo Stock Exchange, Inc., and is without a potential conflict of interests with general shareholders. He has sophisticated expertise and extensive insight as a certified accountant. He can be expected to capitalize on this knowledge and experience to serve his role in making key decisions and auditing/supervising the execution of operations of directors other than the Audit & Supervisory Committee Members from a perspective of protecting general shareholders as an Outside Director.
Atsuko Taishido	○		The Outside Director Ms. Atsuko Taishido meets the criteria for independence set forth by Tokyo Stock Exchange, Inc. and is deemed not to pose a risk of conflict of interests with general shareholders. However, in accordance with the rules of Mori Hamada & Matsumoto, to which she belongs, she has not been registered as an independent director/auditor.	Ms. Taishido meets the independence criteria for Outside Directors prescribed by the Company and Tokyo Stock Exchange, Inc., and is without a potential conflict of interests with general shareholders. She has sophisticated expertise and extensive insight as an attorney at law specialized in corporate legal affairs. She can be expected to capitalize on this knowledge and experience to serve her role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders as an Outside Director.
Koji Nitto	○	○	There were transactions based on an advisory agreement between Mr. Kohji Nitto and the Company. However, the fees paid by the Company to Mr. Nitto amounted to less than 2 million yen. Therefore, we have determined that there is no risk that Mr. Nitto’s independence as an outside director of the Company will be affected.	Mr. Nitto meets the independence criteria for Outside Directors prescribed by the Company and Tokyo Stock Exchange, Inc., and is without a potential conflict of interests with general shareholders. He has extensive knowledge and experience, having been involved in corporate management as a Director, Executive Officer and Senior Managing CFO of a company that is listed on the Prime Exchange of the Tokyo Stock Exchange and is doing business globally. He can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions and auditing and supervising the performance of duties by directors who are not members of the Audit & Supervisory Committee from a perspective of protecting general shareholders as an Outside Director.

[Audit & Supervisory Committee]

Composition of the committee and attributes of chairperson

	Number of committee members	Number of full-time committee members	Number of Internal Directors	Number of Outside Directors	Chairperson
Audit & Supervisory Committee	5	2	2	3	Outside Director

Are there any Directors and employees who shall assist the duties of the Audit & Supervisory Committee?	Yes

Matters concerning the independence of such Directors and employees from Executive Directors

The Audit & Supervisory Committee Office is in place, and employees are assigned to it to assist the Audit & Supervisory Committee's work and to do the day-to-day running of the Audit & Supervisory Committee. Personnel matters such as merit rating and transfer, etc. of the employees of the Audit & Supervisory Committee Office shall require approval of the Audit & Supervisory Committee, to ensure their independence from Directors (excluding Directors who are Audit & Supervisory Committee Members).

Status of collaboration among the Audit & Supervisory Committee, the Accounting Auditors, and the Internal Audit Department Update

The Audit & Supervisory Committee holds meetings attended by the Accounting Auditors and the Internal Audit Department to share information on each audit plan and the status of audit implementation among the three parties. In addition, information exchange meetings with the Accounting Auditor are held as necessary for active mutual collaboration between the Audit & Supervisory Committee and the Accounting Auditors. The Internal Audit Department shall report at the Audit & Supervisory Committee on the results of internal audits, and implementation status and results of internal audits of the subsidiaries while working to realize close collaboration between the full-time Audit & Supervisory Committee Members and the Internal Audit Department by holding liaison meetings monthly, etc.
In FY2024, the Company held six meetings attended by the Accounting Auditors and the Internal Audit Department, and exchanged information with the Accounting Auditors nine times.

[Non-statutory Committee]

Are there any Non-statutory Committees equivalent to the Nomination Committee or the Compensation Committee?	Yes

Status of establishment of Non-statutory Committees, composition of the committee, and attributes of the chair of the committee (chairperson)

	Name of the committee	Number of committee members	Number of full-time committee members	Number of Internal Directors	Number of Outside Directors	Number of outside experts	Number of other members	Chair of the Committee (Chairperson)
Non-statutory Committee equivalent to the Nomination Committee	Nomination and Compensation Committee	5	0	1	4	0	0	Outside Director
Non-statutory Committee equivalent to the Compensation Committee	Nomination and Compensation Committee	5	0	1	4	0	0	Outside Director

Supplementary explanation Update

(Role of the Nomination and Compensation Committee)
The Nomination and Compensation Committee deliberates on the fairness and reasonableness of executive appointment or dismissal (including successor planning) and compensation, etc. of Directors of the Company and the Direct Subsidiaries before providing its opinion to the Board of Directors.

(Composition of the Nomination and Compensation Committee)
The Nomination and Compensation Committee consists of the President and Outside Directors, and the majority of the members are assigned from Outside Directors to strengthen independence, objectivity, and accountability. Furthermore, the chair of the Committee is chosen out of Outside Directors by mutual vote of the Committee's members.

(Involvement in appointment or dismissal of Representative Director and President and executive team)
The Nomination and Compensation Committee deliberates on the evaluation results of Representative Director and President and executive team members based on such factors as evaluations of the performance of the Company or the division that the member is in charge of.
It deliberates on the appointment or dismissal (reappointment or non-reappointment) of Representative Director and President and executive team members, confirming the executive's evaluation and appropriateness, and submitting the opinion to the Board of Directors.

(Involvement in successor planning for Representative Director and President)
With regard to matters concerning successor planning, the Committee deliberates on the plan's appropriateness and periodic reviews of candidates for successors, and submits an opinion to the Board of Directors.

(Number of meetings held and attendance status)
A total of 11 meetings were held in FY2024. The attendance of each committee member is as follows.
Name, classification, percentage of attended meetings, and attendance status
Kensaku Watanabe (Chairperson), Outside, 100.0% (11/11 meetings)
Atsuko Taishido, Outside, 90.1% (10/11 meetings)
Masazumi Kato, Outside, 100.0% (9/9 meetings)
Kenji Fuma, Outside, 88.8% (8/9 meetings)
Masahiko Moriyama, Internal, 100.0% (11/11 meetings)

(Specific content of discussion)
The main topics discussed by the Nomination and Compensation Committee in FY2024 were as follows:
Nomination, etc.

- Succession plan
  (President and outside officers of the Company and the Direct Subsidiaries)
- Composition of the Board of Directors of the Company (including the skill matrix)
- Amendment of the Rules of the Nomination and Compensation Committee
- Appointment, etc. of candidates for Directors who are not Audit & Supervisory Committee Members, Directors who are Audit & Supervisory Committee Members, and Directors who are substitute Audit & Supervisory Committee Members
- Selection of Outside Directors for the Nomination and Compensation Committee Members
- Selection of chair of the Nomination and Compensation Committee
- Appointment of candidates for Directors and Auditors of the Direct Subsidiaries
- Appointment of Executive Officers of the Company and the Direct Subsidiaries

Compensation, etc.
- Review of executive compensation system
- Continuation of trust-type stock compensation system
- Individual evaluation and decision on individual compensation for Directors and Executive Officers who are not members of the Audit & Supervisory Committee
- Evaluation results of Representative Directors of the Direct Subsidiaries

[Independent Officers]

Number of Independent Officers	5

Other matters related to the Independent Officers

The Company's Outside Directors meet the independence criteria prescribed by the Company and Tokyo Stock Exchange, Inc., and five Outside Directors are designated as Independent Officers.
Outside Director Ms. Atsuko Taishido meets the independence criteria set forth by Tokyo Stock Exchange, Inc. and is deemed not to pose a risk of conflict of interests with general shareholders. However, in accordance with the rules of Mori Hamada & Matsumoto, to which she belongs, she has not been registered as an Independent Officer. She meets the independence criteria prescribed by the Company.
In addition, one of the six Outside Directors is a woman.

The independence criteria prescribed by the Company are as follows.
(Independence Criteria for the Outside Directors)
1. The candidate is not currently, nor has been in the past 10 years, a person who executes the business of the Company or its subsidiaries.
2. The candidate is not currently, nor has recently been, a person/entity for which the Company is a major client or a person who executes business for such person/entity, nor a major client of the Company or a person who executes business for such client.
3. The candidate is not currently, nor has recently been, a consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to compensation for director/auditor from the Company.
4. The candidate is not currently, nor has recently been, a relative of a person who executes the business of the Company or its subsidiaries, or a relative of persons described in 2 or 3 above.
5. In addition to the above, there must be no doubt about the independence of the candidate in terms of fulfilling his or her duties as an independent Outside Director.

[Incentives]

Implementation status of incentive policies for Directors	Introduction of performance-linked compensation system and others

Supplementary explanation of applicable items

The Company's executive compensation system lays down compensation systems and compensation amounts that function as sound incentives, towards enhancing the Group business performance and increasing corporate value over the medium to long term.
Further details are provided in "Compensation of Directors" (disclosure content on the policy on determining the compensation amount or calculation methods).

Grantees of Stock Options	

Supplementary explanation of applicable items

———

[Compensation of Directors]

Disclosure Status (compensation of each Director)	Individual compensation is not disclosed.

Supplementary explanation of applicable items

The annual securities report and business report are posted on the Company website for public inspection.

Is there a policy on determining the compensation amount or calculation methods?	Yes

Disclosure content on the policy on determining the compensation amount or calculation methods

1. Details of the Executive Compensation System
(1) Policy on determining compensation
In Article 15 of the Company's Basic Policy on Corporate Governance, a policy on determining executive compensation is defined as follows:
Article 15
The policies on determining the amount of compensation for the Company's directors and Audit & Supervisory Committee Members and the method of calculating the amount shall be as follows:

(i) The executive compensation system lays down compensation systems and compensation amounts that function as sound incentives, towards enhancing the Group business performance and increasing corporate value over the medium to long term.
(ii) The executive compensation system comprises monthly compensation, bonuses, and trust-type stock compensation which delivers shares of the Company and utilizes a trust mechanism (excluding non-residents in Japan). For the compensation etc. of Directors who are not Audit & Supervisory Committee Members, the Board of Directors sets an appropriate payment ratio for each type of compensation, etc., and the amount, etc. of compensation according to the responsibilities of each position.
(iii) Monthly compensation is paid monthly and bonuses are paid annually by monetary payments. Trust-type stock compensation shall be awarded in the form of stock of the Company and monetary payments based on accumulated points at retirement. In cases where it is judged that any Director has conducted any wrongdoings stipulated by the Company (serious delinquency, illegal conduct, data breach, etc.) before the date that the stock ownership rights is fixed, delivery and payment of stock and cash shall not be realized. In addition, in cases where any wrongdoings were found after the date that the stock ownership rights is fixed, the Company may request for compensation in the amount of the calculated number of stock and the calculated stock price multiplied.

(2) Compensation for Directors who are not Audit & Supervisory Committee Members (excluding part-time Directors which include Outside Directors) shall be as follows:
(i) Comprises monthly compensation, bonuses, and trust-type stock compensation which delivers shares of the Company and utilizes a trust mechanism (excluding non-residents in Japan), in which monthly compensation and bonuses vary with performance, etc.
(ii) Monthly compensation and bonuses of each Director are within the scope of the amounts stipulated by a resolution of the shareholders meeting. The amounts calculated from the compensation table determined by the Board of Directors and individual evaluations of each officer are discussed by the Nomination and Compensation Committee before the opinion is reported to the Board of Directors, and will be determined by the Board considering the opinion.
The trust-type stock compensation shall be awarded annually, in principle, as points in accordance with their position within the scope of the amounts stipulated by a resolution of the shareholders meeting.
(iii) Individual evaluations of officers are conducted in accordance with the evaluation criteria decided by the Board of Directors and based on the Company performance assessment and an evaluation of the division the officer is in charge of, and shall be discussed by the Nomination and Compensation Committee before the opinion is reported to the Board of Directors, which shall make a decision considering the opinion.
(iv) Multiple performance indicators, etc. established and based on medium to long term management strategies are used for the assessment of the Company's performance in the preceding item. For performance indicators, etc., a coefficient according to the achievement rate for each item is multiplied to yield a score.
(v) A score for the division an individual officer is in charge of, in item (iii), is calculated based on how much progress has been made in achieving divisional targets.
(vi) A weighted average is used for the evaluation weightings for both the Company performance assessment and the evaluation of the division each officer is in charge of, based on the responsibilities of each role. Note that the Representative Director's evaluation weighting for the Company performance assessment is 100%.

(3) Compensation for the part-time Directors including Outside Directors who are not Audit & Supervisory Committee Members shall be as follows:
(i) Comprises monthly compensation (fixed) only.
(ii) The monthly compensation for each individual shall be determined by the Board of Directors according to the calculation using the compensation table determined by the Board, which is within the scope of the amounts stipulated by a resolution of the shareholders meeting.

(4) Compensation, etc. for the Directors who are Audit & Supervisory Committee Members is as follows:
(i) Comprises monthly compensation (fixed) only.
(ii) Monthly compensation of each individual shall be determined by discussions of Directors who are also Audit & Supervisory Committee Members within the scope stipulated by a resolution of the shareholders meeting.

(2) Composition of the Compensation
The Company lays down compensation systems and compensation amounts, etc. that function as sound incentives, towards enhancing Group business performance and increasing corporate value over the medium to long term. Compensation, etc. to Directors (excluding part-time Directors which include Outside Directors and Directors who are Audit & Supervisory Committee Members) comprises monthly compensation and bonuses which differ according to their roles and business performance, as well as trust-type stock compensation (excluding non-residents in Japan) in the form of issuing shares of the Company or such like using the trust mechanism.
The Company regards company performance-linked compensation as not suitable for part-time Directors including Outside Directors and Directors who are Audit & Supervisory Committee Members who are independent of operational functions, etc. Therefore, a fixed amount of monthly compensation is paid.

<Monthly compensation and bonus>
Monthly compensation and bonuses are within the scope stipulated by a resolution of the shareholders meeting. Figures are calculated based on the compensation table determined by the Board of Directors and individual evaluations of each officer, are discussed by the Nomination and Compensation Committee before the opinion is reported to the Board of Directors, and will be determined by the Board of Directors considering the opinion.

<Trust-type stock compensation>
Trust-type stock compensation for Directors (excluding part-time Directors (includes Outside Directors), Directors who are Audit & Supervisory Committee Members, and Directors residing outside of Japan) is calculated based on the table determined by the Board of Directors and awarded annually, in principle, as points in accordance with their position. This compensation will be provided in the form of stock of the Company and monetary payments based on accumulated points when a Company officer retires. Malus and clawback provisions* have been established for this system.
*Malus and clawback provisions
The trust-type stock compensation system stipulates that, in cases where it is judged that any director has conducted any wrongdoings stipulated by the Company (serious delinquency, illegal conduct, data breach, etc.) before the date that the stock ownership rights is fixed, delivery and payment of stock and cash shall not be realized. In addition, in cases where any wrongdoings were found after the date that the stock ownership rights is fixed, the Company may request for compensation in the amount of the calculated number of stock and the calculated stock price multiplied.

(3) Individual evaluation by officer
Individual evaluations of officers are based on an assessment of the Company's performance and an evaluation of the division the officer is in charge of, in accordance with the evaluation criteria decided on by the Board of Directors. Evaluations are discussed by the Nomination and Compensation Committee, and the opinion is reported to the Board of Directors before being finalized by the Board considering the opinion.

<Assessment of company performance>
○ To clarify the assessment according to how much progress has been made in achieving company targets, total shareholder return (TSR) is used as a benchmark to assess the Company's performance, alongside a number of other performance indicators (financial/non-financial) stipulated based on the mid-

to long-term management strategy.
○ For performance indicators, etc., a coefficient according to the achievement rate for each item is multiplied to yield a score.
○ TSR (*) is calculated, taking into account factors such as the deviation rate between the actual result and the listed life insurance company as the benchmark.
*Total Shareholder Return (TSR)
<Evaluation of the division in charge>
○ A score for the division an individual officer is in charge of is calculated based on how much progress has been made in achieving divisional targets.
A weighted average is used for the evaluation weightings for both the Company performance assessment and the evaluation of the division each officer is in charge of, based on criteria set by the Board of Directors according to the responsibilities of each role. Note that the Representative Director's evaluation weighting for the Company performance assessment is 100%.

(4) Key performance indicators of Company performance (performance-linked Indicators)
Key performance indicators of Company performance are as follows:

• For finance performance indicators, we evaluate the single fiscal year target achievement ratio and progress toward achieving the target in FY2025 based on the Group's long-term vision established in FY2021.

(i) Single fiscal year evaluation items

- The single fiscal year target achievement ratio was evaluated regarding the achievement of the target in FY2025.

Target in FY2025

Group adjusted profit	130.0 billion yen
Value of new business	200.0 billion yen

	Single-year target	Actual	Achievement ratio
Group adjusted profit	99.5 billion yen	103.5 billion yen	104.0%
Value of new business	173.9 billion yen	161.7 billion yen	93.0%

(ii) Medium- and long-term evaluation items

- These items were evaluated based on progress as an evaluation criterion for the achievement of the target in FY2025.

	Target in FY2025
Revised ROE	8.0%
ROEV	7.5%

- Actual revised ROE is 8.6%.
- Actual ROEV is 16.8%.

(iii) Market evaluation items

Evaluation criteria, etc.

Total Shareholder Return • TSR (*) is calculated, taking into account factors such as the deviation rate between the actual result and the listed life insurance company as the benchmark.
*Total Shareholder Return (TSR)

• Actual TSR performance is 247.0% over five years.

Note: TSR is calculated as follows:

- Five years: (share price on March 31, 2024 + cumulative total of dividends per share from FY2019 to FY2023) / share price on March 31, 2019

(iv) ESG evaluation items

- In addition to the above financial performance indicators, the following non-financial performance indicators were evaluated.
  Evaluation criteria, etc.: The evaluation criteria are set with reference to the levels of the items in the previous fiscal year, and their fulfillment status is evaluated.
  Customer satisfaction level
  Employee engagement score
  Reduction of CO2 emissions
- The results for customer satisfaction level and employee engagement scores have met or exceeded the levels of the previous fiscal year, meeting the evaluation criteria.
- CO2 emissions have been reduced by 10.0% compared with the level of the previous fiscal year, meeting the evaluation criteria.

(5) Payment ratios by type of compensation
In terms of the compensation structure for the Directors of the Company, ratios to performance-linked compensation (monthly compensation and bonuses) and trust-type stock compensation are specified so the system can function as a sound incentive geared towards boosting the Group's medium-to long-term earnings and enhancing corporate value. Monthly compensation, which is performance-linked, shall range between approximately 57% and 74% of the total compensation (commensurate with the duties of each position), while bonuses shall range between approximately 14% and 21%, and trust-type stock compensation shall range between approximately 10% and 22%. For monthly compensation, the ratio fluctuates either negatively or positively by roughly 5% on the basis of a standard assessment according to an individual officer evaluation. For bonuses, the ratio fluctuates either negatively or positively by roughly 40% on the basis of a standard assessment according to an individual officer evaluation.

2. Process for determining compensation
(1) Establishing the Nomination and Compensation Committee
In January 2015, the Company established a non-statutory Nomination and Compensation Committee as an advisory body to the Board of Directors for deliberations on the fairness and reasonableness of executive appointment or dismissal (including planning of successors) and compensation, etc. to ensure the transparency of management and enhance accountability. The Nomination and Compensation Committee consists of the President and Outside Directors, and the majority of the members are assigned from Outside Directors to strengthen independence, objectivity, and accountability. Furthermore, the chair of the Committee is chosen out of Outside Directors by mutual vote of the Committee's members.

(2) Involvement of the Nomination and Compensation Committee and the Board of Directors
The Nomination and Compensation Committee deliberates on items regarding important decisions or changes relating to officers' treatment at the Company or Direct Subsidiaries and offers its opinions to the Board of Directors. Monthly compensation and bonuses for Directors (excluding part-time Directors, which include Outside Directors and Directors who are Audit & Supervisory Committee Members) and individual evaluations for each Director are deliberated on by the Nomination and Compensation Committee, reported to the Board of Directors, and resolved by the Board of Directors.

(3) Resolution of the General Meeting of Shareholders
The compensation limit stipulated at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020 is 450 million yen per annum for Directors who are not Audit & Supervisory Committee Members, of which 40 million yen per annum is for Outside Directors. (There were nine Directors who were not Audit & Supervisory Committee Members immediately after the conclusion of the shareholders meeting (two of those were Outside Directors.)) The total bonus amount within this figure is decided as an annual figure by the Board of Directors. Aside from the above compensation limit for Directors who are not Audit & Supervisory Committee Members, the upper limit of the trust money to be contributed to the trust relating to trust-type stock compensation resolved at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020 is 500 million yen for every three consecutive fiscal years. The upper limit of the number of points to be awarded to Directors per fiscal year will be 215,000 (1 point = 1 share of the Company). (There were four Directors who were not Audit & Supervisory Committee Members eligible for trust-type stock compensation immediately after the conclusion of the shareholders meeting.)

The compensation limit resolved at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020 is 150 million yen per annum for Directors who are Audit & Supervisory Committee Members. (There were five Directors who were Audit & Supervisory Committee Members immediately after the conclusion of the shareholders meeting (three of those were Outside Directors.)) Compensation within this limit is determined by discussions with Directors who are Audit & Supervisory Committee Members.

[Support System for the Outside Directors]

- The Human Resources & General Affairs Department communicates information, and makes advance distribution and explanations, etc. of materials of the Board of Directors Meetings to the Outside Directors who are not Audit & Supervisory Committee Members.
- Full-time members of the Audit & Supervisory Committee, the Audit & Supervisory Committee Office, and the Human Resources & General Affairs Department communicate information, and provide/explain materials of the Board of Directors Meetings to the Outside Directors who are Audit & Supervisory Committee Members.
- Views of the Outside Directors are exchanged with the Representative Directors as well as the Accounting Auditors, and Directors, etc. of major subsidiaries.

[Status of persons who have retired as Representative Director and President, etc.]

Names, etc. of consultants, advisors, etc., who are Former Representative Directors and Presidents, etc.

Name	Title and position	Details of the job	Working style and conditions (Full-time/part-time, with/without compensation, etc.)	Date of Retirement from post of President, etc.	Term of office
————	————	————	————	————	————

Total number of consultants, advisors, etc., who are Former Representative Directors and Presidents, etc.	0

Other matters

- The Company has an advisory system with a former Chairperson and President of the Company, but no such person is currently eligible.
- An overview of the Company's advisory system is as follows:
  Business description: Conduct business with parties outside the Company, etc. such as public interest duties and social contribution activities (no management operation involved)
  Working style and conditions: Part-time, with compensation
  Term of office: 1 year (no reappointment)
  Appointment: Determined by the Board of Directors according to the deliberations and recommendations of the Nomination and Compensation Committee

2. Matters Pertaining to Functions such as Business Execution, Audit and Supervision, Nomination, and Compensation Determination, etc. (Overview of the Current Corporate Governance System) Update

1. Corporate Governance System

(1) Board of Directors

- In the Company, the Board of Directors makes decisions on important business matters and oversees the execution of business in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules.

The Board of Directors Meetings were held 19 times in FY2024. Attendance at the Board of Directors meetings is disclosed on the Company website.
(https://www.td-holdings.co.jp/company/governance/)

Moreover, the Company has introduced an executive officer system for the purpose of bolstering its business execution capabilities. By sharply delineating responsibilities for oversight and execution, the Company strengthens the governance function of the Board of Directors.

[Outside Directors]

- The Company appoints at least one-third of Directors as Outside Directors to ensure that the opinions of outside corporate managers, legal experts, accounting experts, and others with extensive experience and insight are appropriately reflected in the Group's management policies, the establishment of internal controls, and the supervision of business execution. Our Outside Directors can be expected to capitalize on their knowledge and experience to serve their roles in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.
- The Company concluded an agreement with the Outside Directors, which limits the liability prescribed in Article 423, Paragraph 1 of the Japanese Companies Act, and the liability based on the contract is the greater of either 10 million yen or the minimum amount set forth in laws and regulations.

(2) The Executive Management Board and the Group Strategy Board

- The Company has put in place an Executive Management Board as a body to discuss and resolve important matters concerning the business of the Company and the management of businesses of the Group. Along with this body is a Group Strategy Board which was established by the Company as a body to deliberate matters concerning the Group's growth strategies, etc. and related important matters from a Group-wide perspective to sustainably enhance the corporate value of the Group.
  The Executive Management Board Meetings were held 48 times and the Group Strategy Board Meetings were held 14 times in FY2024.

(3) Committees (number of meetings held in FY2024)

○ Nomination and Compensation Committee (11 times)
Established as an advisory body to the Board of Directors for deliberation on the fairness and reasonableness of executive appointment or dismissal (including planning of successors), and compensation, etc. of Directors to ensure the transparency of management and enhancing accountability.

○ Group Compliance Committee (four times)
Established as a subordinate organ of the Board of Directors to strengthen the Group's compliance preparedness.

○ Group Sustainability Promotion Committee (four times)
Established as a subordinate organ of the Board of Directors to promote the realization of an insurance group that achieves sustainable growth and shares value with society by deliberating on sustainability and CSR-related initiatives as well as by streamlining and strengthening the sustainability and CSR initiatives of each Group company.

○ Group ERM Committee (16 times)
Established as a subordinate organ of the Board of Directors to promote stable and sustainable growth of the Group's corporate value through the promotion and enhancement of Enterprise Risk Management (ERM), which comprehensively manages the Group's capital, earnings, and risk on an economic value basis.

○ Group Risk Management Committee (17 times)
Established as a subordinate organ of the Executive Management Board to manage risks comprehensively in the Group and ensure thorough risk management.

○ Group Management Promotion Committee (10 times)Established as a subordinate organ of the Group Strategy Board for the purpose of formulating the Group's management plan etc., deliberating and examining the Group's management issues etc., as well as promoting integrated Group management, to increase the Group's corporate value.

○ Group Human Capital Improvement Committee (four times)
Established as a subordinate organ of the Group Strategy Board to formulate and promote group human resource strategies, as well as deliberate and consider Group-wide matters related to improving human capital

○ Group DX Promotion Committee (six times)
Established as a subordinate organ of the Group Strategy Board to promote DX in the Group and address cross-group issues related to DX and IT.

2. Audit, etc.

(1) Audit by the Audit & Supervisory Committee

○ Audit & Supervisory Committee

- In addition to the audit function, the Committee has the right to state opinions at the General Meeting of Shareholders regarding the appointment and dismissal of Directors who are not Audit & Supervisory Committee Members and compensation, etc., and in addition, Directors who are Audit & Supervisory Committee Members have the right to vote at the Board of Directors, thereby having the function of supervising Directors.

○ Audit by the Audit & Supervisory Committee

- The Audit & Supervisory Committee conducts audits to verify the Company's internal control system by exchanging opinions with the Accounting Auditors, and browsing and investigating important documents in accordance with its audit plan. In addition, the Audit & Supervisory Committee Members attend important meetings in the Company including the Board of Directors Meetings to audit and supervise the execution of duties of the Directors.

- The Audit & Supervisory Committee Meetings were held 17 times in FY2024. Attendance at Audit & Supervisory Committee Meetings is disclosed on the Company website.

(https://www.td-holdings.co.jp/company/governance/)

(2) Internal Auditing

[Internal Audit System of the Company]

- The Company has determined a basic policy to ensure the effectiveness of the Group internal audit system in the Group Basic Policy on Internal Audits prescribed by the Board of Directors. Based on this, the Company has established an Internal Audit Department that is independent of other business execution divisions.
- The Internal Audit Department strives to conduct risk-based internal audits according to the risk profile based on the scale and characteristics of the operations, in accordance with the internal audit plan resolved by the Board of Directors with the consent of the Audit & Supervisory Committee. In addition, in conducting internal audits, the Department evaluates the appropriateness and effectiveness of the internal management structure of each business execution division and theme in order to effectively achieve management objectives, and based on this, expresses objective opinions and provides advice and recommendations. Furthermore, the Department works to strengthen the internal audit system of the entire Group by monitoring the status of internal audits of Direct Subsidiaries to confirm the appropriateness and effectiveness of the internal control system of the Group as a whole, and by providing guidance and advice to Direct Subsidiaries as necessary.
- The Department reports the results of internal audits and monitoring to the Representative Director and President, the Audit & Supervisory Committee, and the Board of Directors on a monthly basis. The Internal Audit Department maintains a reporting line that reports directly to and receives instructions from the Audit & Supervisory Committee. In addition, the Department regularly exchanges opinions with the Accounting Auditor to share information related to internal audit plans and audit results.

[Outline of the Group's Internal Audit System, Audit Quality, and Activities]

- The Direct Subsidiaries also have established an Internal Audit Department that is independent of other business execution divisions. As of the end of FY2024, the Internal Audit Department consisted of a total of 65 personnel within the Group, including those of the Company, with various professional qualifications, including Certified Internal Auditor (CIA), Certified Information System Auditor (CISA), Certified Fraud Examiner (CFE), and Financial Internal Auditor.
- In accordance with international standards set by the Institute of Internal Auditors (IIA), we undergo an external evaluation of the quality of our internal audits at least once every five years. In FY2023, the Company and four life and non-life insurance companies (Taiyo Life, Daido Life, T&D Financial Life, and Pet & Family Insurance) underwent the external evaluation and received a "Generally Conforms (GC)" rating in relation to international standards.
- Each year, the Company specifies key issues common to the Group, and the Direct Subsidiaries formulate internal audit plans based on these issues and conduct thematic audits and other audits to verify the progress of management strategies. For audit themes common to the Group, audits are conducted jointly by the Group for integrated verification.
- In addition, regular meetings attended by the internal audit departments of the Company and the Direct Subsidiaries are held quarterly to share the status of efforts to enhance the Group's internal audits and the advice and recommendations given by each internal audit department, thereby enhancing the effectiveness of the Group's internal audits.

(3) Accounting Audit

- The Company has appointed Ernst & Young ShinNihon LLC as its Accounting Auditor. There is no special interest between the Company and the auditing firm or any of its executive employees of the auditing firm engaged in auditing our company. The names of the certified public accountants who performed services during the fiscal year ended March 2024 and the composition of the assistants involved in auditing services are as follows.

Names of the certified public accountants who executed the auditing
Kenji Usukura, Norio Hashiba, and Yohei Kondo
Composition of assistants involved in auditing work
13 certified public accountants, 10 assistants who have passed the certified public accountant examination, and 26 others
*Others include IT and actuarial professionals, etc.

3. Reasons for Adopting the Current Corporate Governance System

- As a company with an Audit & Supervisory Committee, the Company has adopted a corporate governance system that focuses on the auditing and supervision of the performance of directors by the Audit & Supervisory Committee, which is independent of the Board of Directors, in order to further strengthen the management function (determining management policies and overall strategies) and the supervisory function of the Board of Directors, as well as to further improve the agility and efficiency of business execution.

III Status of Implementation of Measures for Shareholders and Other Stakeholders

1. Status of Efforts to Revitalize the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

	Supplementary explanation
Early dispatch of the notice of convocation of the general meeting of shareholders	• In connection with the 20th Ordinary General Meeting of Shareholders, we began providing materials for the meeting electronically on the Company website and the Tokyo Stock Exchange website on Monday, May 20, more than five weeks prior to the date of the meeting, and sent out a notice of convocation on Tuesday, June 4, more than three weeks prior to the date of the meeting.
Setting of general meeting of shareholders avoiding crowded day	• The 20th Ordinary General Meeting of Shareholders was held one day before the day when many other companies held their meetings.
Exercise of voting rights by electromagnetic means	• Since June 2005, the Company introduced the exercise of voting rights by electromagnetic means.
Participation in platform for the electronic exercise of voting rights and other initiatives to improve the voting environment for institutional investors	• Since June 2006, the Company introduced the platform for the electronic exercise of voting rights for institutional investors to exercise their voting rights.
Provision of notice of convocation (summary) in English	• An English version (complete translation) of the notice of convocation is available.
Others	• In connection with the 20th Ordinary General Meeting of Shareholders, a virtual general meeting of shareholders (participatory style) was held. • Prior questions were accepted on the Company website.

2. Status of IR Activities Update

	Supplementary explanation	Explanation by the representative himself
Preparation and publication of disclosure policy	The Company has established "Disclosure Rules," which set forth the purpose, basic policy, system, and activities for disclosure, and based on these rules, the Company has formulated a "Disclosure Policy," which is disclosed on our website. We have also established an "IR Policy," which defines our basic stance and information to be disclosed concerning IR activities, and disclose it on our website.	
Regular briefings are held for individual investors.	Briefings for individual investors are held through securities companies, etc.	Yes
Regular briefings are held for analysts and institutional investors.	IR briefings are held multiple times by President, officers in charge, and others after the disclosure of the fiscal year-end and second quarter financial results. In addition, conference calls are held four times a year after each quarterly financial disclosure. In addition, individual interviews were regularly conducted with analysts and	Yes

	institutional investors by President, officers in charge, and others at a total of 386 companies (including overseas investors) in FY2024.	
Regular briefings are held for overseas investors.	Individual interviews with overseas investors are regularly conducted by President, officers in charge, and others. They also attend conferences hosted by securities companies.	Yes
Posting of IR materials on website	Timely disclosure materials such as financial results summaries, annual securities report, Integrated Reports, and materials from financial results conference calls and IR briefings are available on our website.	
Appointment of a division (person) in charge of IR	The IR Section has been established exclusively for Investor Relations.	
Others	We disclose information in English, ensuring that there are no significant discrepancies with information disclosed in Japanese. Information including financial results and timely disclosures, as well as materials from financial results conference calls and IR briefings are disclosed in English as close to the timing of the release of the Japanese version as possible.	

3. Status of Initiatives Pertaining to Respect for Stakeholders

	Supplementary explanation
Respect for stakeholder position is stipulated in the internal rules, etc.	• We have established "the T&D Insurance Group CSR Charter" to provide appropriate information on our products and services, disclose corporate information in a timely and appropriate manner, and actively engage in dialogue, not only with our customers and shareholders but also with society at large.
Implementation of environmental preservation and CSR activities, etc.	• In order to clarify the Group's stance on sustainability and CSR, we have established "the T&D Insurance Group CSR Charter," which aims to achieve sustainable growth together with society and fulfill our public mission in the life insurance industry and corporate social responsibility through "providing better products and services," "strict compliance," "respect for human rights," "communication," "contributions to communities and society," "global environment protection," and "establishment and implementation of effective governance." In addition, we have established "the T&D Insurance Group ESG Investment Policy," "the T&D Insurance Group Human Rights Policy," and "the T&D Insurance Group Environmental Policy" to invest in our corporate activities with due consideration to ESG (Environment, Society, and Corporate Governance), and to conduct our business activities with full awareness of the importance of human rights and environmental issues. • The Group also creates "Sustainability Report," which summarizes the Group's sustainability and CSR activities, and posts it on the Company website. • To further enhance these activities, a Group Sustainability Promotion Committee has been established to work together as a group to promote sustainability and CSR.
Formulation of policy, etc. on provision of information to stakeholders	• The Company has established "Disclosure Rules" to maintain and improve trust from society including shareholders, investors, policyholders, and other stakeholders through accurate and proactive disclosure. Additionally, we have established "the T&D Insurance Group Compliance Code of Conduct" to properly disclose and explain the products and services we provide and the Group's management information.
Others	• The Company prepares disclosure materials and discloses them on the Company website. Additionally, the Three Life Insurance Companies and anon-life insurance company also prepare disclosure materials and disclose them on their websites.
	Group Basic Personnel Policy • The Group considers that "human resources that work together are the most valued and greatest driving force for its business activities to realize the Group's corporate philosophy of "Through the creation of value with our 'Try & Discover' motto, we aim to be a group that contributes to all people and societies,"" and has established "the Group Basic Personnel Policy" to identify a universal and ideal way to treat "human resources" of the Group, which is not affected by changes in the environment.

IV Matters Related to the Internal Control System, etc.

1. Basic Views Related to the Internal Control System and their Development Status

The Company has built up the following structure for preparing a system to ensure the properness of business operations (internal control system) in accordance with the Japanese Companies Act and the Group management philosophy, etc. The aim is to achieve the Group's sustainable growth and enhance corporate value over the medium- and long-term perspective to provide adequate policyholder protection as the basis of the insurance business, by ensuring sound management and compliance preparedness across the Group.

1. Internal Controls within the Group

(1) The Group clarifies the following matters by entering into business management agreements with its Directly Managed Subsidiaries with a view to establish a structure to ensure the adequacy of operations within the Group:

(i) Basic policy applicable across the Group
(ii) Subsidiaries' matters to be decided that require prior approval of the Company
(iii) Matters to be reported to the Company by subsidiaries
(iv) Guidance, advice, and instruction to be provided to subsidiaries by the Company
(v) Implementation of internal audits at each subsidiary by the Company

(2) "Subsidiaries' matters to be decided that require prior approval of the Company" above include important matters that impact the operation of the Group, such as the agenda at shareholders meetings, management plans, important accounting strategies, as well as important matters as part of the business management of other Group companies by one of the Company's Direct Subsidiaries.

2. Structures for compliance with laws and regulations, etc.

(1) Basic policy and reference regarding compliance with laws and regulations, etc. of the Group are to be established and made fully known to Directors, Audit & Supervisory Board Members, Executive Officers and employees of the Group in an effort to promote compliance.

(2) Directors and Executive Officers must fulfill their duties faithfully for the Company, according to the above basic policy and reference regarding compliance with laws and regulations, etc., and with the care of a good manager.

(3) A Group-wide committee subordinate to the Board of Directors is to be established, with the purpose of monitoring and enhancing compliance preparedness across the Group.

(4) Determination and preparedness to exclude anti-social forces must be resolutely declared, along with the formulation of practical procedures for this purpose, which shall be thoroughly followed through by Directors, Audit & Supervisory Board Members, Executive Officers and employees of the Group.

(5) A whistle-blowing procedure available to Directors, Audit & Supervisory Board Members, Executive Officers and employees, etc. of the Group is to be developed and thoroughly communicated. In the procedure, an entity is arranged outside the Group that receives information from whistle-blowers under a confidentiality obligation, while general rules to prohibit disadvantageous treatment of whistle-blowers are introduced, to create an effective system for preventing, or identifying, any breach of compliance and any acts that are liable to damage the credibility or reputation of the Group immediately.

(6) Rules are to be established to develop methods to adequately and promptly deal with the situation in the event of misconduct by employees, as well as methods to prescribe preventative measures.

3. Structures for ensuring efficiency

(1) Rules regarding the organization and administrative authority are to be established, in order to clarify the purposes and functions of the meeting bodies and matters concerning basic job duties, responsibilities and authority, related to the execution of duties by Directors and Executive Officers, etc., for flexible and efficient running of the organization.

(2) With a view to enhance corporate governance structure, the Executive Officer System is in place to clarify the responsibilities of supervision and business execution. At the same time, the Group Strategy Board is in place to deliberate important matters concerning the Group's growth strategies, etc., and the Executive Management Board is in place to discuss and resolve important matters concerning the management of businesses of the Group.

(3) Rules are in place to facilitate the proper control of the Group management plans, and to serve as the basis for the development of the Group's long-term vision and single fiscal year plans, etc. at the Board of Directors level.

4. Structures for information retention and management

(1) Information relating to the execution of duties by Directors and Executive Officers must be kept and managed properly according to the record management rules that specify the responsible department and storage period for each piece of information.

(2) Guidelines on the proper management of the Group's information assets are to be clearly established by rules including the Group's policy on information security, to develop the framework that protects information assets from leakage, wrongful alteration, or damage, etc. due to accidents, mechanical failure, natural disasters and fire.

5. Structures for Enterprise Risk Management (ERM)

(1) In order to increase profitability in a steady manner, while grasping the risk status of the Group and ensuring sound management, the Company shall develop an ERM system for the integrated management of capital, profit, and risk.

(2) A committee is to be established to promote the Group's ERM, in order to appropriately manage the status of capital, profit, and risk of the Group as a whole based on the "Group Risk Appetite" that sets standards for soundness and profitability.

(3) The Company defines basic approach to the Group's risk management, and establishes the Group-wide risk management structure to ensure sound and appropriate management for the future.

(4) The committee is to be established with the authority to coordinate risk across the Group, which grasps and manages the status of various risks at each Group company through the Group-wide risk monitoring based on the consolidated risk management criteria.

(5) A basic policy and other primary framework to cope with a crisis in the Group are to be established, in an effort to develop Group-wide crisis preparedness.

6. Internal controls of financial reporting

(1) In order for the concerned parties both inside and outside the Group to appreciate its performance and activities, by fully recognizing that financial reporting provides critically important information and that ensuring the credibility of financial reporting is vital to maintain and enhance the public trust in the Group, internal controls of financial reporting will be developed and operated in appropriate manner.

7. Internal audit structure

(1) In order to ensure effectiveness of internal audits across the Group, basic matters relating to internal audits shall be prescribed under the Group's basic policy on internal auditing and internal audit rules, while independence of the Internal Audit Department from other operational functions shall be ensured, and internal audits shall be carried out appropriately according to the internal audit plan.

(2) The appropriateness and validity of the Group's internal control system shall be tested and evaluated through internal audits, and improvements thereof shall be facilitated to ensure appropriateness of operations.

8. Structures for ensuring the effectiveness of the Audit & Supervisory Committee's audits

[Structures for ensuring independence of the employees of the Audit & Supervisory Committee Office]

(1) The Audit & Supervisory Committee Office is in place and employees are placed there to assist the Audit & Supervisory Committee's work and to do the day-to-day running of the Audit & Supervisory Committee. Personnel matters such as merit rating and transfer, etc. of the employees of the Audit & Supervisory Committee Office shall require approval of the Audit & Supervisory Committee, to ensure their independence from Directors (excluding Directors who are Audit & Supervisory Committee Members. The same applies hereinafter.).

(2) Command authority over the employees shall belong to Audit & Supervisory Committee Members, and the authority for access to the information required in the work to be done under the instruction of Audit & Supervisory Committee Members shall be prescribed under the relevant internal rules.

(3) Directors and Executive Officers shall comply with the requests from Audit & Supervisory Committee Members or the Audit & Supervisory Committee on staffing of the Audit & Supervisory Committee Office and related issues.

[Structures for the reporting to the Audit & Supervisory Committee]

(1) Directors and Executive Officers shall report to the Audit & Supervisory Committee on the status of their business execution through key meetings including those of the Board of Directors and Executive Management Board.

(2) Directors, Executive Officers and employees shall provide prompt explanations, in conjunction with a review of significant decisions and reports of the Company by Audit & Supervisory Committee Members, if such explanation is found necessary or requested by Audit & Supervisory Committee Members.

(3) Directors, Executive Officers and employees shall report promptly to the Audit & Supervisory Committee on facts that could cause serious damage to the Company, wrongful conduct of Directors and Executive Officers in the execution of their duties, significant facts in breach of laws and regulations and the Articles of Incorporation, reports on the status of internal audits, facts reported via the whistle-blowing procedure, matters required for the purpose of the Audit & Supervisory Committee's audits and other important facts ascertained by the Company.

(4) Concerning the above (1) to (3), Directors and Executive Officers shall establish a system in which Directors, Audit & Supervisory Board Members, Executive Officers and employees of subsidiaries or persons having received reports therefrom, report without exception to the Audit & Supervisory Committee of the Company.

(5) Provisions shall be established to the effect that persons having reported to the Audit & Supervisory Committee regarding the above (1) to (4) shall not be subjected to any disadvantageous treatment.

[Other structures for ensuring the effectiveness of Audit & Supervisory Committee's audits]

(1) Directors and the Board of Directors endeavor to develop a basic framework for smooth and effective implementation of the Audit & Supervisory Committee's audits.

(2) Guidelines on the expenses or obligations arising from the execution of duties of Audit & Supervisory Committee Members shall be provided under the relevant internal rules, while opportunities to appoint legal counsel and other outside advisors shall be ensured, if they are found necessary by Audit & Supervisory Committee Members for the purpose of audits.

(3) Representative Directors are to have regular meetings with Audit & Supervisory Committee Members to exchange opinions on the important audit agenda, development of the framework for Audit & Supervisory Committee's audits and so forth, along with matters to be addressed by the Company.

(4) Departments responsible for compliance with laws and regulations and general management of various risks are to have regular meetings with Audit & Supervisory Committee Members to exchange opinions on the matters to be addressed.

(5) The Internal Audit Department shall report to the Audit & Supervisory Committee on the formulation of internal audit plans and the results of internal audits, have regular exchanges of opinions, and receive specific instructions, as necessary, from the Audit & Supervisory Committee.

2. Basic Approach to Eliminate Anti-social Forces and its Development Status

<Basic approach regarding anti-social forces>

In line with the declaration that "We shall stringently respond to and decisively eliminate any antisocial powers that threaten the order and safety of civil society." set forth in the T&D Insurance Group Compliance Code of Conduct, the Group has established the following basic policy regarding the T&D Insurance Group's handling of anti-social forces, and it is published on the Company website.

(1) Response as an organization
We respond to unreasonable demands by anti-social forces as a whole organization, rather than leaving them to the person or department in charge. We also ensure the safety of officers and employees responding to unreasonable demands by anti-social forces.

(2) Collaboration with external professional organizations
In preparation for unreasonable demands by anti-social forces, we will establish close cooperative relationships under normal circumstances with external professional organizations such as the police, the National Center for Removal of Criminal Organizations, and lawyers, etc.

(3) Exclusion of all connections, including business transactions
We cut off all relationships with anti-social forces, including business relationships. We also reject unreasonable demands by anti-social forces. The same applies when financing transactions are conducted through alliances with other companies (consumer credit companies, etc.).

(4) Civil and penal legal responses in an emergency
We will take both civil and penal legal actions against unreasonable demands by anti-social forces.

(5) Ban on backroom deals and funding
Even if the unreasonable demands of anti-social forces are based on misconduct in business activities or misconduct of officers and/or employees, we will never engage in backdoor dealings to conceal cases. Also, we will never engage in funding anti-social forces.

<Development status of approach to eliminate anti-social forces>

(1) Establishing a control department
We have established a control department and a response system for anti-social forces in cooperation with related departments.

(2) Collaboration with external professional organizations
We have established a collaborative system with our legal counsel, the police department in charge and the National Center for Removal of Criminal Organizations.

(3) Collection and management of information on anti-social forces
We actively collect and analyze information on anti-social forces through subsidiaries and affiliated organizations, work to enhance the database on anti-social forces shared by the T&D Insurance Group, and manage and operate it appropriately.

(4) Development of response manual
The Company has established response rules and detailed regulations against anti-social forces, and has established response guidelines against them.

(5) Implementation of training activities
We have established a training program in our compliance program and regularly conduct training to cut off relationships with anti-social forces each year.

V Others

1. Adoption of anti-takeover measures

Any anti-takeover measures adopted?	None

Supplementary explanation of applicable items

―――

2. Other Matters Related to Corporate Governance System, etc.

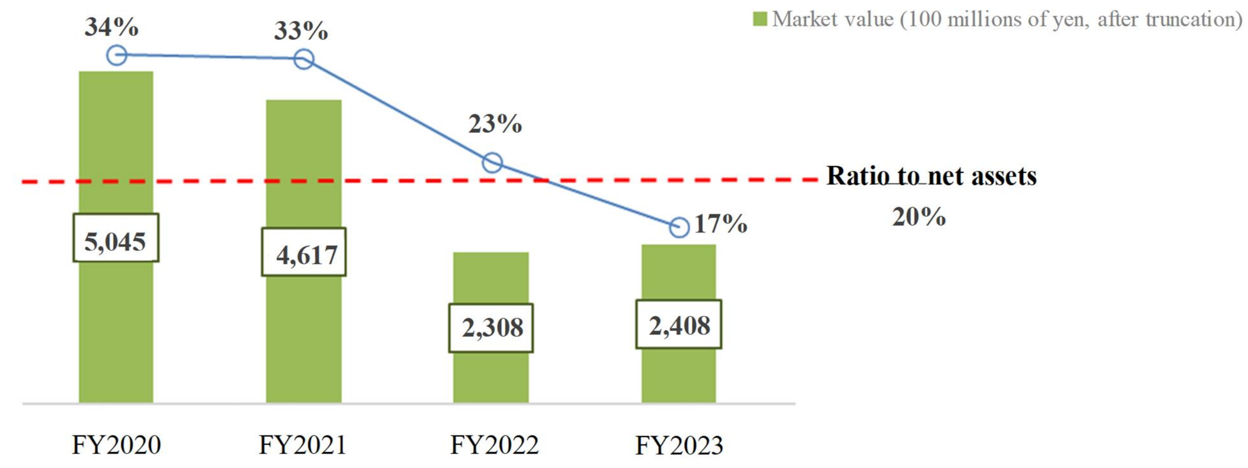
<Overview of the Group's Internal System for Timely Disclosure of Corporate Information>

The Group's Internal System for Timely Disclosure of Corporate Information is as follows:

1. Establishing the Group's Timely Disclosure Rules
The Company has established Rules for Insider Trading Management and Timely Disclosure to manage and disclose important information of the Group (referred to as "important information" hereinafter) in a timely and appropriate way, and to manage insider trading, etc. among the Company officers and employees.
In addition, each company in the Group has established rules and regulations similar to those in the Company to manage important information and insider trading among officers and employees of each company.

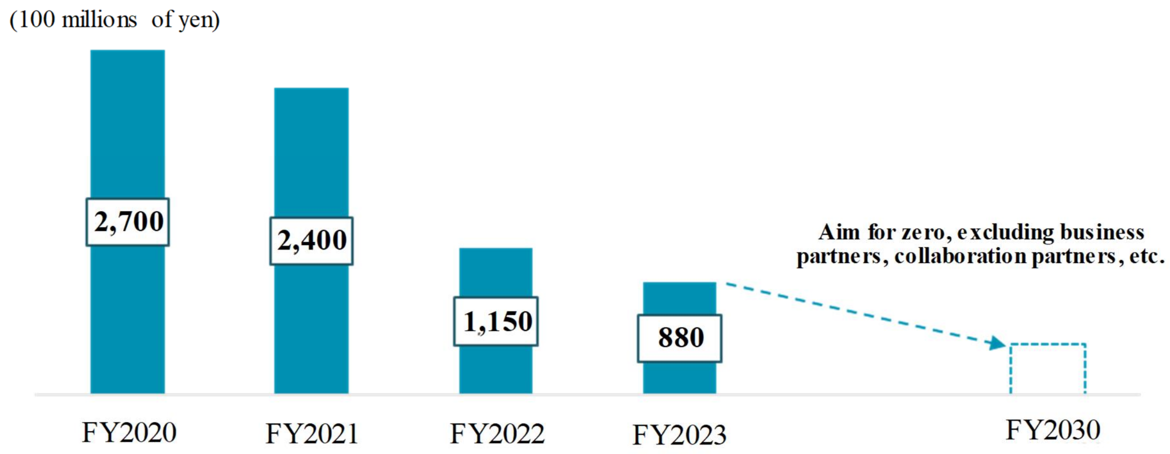
2. The Group's System for Timely Disclosure of Corporate Information
In accordance with the Rules for Insider Trading Management and Timely Disclosure, the Company has designated an Executive Officer in charge of the Group Planning Department as the Important Information Management Officer and each manager as the Important Information Manager. Additionally, each company in the Group has designated an Important Information Management Officer, etc. in accordance with the Rules, and has established a system that enables timely and appropriate disclosure of important information in the Group through mutual cooperation between the two to commit to improve the timely disclosure of important information.

<Transition in the Net Asset Ratio of Cross-Shareholdings (Market Value Basis, Including Unlisted Stocks)>

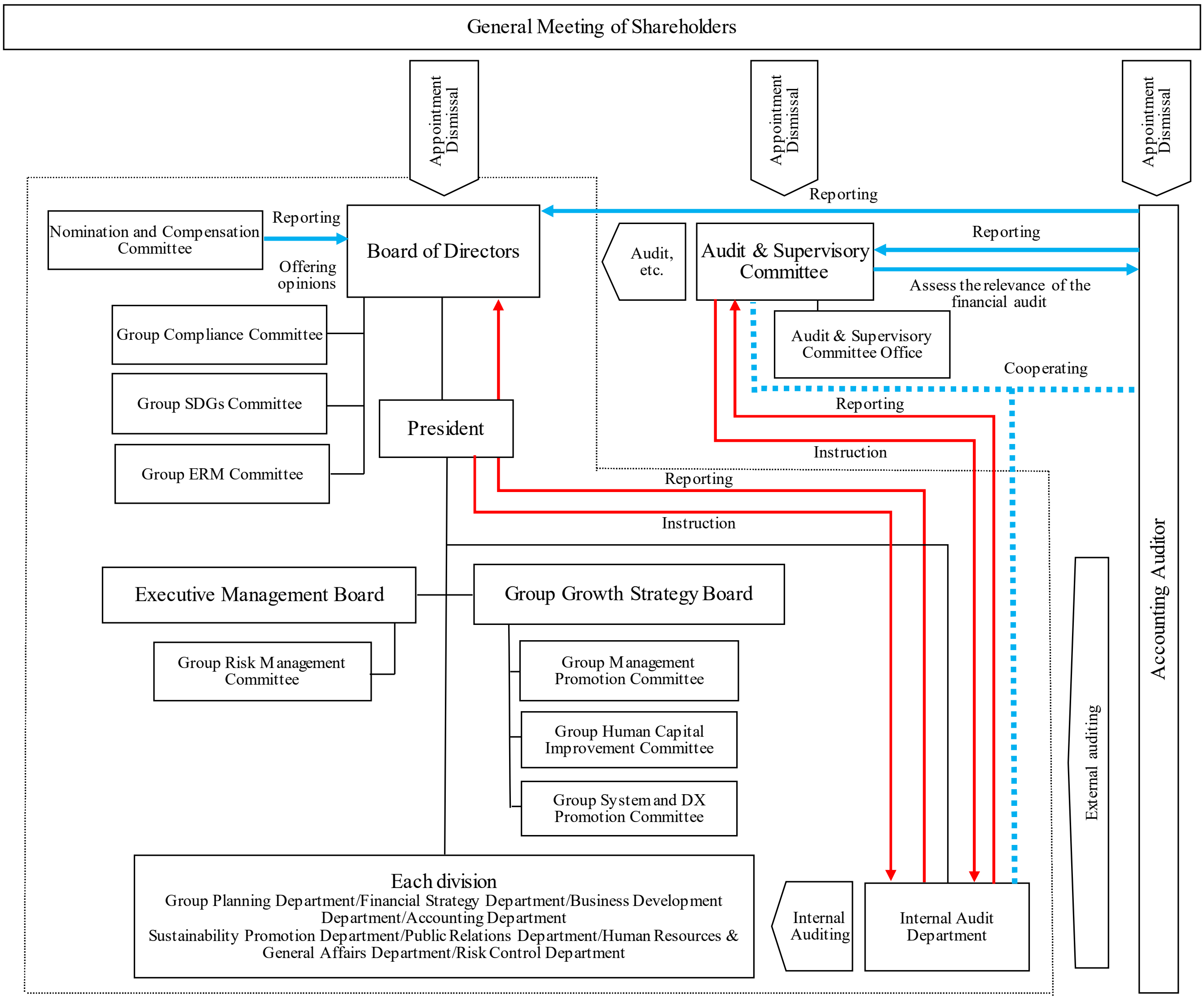


* The market value balance at the end of FY2023 increased compared to the end of the previous fiscal year due to the rise in stock prices but decreased to approximately 183.0 billion yen when excluding the impact of the rise in stock prices (approximately 58.0 billion yen).

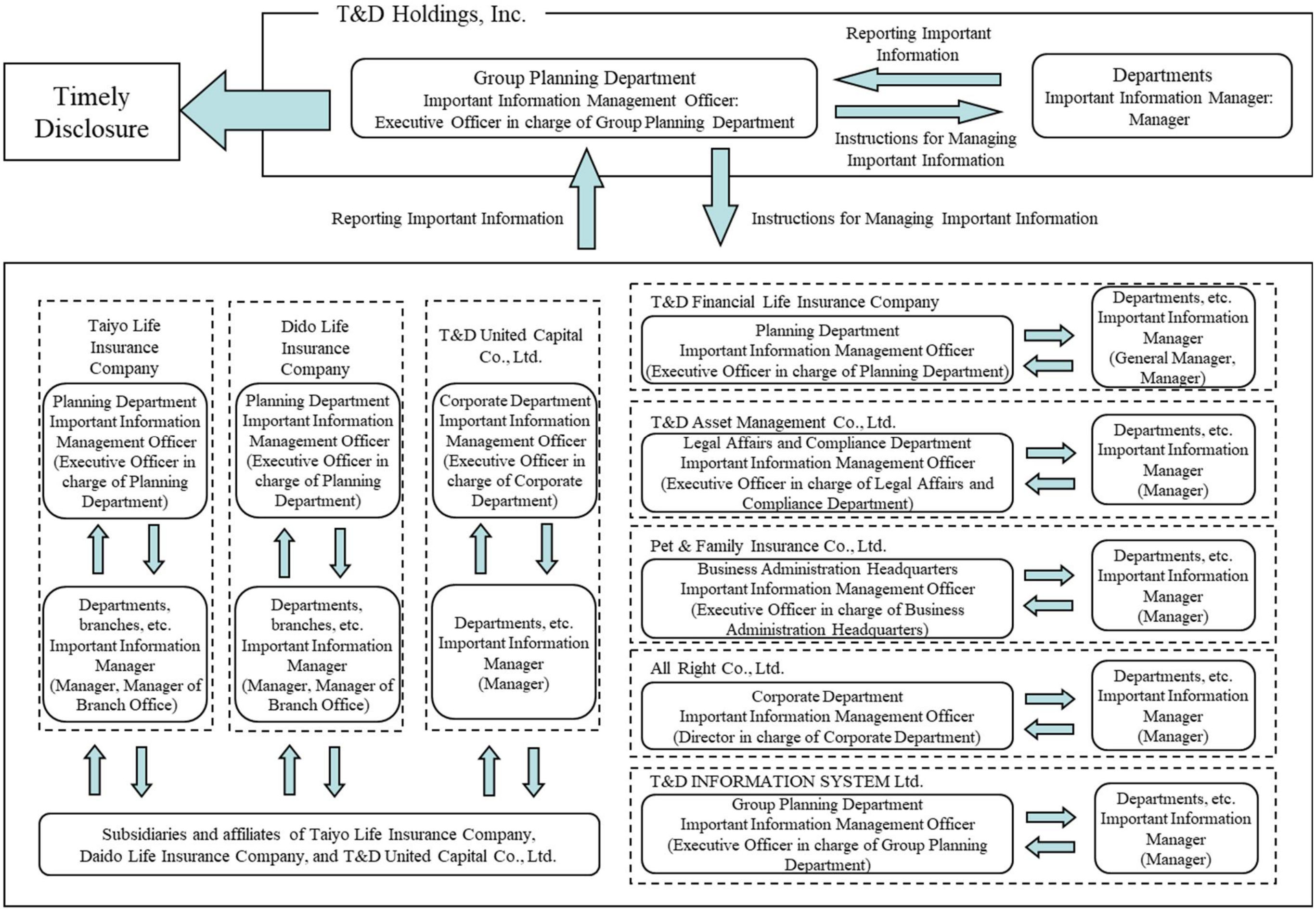
<Transition in the Book Value of Cross-Shareholdings (Listed Stocks)>



[Governance System Diagram (after June 2024)]



[The Group's Internal System for Timely Disclosure of Corporate Information]



*Subsidiaries and affiliates of Taiyo Life, Daido Life, and T&D United Capital will coordinate with the Important Information Managers of their respective contact points.

■ Board of Directors Skills Matrix

The following illustrates the expertise and experience that are particularly anticipated from the Outside and Internal Directors of the Company.

Name	Positions at the Company	Nomination and Compensation Committee Member	Expertise and experience particularly anticipated							
			Corporate management and business strategy	Capital and financial markets	Marketing	Global	Sustainability management	Finance and accounting	Risk management	Legal affairs and compliance
Hirohisa Uehara	Representative Director and Chairman		✓	✓	✓	✓	✓			✓
Masahiko Moriyama	Representative Director and President	✓	✓	✓	✓		✓		✓	✓
Hotaka Nagai	Director and Senior Managing Executive Officer		✓	✓				✓		
Yoko Futami	Director and Managing Executive Officer								✓	✓
Kensaku Watanabe	Outside Director	✓							✓	✓
Masazumi Kato	Outside Director	✓	✓	✓		✓		✓		
Kenji Fuma	Outside Director	✓	✓	✓		✓	✓		✓	
Naoki Soejima	Director		✓	✓	✓	✓	✓			
Mutsurou Kitahara	Director		✓	✓	✓		✓			
Takashi Ikawa	Director (Full-time Audit & Supervisory Committee Members)					✓		✓	✓	✓
Takashi Tojo	Director (Full-time Audit & Supervisory Committee Members)							✓	✓	✓
Shinnosuke Yamada	Outside Director (Audit & Supervisory Committee Members)							✓	✓	
Atsuko Taishido	Outside Director (Audit & Supervisory Committee Members)	✓							✓	✓
Koji Nitto	Outside Director (Audit & Supervisory Committee Members)		✓	✓		✓	✓	✓		

* The Company utilizes outside knowledge to further improve the functions of the Board of Directors by inviting persons with necessary expertise and experience to serve as outside members of advisory committees established as necessary in each field, and by reporting the content of each committee meeting to the Board of Directors.