



**CREATE VALUE FOR
PEOPLE AND SOCIETIES.**

Corporate Philosophy/Group Vision

T&D Insurance 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.

Ensuring the Group's sustained growth by practicing our corporate philosophy

Creation of shared value

The Group must confront continually changing issues of people and society (social issues) as business opportunities.

Through its businesses, the Group creates value for society and value for the enterprise from the perspective of resolving social issues.

Goal of the T&D Insurance Group

Be an insurance group that shares value with society and grows sustainably.

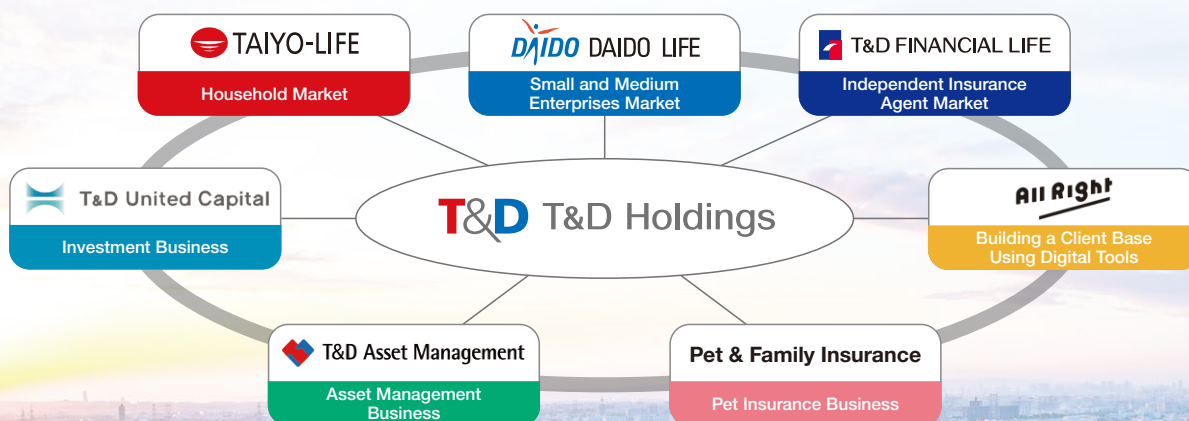
Enterprise that can grow over the medium to long term

Contribute to the development of society through our business, and through this business make a fair profit.

→Enterprise that creates social and economic value

Group Structure as of March 31, 2024

T&D Insurance Group



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History of the T&D Insurance Group

2000-

2020-

Contributing to solving social issues

2008

● Taiyo Life

Launched *Hoken Kumikyoku Best*, a pioneering insurance that allows customers to freely customize the coverage they need, and overturned the conventional wisdom of the industry

● Pet & Family

Launched *Genki Number One*

2010

● T&D Financial Life

Launched *Shogai Premium*, the industry's first cash flow-type single-premium whole life insurance

2010

● Daido Life

Launched the *J-type* product, a new insurance for covering the risk of critical illnesses, aimed at business owners to ensure business continuity

2012

● T&D Financial Life

- Launched level premium protection-type product
- Expanded into insurance shop agent channels

2014

● Taiyo Life

Began providing the *Best Senior Service (BSS)*, an initiative to improve convenience for senior customers

2016

● Taiyo Life

- Launched the industry-first *Himawari Dementia Treatment Insurance*
- Started the *Kaketsuke-Tai Service*, aiming to become the most friendly and helpful life insurance company for senior customers
- Started the Taiyo's GENKI Project, an initiative for energizing employees, customers, and society

2017

● Daido Life

Started the *DAIDO KENCO ACTION* initiatives to disseminate Kenkokeiei®* (Health and Productivity Management)

2018

● Taiyo Life

Launched *Himawari Dementia Prevention Insurance*

2019

● Taiyo Life

Started *Sma-Hoken*, which enables customers to apply for insurance over the Internet

● Daido Life

Launched *L-type a*, *J-type a*, and *T-type a*, industry's first made-to-order insurance products that allow customers to freely set the balance between premiums and cash surrender value in addition to the insurance amount and period

2021

● Taiyo Life

Launched *Cancer and Critical Illness Prevention Insurance*

● T&D Financial Life

Launched the *Hybrid* series of asset formation insurance products for the era of the 100-year life

2022

● Daido Life

- Launched *Kaisha Minnade KENCO+*, a health-promotion type insurance product
- Launched *Dodai?*, a web community platform for SME owners

* Kenkokeiei® (Health and Productivity Management) refers to a corporate management style of paying additional attention to employees' health and strategically implementing policies aimed at employees' health management and maintenance. Kenkokeiei® is a registered trademark of Nonprofit Organization Kenkokeiei.

Sustainability topics

2005

Issued CSR report

2006

Enforced the Group CSR Charter

2007

Taiyo Life signed the UN Principles for Responsible Investment (PRI)

2011

Established the Group CSR Committee

2012

T&D Asset Management signed the UN Principles for Responsible Investment (PRI)

2014

Signed the Principles for Financial Action for the 21st Century

2015

Signed the UN Global Compact

2016

Daido Life signed the UN Principles for Responsible Investment (PRI)

2017

Expressed support for the TCFD recommendations

2019

The Group CSR Committee was reorganized into the Group SDGs Committee

2020

Established the Group Human Rights Policy

2021

- Formulated the Group Long-Term Vision
- Established the Group ESG Investment Policy

2022

- Established T&D Insurance Group Sustainability Statement
- Joined RE100

2023

Converted 100% of electricity used at our head office building to renewable energy

2024

The Group SDGs Committee was reorganized into the Group Sustainability Promotion Committee

Management



1893

● Taiyo Life was founded

Nagoya Life, the predecessor of Taiyo Life, was founded. It is the fourth oldest of the existing life insurance companies in Japan.



1902

● Daido Life was founded

Daido Life was founded through the merger of Kajimaya, which managed Asahi Life (a company that is different from the current Asahi Mutual Life Insurance Company), Gokoku Life in Tokyo and Hokkai Life in Hokkaido.

1999

● Broad business alliance between Taiyo Life and Daido Life was announced

In January 1999, Taiyo Life and Daido Life announced a full business alliance. In June, the group decided to name itself T&D Insurance Group.

2001

T&D Financial Life joined the T&D Insurance Group

Taiyo Life and Daido Life jointly acquired shares of T&D Financial Life (former Tokyo Life Insurance Company), which started operations as a member of the T&D Insurance Group.

2002

T&D Asset Management was established
The asset management companies of the Group were consolidated into T&D Asset Management.

2004

T&D Holdings was established

In April 2004, T&D Holdings was established as Japan's first holding company with life insurance business as its core operations. T&D Holdings was listed on the Tokyo Stock Exchange and the Osaka Securities Exchange (currently the Osaka Exchange).

2007

Pet & Family Insurance Co., Ltd. was made a subsidiary

T&D Holdings made Japan Family Insurance Planning, Ltd. (formerly Pet & Family Small-amount Short-term Insurance Company) a subsidiary (It changed from a small-amount short-term insurance provider to a non-life insurance company in 2019.).

2019

T&D United Capital Co., Ltd. was established

Established an effective and efficient investment framework for the entire Group.

2022

All Right was established
Established a customer base using digital tools.

2024

T&D Holdings celebrated its 20th anniversary.

Message from the President

Addressing Social Issues
through Our Business and
Creating Shared Value to
“Sow Happiness in the World”


Masahiko Moriyama


Representative Director and President
T&D Holdings, Inc.




T&D保険グループ

T&D 株式会社 T&Dホールディングス

 太陽生命保険株式会社

 大同生命保険株式会社

 T&Dフィナンシャル生命保険株式会社

Group Long-Term Vision: SDGs Management and the Creation of Value

The T&D Insurance Group has established a Long-term Vision: Try & Discover 2025 - In Pursuit of the Happiness of All Stakeholders. Under this vision, we aim to achieve our Group management vision to “sow happiness, make change with boldness,” and one of the key themes behind this effort is SDGs management and the creation of value.

From the sustainability fields related to the Group’s business activities, we identified issues that are highly important to society and strongly associated with our business activities. Working from these issues, we have identified four sustainability priority themes that should be a focus for the Group, and set non-financial KPIs aimed at creating shared value, in both economic and social terms. This forms the basis for the various measures the Group is pursuing.

Sustainability Priority Themes

1. Promote Healthy and Abundant Lives for People
2. Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively
3. Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation
4. Invest to Help Build a Sustainable Society

Message from the President

Promote Healthy and Abundant Lives for People

Life insurance, a core business of the T&D Insurance Group, is by its nature sustainable and highly public based on a philosophy of mutual assistance, and it provides customers with safety and peace of mind over the long term. Solving the various risks faced by customers due to changes in society, such as a growing elderly population due to the declining birthrate and aging society, and SME operators having to prolong their careers, is both the mission of the Group and a growth opportunity. Through the development and provision of products and services that address social issues, such as extending people's healthy lifespans and facilitating the succession of SMEs, we will help customers achieve healthy and fulfilling lives, contributing to the realization of a sustainable society.

Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively

At the T&D Insurance Group, we believe that the human resources who work with us are the most important driving force behind our business activities to realize our Group philosophy. To reflect this, we have established the Basic Group Policy on Human Resources. Moreover, based on our human resource development policy of cultivating self-directed human resources who think independently, take the initiative to act and deliver the expected results, we implement initiatives to enhance our pool of talent, such as cultivating leaders who will drive Group growth and championing the success of female employees.

To ensure that all employees can work with peace of mind, we will strive to improve the workplace environment by promoting diversity, implementing health and productivity management, and making it easier to balance private life and work responsibilities. At the same

time, we will work to secure and cultivate human resources with high-level expertise, knowledge and skills and create opportunities for them to flourish, leading to the sustainable growth of the Group.

Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation

The T&D Insurance Group has set CO₂ emissions as one of the non-financial KPIs in its long-term vision, and implements various initiatives to achieve a decarbonized society.

Since life insurance is the core business of the Group, much of our direct CO₂ emissions stem from power consumption. For this reason, we have joined RE100, an international initiative aiming to procure all electricity used in business activities from renewable energy, and promote the use of power derived from renewable sources. As a result of these efforts, we achieved our FY2025 goal of reducing CO₂ emissions by 40% in FY2023, ahead of schedule. In response, we set the new target of reducing CO₂ emissions by 70% by FY2030, and brought forward our deadline for achieving net-zero emissions from 2050 to 2040. We will further accelerate our efforts to reduce CO₂ emissions to meet these targets.

Invest to Help Build a Sustainable Society

To achieve economic development and a sustainable society as a responsible institutional investor, the T&D Insurance Group has set interim CO₂ reduction targets for FY2030 to be met by our investment and financing recipients, and are working to ensure these reductions. We encourage our investment and financing recipient companies to advance their decarbonization efforts through engagement, and support companies tackling climate change

issues through financing projects aimed at investments and other uses.

To advance business activities that take natural capital and biodiversity into account, we have also conducted analyses of the impact and dependence on natural capital among our investment and financing recipients in accordance with the TNFD framework. By making effective use of these analysis results, we will take our engagement with these companies to the next level.

Initiatives on Respect for Human Rights

The T&D Insurance Group has stated its respect for human rights in the Group CSR Charter, and conducts human rights due diligence to identify, prevent and mitigate any negative impact on the human rights that the Group's business activities may have. We have identified long working hours and harassment as key areas to verify in our due diligence efforts, and we will work to identify and correct human rights issues while advancing efforts to ensure that human rights are respected.

The T&D Insurance Group Vision

We believe that proactively tackling sustainability management and solving social issues through the Group's business activities will help realize our vision of creating shared value and sowing happiness in the world.

We, the T&D Insurance Group, aim to grow sustainably alongside society, and we will continue to advance step by step toward this goal.

September 2024

Sustainability Management Approach

T&D Insurance Group Sustainability Statement

We have established and published the T&D Insurance Group Sustainability Statement, which expresses our stance on sustainability issues.

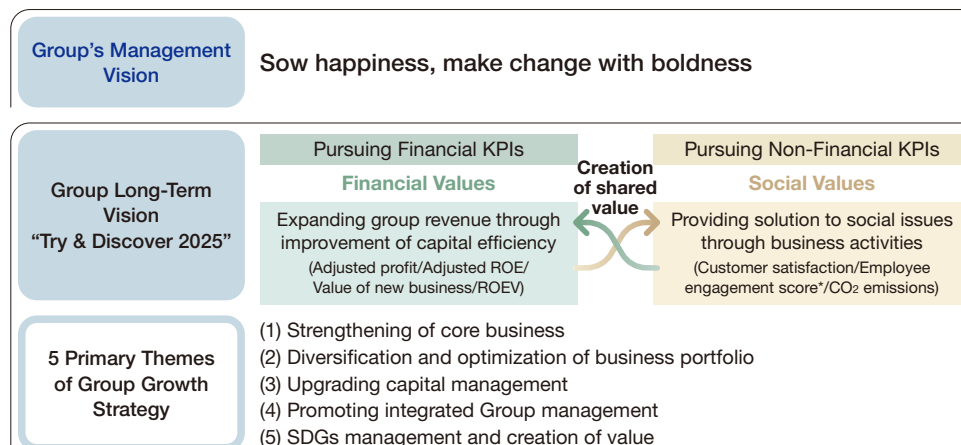
Basic concepts

With life insurance as its core business, T&D Insurance Group puts sustainability at the heart of its business, providing products and services that deliver safety and security to customers. In addition, as an institutional investor, the Group is engaged in asset management, which is highly public in nature and closely linked to economic development and sustainable society building. The Group believes that it has a responsibility to contribute to society through these businesses.

In May 2021, the T&D Insurance Group developed a Group Long-Term Vision towards fiscal 2025 under the Management Vision: “Sow happiness, make change with boldness.” The Group Long-Term Vision identifies SDGs management and creation of value as one of the challenges to the Group’s Growth Strategy and priority themes and sets non-financial KPIs to quantitatively measure the created social value. The Group believes that its efforts to promote SDGs management and solve social issues will lead the Group to achieve its goals of creation of shared value and sowing happiness in the world.

We, the T&D Insurance Group, will take steady steps to become a sustainable insurance group that grows along with society.

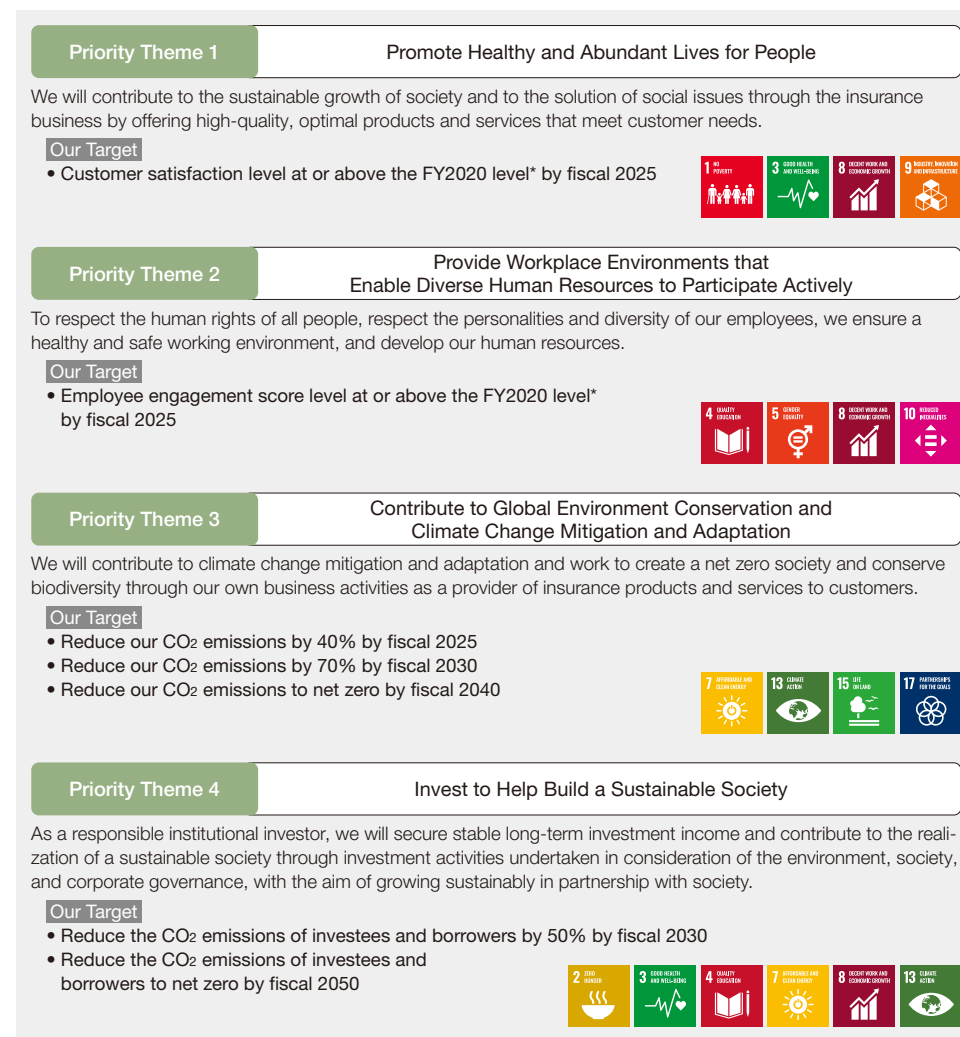
Group’s Management Vision/Group Long-Term Vision



* The name was changed from “Employee satisfaction” to “Employee engagement score” in the fiscal year ended March 31, 2024.

Sustainability priority themes

The T&D Insurance Group has highlighted challenges in the area of sustainability related to its businesses as issues of importance to society and of relevance to its businesses, selected from the 17 goals and 169 targets of the SDGs, and framed these social issues under the four sustainability priority themes as follows. The Group Long-Term Vision “Try & Discover 2025” also articulates how to tackle these themes in business activities.



* Irrespective of the targets described here, we will aim to achieve each theme in a comprehensive sense.

Sustainability Advisory Committee

The Sustainability Advisory Committee, which was established in FY2021, receives commentary from outside experts on the latest domestic and international trends as well as a variety of recommendations based on their expertise. The Group reflects these recommendations in its initiatives on sustainability issues, and promotes SDGs management and the creation of value outlined in the Group Long-Term Vision.

Sustainability Advisory Committee members



Takejiro Sueyoshi
Special Advisor
UNEP Finance Initiative



Mari Yoshitaka
Fellow (sustainability)
Mitsubishi UFJ Research and
Consulting Co., Ltd.



Kenji Fuma
CEO, Neural, Inc. / Specially
Appointed Professor, Shinshu
University / Outside Director,
T&D Holdings, Inc.

Toward decarbonization

Efforts to address the recommendations made up to FY2022

Committee members pointed out the lack of references to net zero emissions and the absence of net zero GHG emission targets or interim targets for investees and borrowers despite the world aiming for net-zero emissions by the year 2050. Accordingly, we set interim targets and 2050 net zero targets for our own emissions and those of investees and borrowers.

FY2023 Initiatives

Recommendations from committee members

According to the IPCC's* Sixth Assessment Report, climate change is worsening at an accelerating rate, and there is a need to accelerate and develop more advanced countermeasures. Unless action is taken at a stricter level than ever before, it will not be possible to halt the worsening of climate change.

* Intergovernmental Panel on Climate Change

Response

The CO₂ emission reduction targets of the T&D Insurance Group were revised.

Subject	Before revision	After revision
Own emissions (Scope 1 and 2)	<ul style="list-style-type: none">FY2025: 40% reduction (compared to FY2013)FY2050: Net zero	<ul style="list-style-type: none">FY2025: 40% reduction (compared to FY2013)FY2030: 70% reduction (compared to FY2013)FY2040: Net zero
Investees and borrowers (Scope 3, category 15)	<ul style="list-style-type: none">FY2030: 40% reduction (compared to FY2020)FY2050: Net zero	<ul style="list-style-type: none">FY2030: 50% reduction (compared to FY2020)FY2050: Net zero

*Scope: Stocks, bonds, and loans issued by domestic listed companies

Sustainability Advisory Committee meetings held in FY2023: 4 times

<Major Themes>

- Trends regarding the climate crisis and COP28
- Green business trends
- ESG investment trends
- Regional revitalization and sustainability

- Trends in innovation aimed at achieving net zero emissions
- Biodiversity and TNFD-related trends
- Sustainable finance-related trends
- Human capital management trends and current status

Support to small to medium enterprises

Efforts to address the recommendations made up to FY2022

Committee members expressed the view that SMEs also need to ascertain global trends and respond accordingly, and that this will become one of the material issues to be addressed in the future by the T&D Insurance Group, whose subsidiary Daido Life has access to SMEs, to support the industry. Daido Life has formulated a Sustainability Promoting Plan aiming to become a company that contributes to a society where the wellbeing of SME workers and their families is realized.

FY2023 Initiatives

Recommendations from committee members

While global sustainability issues may appear to have little relevance from the perspective in the field, considering that the impact of climate change and other sustainability issues extend to the general public, they have become increasingly relevant to the management of SMEs. Considering how our customers of SMEs will be impacted by sustainability risks and what kinds of risks they are exposed to, and taking appropriate action in response, will broaden the scope of insurance and services in the future.

Response

Daido Life has published a Sustainability Management Implementation Guide to encourage the implementation of sustainability management at SMEs, and is pursuing initiatives to solve SME management and sustainability issues. Daido Life also provides a “place of learning” for SME workers, as a part of which it conducts SME Decarbonization Management seminars that explain the latest policy trends in decarbonization management that SMEs will be expected to address in the future, specific approaches to initiatives, the public support available to SMEs, and so on.

Sustainability Advisory Committee

Addressing biodiversity

FY2023 Initiatives

■ Recommendations from committee members

Financial institutions, companies and NGOs took the lead in advancing action on the preservation of biodiversity and in June 2021 established the Task Force on Nature-related Financial Disclosures (TNFD). In September 2023 the TNFD released its final recommendations. In the World Economic Forum's Global Risk Report, biodiversity loss has been identified as a significant risk, and companies are expected to respond in line with the TNFD framework and implement initiatives aimed at becoming nature positive.

■ Response

The T&D Insurance Group has also begun to take action in line with the TNFD framework. The Group participates as a TNFD Adopter, the framework for companies making disclosures based on the TNFD recommendations, and conducts analyses of the nature-related risks at investee and borrower companies as a responsible institutional investor. Based on recent analysis results, we will strengthen and enhance our engagement with those investees and borrowers closely related to natural capital and biodiversity, contributing to the promotion of nature-positive initiatives through our investment and financing activities.



ESG investment

FY2023 Initiatives

■ Recommendations from committee members

The roles to be played by financial institutions through investments and financing to realize a decarbonized society are wide-ranging, and developments related to sustainable finance have picked up speed. To help investee and borrower companies achieve net zero emissions, ESG investment needs to be further enhanced by delving into specifically how this goal should be tackled, and how the resultant impacts should be measured and disclosed.

■ Response

The T&D Insurance Group will consider the impact its past investment activities as an institutional investor have had on the realization of a sustainable society, and engage in investments that take the environment, society and governance into account. In response to the committee's recommendations, in FY2023 we set areas of focus for ESG investments and financing in light of the Group's business characteristics, the thinking behind our Sustainability Statement and other factors. We strengthened our investment, financing and engagement activities to this end. Moreover, to provide stakeholders with a deeper understanding of our stance and initiatives related to responsible investment, Taiyo Life and Daido Life each publish a responsible investment report, and quantitatively measure and disclose CO₂ emission reductions and number of beneficiaries of medical services as part of the social impact of their investment and financing activities. Going forward, we will aim to improve the level of contributions our investment and financing activities make to sustainability issues, and further enhance our information disclosures and related activities.



Front page of the Taiyo Life Responsible Investment Report (Japanese)



Front Page of the Daido Life Responsible Investment Report (Japanese)

Priority Theme 1



Promote Healthy and Abundant Lives for People

We will contribute to the sustainable growth of society and to the solution of social issues through the insurance business by offering high-quality, optimal products and services that meet customer needs.



The Initiatives of Taiyo Life

Taiyo Life is a life insurance company that provides comprehensive products to the household market, including death benefits and medical/nursing care. Our management vision is to provide high-quality products and services to become a company that is needed and loved by customers, and, in this spirit, we provide various products and services to respond to diverse customer needs.

Product Development Which Preempts the Changes of the Times

We are developing a *Preventive Insurance Series* that supports customers' prevention efforts through insurance. To meet diverse needs, in May 2024, we launched *Long-term Care Income Protection Insurance*, a redesign of *Disability Income Protection Insurance* that is part of the *Hoken Kumikyoku Best* lineup. By newly establishing "14-day continuous hospitalization benefit special provisions" which cover short and continuous hospital stays, and "hospitalization and light disability benefits" that cover long-term continuous hospital stays of 180 days or more, while also newly covering designated situations involving light disabilities, customers are now even better equipped than before to prepare against the risk of not being able to work in the event of hospitalization or the need for nursing care.



Delivering peace of mind to families

We implement a *Kaketsuke-Tai Service* where office workers with specialized knowledge visit customers or their families directly to help them with various procedures, such as claiming benefits. With regard to dementia, we implement follow-up initiatives to ensure that if a customer fails to meet the payment criteria at one point despite having made a claim for benefits, they do not miss out on future claims. Since the service launched until the end of March 2024, we followed up on 3,274 cases, 1,298 of which led to benefits being paid out.

The Initiatives of Daido Life

Daido Life is a life insurance company that specializes in the SMEs market. It provides products and services that take into account changes in the environment surrounding SMEs and has signed up some 370,000 corporate clients.

Provision of protection that widely covers the human risks faced by SMEs

In fiscal 2023, we started selling *lump-sum payment M-type* [non-participating hospitalization lump-sum payment insurance (no surrender value)], which covers both corporate working capital in cases where managers are absent due to disease or injury as well as the costs of hospitalization by using a lump-sum payment. We also launched *Kenko Yell Wari* (excellent health discount rider), which combines two insurance premium categories, namely "insurance premium rates that carry a large discount," and "insurance premium rates with a wide range of discounts." We introduced the Policy Conversion System (Switch), which allows products in the same benefit field with different coverage periods to be switched (converted) between one another.

Initiatives toward support for the resolution of the management issues of SMEs

Since April 2017, Daido Life has been providing the Daido Life KENCO SUPPORT PROGRAM in cooperation with a multitude of companies, in particular Value HR Co., Ltd., that possess specialized technology and know-how.

It is a comprehensive program targeted at SMEs that supports continuous implementation of the PDCA cycle necessary for health-oriented management. This includes assisting companies in encouraging employees to go through health checkups, risk analysis of development of lifestyle disease, etc. for individual SME owners and employees, visualization of the company's overall health status, and provision of health promotion solutions and incentives that promote continuous health improvement efforts.



Promote Healthy and Abundant Lives for People

The Initiatives of T&D Financial Life

T&D Financial Life works on strengthening its product lineup, ensuring the timely provision of services, and improving customer service to fulfill the increasingly diverse needs of customers by carefully paying attention to financial institutions, who are our customers and partners, and to agents, such as agents working in walk-in insurance shops, in all aspects of our business, including product development, service provision, and sales and administrative support.

■ Provision of asset formation products encouraging all people to thrive socially and economically
In July 2019, we launched *Shogai Premium World 5*, an update to our *Shogai Premium World* series of single-premium whole life insurance products that allows customers to utilize overseas interest and foreign exchange and leave money for family members while receiving money to use for themselves.
We have revised the content of the product so that it can meet the broader needs of customers. It inherits from its predecessor products the characteristic that the customers can enroll in the insurance without paying any foreign exchange fees, but it eliminates any initial fees previously borne by customers, and also adds a function minimally guaranteeing in yen the death benefits of the same value as a single premium for a certain period and other functions. From April 2024, we introduced a *Plan for Continuation Upon Target Value Attainment* for *Shogai Premium World 5*, which includes a *Whole Life Insurance Transition Rider Upon Target Value Attainment*. This allows customers, upon request, to resume asset management under the same currency as when they took out their policy once the target value has been attained. We provide the *Hybrid Series* of products to support asset formation through self-provision in the era of the 100-year lifespans by combining an investment trust with life insurance. In March 2024, we launched *Hybrid Omakase Life*, a variable whole life insurance product. The product takes out existing variable whole life insurance and adds *Omakase Investment* that manages assets based on the individual customers' desires and needs.
In April 2023, we launched *Fiveten World 3*. This product is the result of renewing *Fiveten World 2*'s single-premium individual annuities utilizing overseas interest and foreign exchange. Customers can choose between two plans, the Yen Currency Plan and the Foreign Currency Plan, based on their needs.



The Initiatives of T&D Asset Management

Contributing to the promotion of a healthy society through investment
To ensure the long-term growth of the assets entrusted to the company by our customers, the active management of Japanese equities by T&D Asset Management emphasizes the analysis of not just financial information but also non-financial information such as ESG factors. In particular, the *T&D Japanese Equity ESG Research Fund*, which is a private placement fund and makes selective investments in companies that excel from an ESG viewpoint, has set “health, safety and security” as a materiality when evaluating investee companies, and actively invests in companies that contribute to solving social issues related to people’s health. Furthermore, when T&D Asset Management analysts conduct materiality-driven dialogues with investee companies, they encourage the companies to take action to resolve social issues and contribute to building a society where people can live healthy and prosperous lives.

Initiatives of Pet & Family Insurance

Insurance protection for precious family members
More pet owners recognize their pets as family members, and therefore interest in pet healthcare and its associated costs is growing. To respond to this situation, Pet & Family Insurance offers *Genki Number One Smart*, *Genki Number One Slim* and *Genki Number One Best*, products that compensate for a portion of the cost of treatments for pets at veterinary clinics due to illness or injury. These products address the needs for pet medical care costs and ensure that pet owners and their pets can receive veterinary treatment with peace of mind. In March 2024, we began offering *Koredake Pet*, a pet insurance product that allows customers to enroll through PayPay Insurance, which is part of the PayPay cashless payment platform.



Priority Theme 2



Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively

To respect the human rights of all people and respect the personalities and diversity of our employees, we ensure a healthy and safe working environment and develop our human resources.



Human Capital Management

Human Resources Development Policy

At the T&D Insurance Group, we believe that our human resources, working side-by-side, are the most important driving force behind our business activities to fulfill the T&D Insurance Group's corporate philosophy. Since its foundation, the Group has promoted the nurturing of a corporate culture where a diverse workforce can feel job satisfaction and reach its potential and has established the Basic Group Policy on Human Resources which aims to clarify the basic policy for human resource management within the Group.

Initiatives to Provide Opportunities for Growth

The three life insurance companies conduct education and training, primarily through OJT (on-the-job training), group training, support for personal development, and reskilling/relearning. Each Group company encourages autonomous career development by each employee, by actively helping them to acquire qualifications and offering a diverse curriculum, including correspondence education, online courses, and e-learning, according to their educational plans.



■ In-house recruiting

Taiyo Life, Daido Life, T&D Financial Life

Under this system, employees can take up various challenges, such as application for dispatch to companies outside of the Group, positions of their choice, MBA programs, and application for dispatch to business schools.

■ Personnel exchange within the Group

Taiyo Life, Daido Life, T&D Financial Life

Personnel exchange is promoted among Group companies for facilitating the sharing of the well-developed skills and knowledge possessed by each Group company.

■ Global human resources development

Taiyo Life

Taiyo Life is dispatching employees overseas in order to develop personnel capable of successfully working on a global level. In addition, it dispatches a number of employees to the asset management companies overseas to acquire high-level asset management knowledge.

Daido Life

In order to nurture global talent through diverse experiences, Daido Life is promoting the dispatch of employees to companies within the Group to engage in overseas business investments.

■ Provision of reskilling and relearning opportunities

Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management

We provide time- and location-independent online learning materials to encourage the acquisition of knowledge and skills by employees who wish to develop themselves.

Systematic Personnel Rotation

The T&D Insurance Group implements systematic rotation taking into account the career aspirations, ability, and suitability of each individual with respect to human resources deployment needs under the business strategies of the T&D Insurance Group and each Group company, to ensure that each employee can make maximum use of the skills they possess. Young employees are assigned to different parts of the organization and different job areas for a certain period after joining the company. By moving between the head office and branches, as well as sales and administration, these employees work to acquire basic knowledge and hone their skills. Similarly, with regard to management staff, employees who have experience as head office division managers are put into positions such as branch general managers, while branch managerial staff are assigned to the head office, with the aim of improving their managerial capabilities. In addition, employees are assigned to highly specialized departments in accordance with their own characteristics, experience, and career aspirations, and they are developed into staff possessing specialized knowledge based on their operational experience and the development plans created for each division. With the objective of the development and expansion of the population of the human resources responsible for managing the T&D Insurance Group, in which a variety of companies exist, rotation from each company within the Group to T&D Holdings and personnel exchanges and dispatches within the Group are implemented, encouraging greater mobility of human resources within the Group.

Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively

Promoting the Active Participation of the Elderly

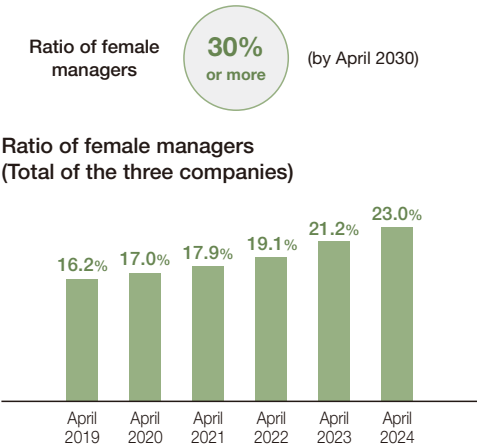
The Group’s three life insurance companies have introduced a reemployment system for employees who are reaching the mandatory retirement age. Also, in order to promote work style reform, we are working to give elderly people the opportunity to actively participate, and each Group company has introduced various systems according to its particular situation. Also, Taiyo Life holds life planning seminars for employees before they reach the mandatory retirement age, to give them an opportunity to think about the way they want to work and live in the future.

Diversity Promotion Initiatives

Initiatives to Support Active Participation of Women

The T&D Insurance Group recognizes that enabling women to further reach their potential is an important driver of sustainable growth in corporate value, and that their active participation is a crucial management priority for the Group. With this in mind, the Group’s three life insurance companies are working to revise their respective personnel and compensation systems, as well as introducing various support systems to enhance employees’ work-life balance, including balancing work with childcare and nursing care. In addition, by fostering a Group-wide collaboration to reduce total working hours and encourage male employees to take childcare leave, we are making an effort to create rewarding workplace environments where everyone is motivated to play an active role. To steadily advance these initiatives and promote the active participation of female employees, the Group’s three life insurance companies have each set targets for promoting female employees to management positions (25% by 2027 and 30% by 2030), and are working to systematically nurture female employees for promotion to management positions.

Targets set for promoting female employees to management positions (Achievement deadline)



Employment of Persons with Disabilities

As of the end of March 2024, a total of 402 employees with disabilities, including 50 new recruits for fiscal 2023, worked at the three life insurance companies, which account for 2.58% of the total number of employees. We have put in place several measures designed to create a comfortable workplace for employees with disabilities. As a pre-hire initiative, we encourage the attendance of a placement support worker at job interviews, so that job candidates can go through the screening process without worry. We also hold workplace tours for candidates to prevent assignment mismatches. After hiring, we strive to

provide company-wide support, through measures such as preparing a comfortable working environment by introducing specialized computers and other equipment, and taking commuting routes into consideration. In addition, job coaches who specialize in support for employees with disabilities are dispatched to the company, and a placement support worker holds interviews together with the employee and his or her supervisor, and offers advice.

LGBT-friendly

From the viewpoint of diversity, each Group company is addressing LGBT (sexual minorities) issues by running training sessions.

The T&D Insurance Group’s three life insurance companies have also started to allow policyholders to designate same-sex partners as beneficiaries of insurance benefits, just like for a spouse, by submitting documents showing that the two people are in a partnership, such as a partnership certificate issued by a local government.

Worker-friendly Work Environment

Work-Life Balance Initiatives

The T&D Insurance Group companies are strengthening various initiatives, including enhancement of childcare leave and other systems, reduction of total working hours, and introduction of the home-based work system and satellite office work system to enable diverse work styles. Accordingly, employees can make full use of their skills and increase their performance at work, while fulfilling their responsibilities at home, such as housework, childcare, and nursing care. The Group as a whole is striving to realize work-life balance by encouraging men to participate in childrearing, and the percentage of male employees taking childcare leave has reached 100% at the three life insurance companies.

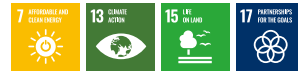
The Group’s three life insurance companies received certification as meeting the criteria of the Act on Advancement of Measures to Support Raising Next-Generation Children (Kurumin certification) for five consecutive biennial periods starting from the first period from April 1, 2005 to March 31, 2007.

Health and Productivity Management Initiatives

The T&D Insurance Group companies believe that the mental and physical health of the employees and their families is important in order to realize the Group Corporate Philosophy and continue the growth of the Group, so they aim to realize workplaces where all employees can participate in the operations with peace of mind and work enthusiastically.

The Group has a clinic at its head office, and promotes the health of its employees through periodic health committee meetings at each branch office in collaboration with industry physicians and the labor union. Also the Group conducts stress checks and promotes in-house non-smoking initiatives.

Priority Theme 3



Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation

We will contribute to climate change mitigation and adaptation and work to create a net zero society and conserve biodiversity through our own business activities as a provider of insurance products and services to customers.

Disclosure of Climate-Related Financial Information Based on the TCFD Recommendations

Climate change is an issue to be addressed on a global scale. The effects of climate change have significant impacts on the lives of people, through changes in economic behaviors and society worldwide. The T&D Insurance Group has expressed its support for the TCFD recommendations, and is actively committed to disclosing climate-related financial information in an easy-to-understand manner.

Governance

The Board of Directors has established the Group Sustainability Promotion Committee, chaired by the Representative Director and President, as its subsidiary body. The Committee formulates basic policies regarding the global environment and social issues such as SDGs, and the targets and initiatives for climate change action. It is supervised by the Board of Directors, monitoring of the status of the initiatives is implemented every six months, and a report is made to the Board of Directors. We have established the Sustainability Advisory Committee, Sustainability Promotion Subcommittee, ESG Investment Subcommittee, and Social Impact Study Subcommittee as subsidiary bodies to the Group Sustainability Promotion Committee.

Strategies

We carried out an analysis based on the “1.5°C scenario” and the “4°C scenario” in order to assess the impact of climate change risk (physical risk^{*1} and transition risk^{*2}) on the Group.

^{*1} Business risks associated with natural disasters caused by extreme weather such as typhoons and floods, and those associated with phenomena such as an increase in the average temperature and a rise in the sea level

^{*2} Business risks arising from the actions of government, corporations, and consumers in the process of carrying out the transition to a low-carbon or decarbonized society (through a significant reduction of greenhouse gas emissions)

Business opportunities for the Group

Changes in the morbidity rate and average life expectancy associated with the progress of global warming are expected to give rise to needs for protection (involving death, annuities, and medical care) against emerging risks. There are opportunities to expand net sales of the insurance business, by expanding and providing a wider scope of protection in order to meet such emerging needs.

Risk management

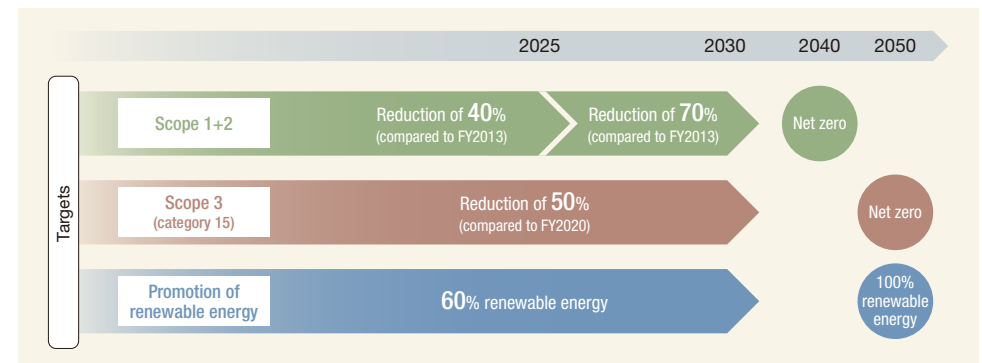
The Group exhaustively classifies the risks it faces through use of a risk profile, with a view toward dealing with increasingly diverse and complex risks and then reflects them in management plans, as necessary. The Group registers climate change-related risks on the risk profile as critical risks to be managed, and scrutinizes, identifies, and assesses these risks. A review of the risk profile is carried out twice per year, and reported to the Group Risk Management Committee and the Board of Directors.

Metrics and targets

The Group establishes its environmental protection-related targets and is working on initiatives to achieve them in its daily business activities. The four targets are “to reduce CO₂ emissions,” “to reduce electricity consumption,” “to reduce office paper consumption,” and “to improve the green purchasing ratio.”

Progress toward the achievement of these targets is measured annually, and disclosed in various reports and websites.

Roadmap to achieving net zero



Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation

Initiatives to Reduce the Environmental Impact

The T&D Insurance Group has set Group-wide targets related to environmental protection, and each company cooperates with each other to achieve these targets in the course of its daily business activities.

CO₂ emissions

Over 90% of the Group's CO₂ emissions (Scope 1 + 2) arise from electricity use. For that reason, we are endeavoring to reduce CO₂ emissions by setting targets for reducing electricity consumption in order to curb energy usage and advancing the introduction of renewable energy.

Baseline: CO₂ emissions in FY2013 (value per unit of floor space) = 0.0674 t/m²

Target: Reduction by at least 40% from baseline by FY2025

Reduction by at least 70% from baseline by FY2030

Scope: Buildings owned or leased and used by Group companies. Owned buildings include tenant usage; only the leased area is applied for leased buildings.

	Baseline (FY2013)	FY2021	FY2022	FY2023
CO ₂ emissions (Scope 1 + 2)	59,908 t	43,612 t	41,199 t	37,101 t
Total floor space	888,529 m ²	938,081 m ²	935,752 m ²	937,610 m ²
Per unit of floor space	0.0674 t/m ²	0.0465 t/m ²	0.0440 t/m ²	0.0396 t/m ²
Compared to baseline (FY2013)	—	69.0% (-31.0%)	65.3% (-34.7%)	58.8% (-41.2%)

Electricity consumption

In addition to the power-saving activities, we are endeavoring to implement a multitude of measures to reduce electricity consumption, such as introducing a power demand monitoring system for controlling peak-time use in each building and setting no overtime days. Furthermore, we encourage employees to put their computers into standby mode when they are away from their desk and turn off printers and multifunction machines when leaving offices.

Baseline: Electricity consumption in FY2016 (value per unit of floor space) = 111.0 kWh/m²

Target: Reduction by at least 10% from baseline by FY2027

Scope: Buildings owned or leased and used by Group companies. Owned buildings include tenant usage; only the leased area is applied for leased buildings.

	Baseline (FY2016)	FY2021	FY2022	FY2023
Electricity consumption	97,223 M kWh	95,139 M kWh	93,548 M kWh	90,397 M kWh
Total floor space	875,682 m ²	938,081 m ²	935,752 m ²	937,610 m ²
Per unit of floor space	111.0 kWh/m ²	101.4 kWh/m ²	100.0 kWh/m ²	96.4 kWh/m ²
Compared to baseline (FY2016)	—	91.3%	90.1%	86.9%

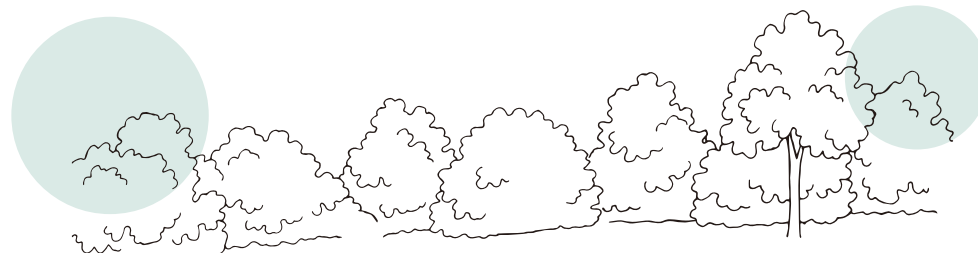
Forest Conservation Activities

Taiyo Life conducts forest conservation activities. It has established *Taiyo Seimei no Mori* (the Forests of Taiyo Life) in Nasushiobara City (Tochigi Prefecture) and Takashima City (Shiga Prefecture). *Taiyo Seimei no Mori* was established in March 2006 in Nasushiobara City, Tochigi Prefecture, as a project under the Forestry Agency's Corporate Forest program. In cooperation with the Enna District Forest Office and others, we continuously conduct forest maintenance activities such as thinning trees and maintaining walking trails, in addition to inviting members of the Japan Down Syndrome Society and their families to take part in forest studies classes. *Taiyo Seimei Kutsuki no Mori* (Kutsuki Forest of Taiyo Life) was established in Takashima City, Shiga Prefecture, in November 2007. In collaboration with the Asosatoyama Center, a local NPO, we carry out forest maintenance activities, including maintaining forest roads and clearing fallen leaves from Japanese red pine forests. We also collaborate with local elementary schools to host the *Donguri Project* (Acorn Project), wherein elementary school students grow broad-leaf seedlings from acorns and then plant them in the forest upon their graduation.

In recognition of such activities, *Taiyo Seimei Kutsuki no Mori* (Kutsuki Forest of Taiyo Life) was certified as a Nationally Certified Sustainably Managed Natural Sites by the 30by30 Alliance for Biodiversity in October 2023.



Name of forest	<i>Taiyo Seimei no Mori</i> (the Forests of Taiyo Life) (Tochigi Prefecture)	<i>Taiyo Seimei Kutsuki no Mori</i> (Kutsuki Forest of Taiyo Life) (Shiga Prefecture)
Date of establishment	March 2006	November 2007
Area	Approx. 4.8 ha	Approx. 12.7 ha
CO ₂ absorption	21 t (estimated by the Forestry Agency)	87 t (estimated by Takashima City)



Priority Theme 4



Invest to Help Build a Sustainable Society

As a responsible institutional investor, the Group will secure stable long-term investment income and contribute to the realization of a sustainable society through investment activities undertaken in consideration of the environment, society, and corporate governance, with the aim of growing sustainably in partnership with society.

To promote asset management that considers ESG issues, each company in the T&D Insurance Group has introduced various ESG investment methods depending on the characteristics of the assets held.

Specific ESG investment initiatives

Specific ESG investment initiatives	Specifics
Reflection of ESG factors in investment decisions	Incorporation (integration) of ESG issues into the asset management process
	All portfolio investment and financing decisions are made based on an analysis and evaluation of both the financial information and the non-financial information, including ESG issues, of investees and borrowers.
	Negative screening
Stewardship activities	ESG-themed investment and financing
	We exclude companies and businesses from investment and financing if they are unfavorable from the viewpoint of ESG due to humanitarian concerns, the mass consumption of fossil fuels, etc.
	We focus on ESG-themed investment and financing that considers ESG issues such as climate change adaptation and mitigation and regional development and through which we can contribute to the realization of a sustainable society.
Stewardship activities	Ongoing dialogue with investees and borrowers
	We support the corporate value enhancement and sustainable growth of investees and borrowers through "purposeful dialogue" that also takes sustainability related issues into consideration.
Stewardship activities	Exercising voting rights
	When exercising voting rights, we endeavor to judge whether to vote for or against proposals based on a consideration of both financial information and non-financial information such as ESG issues.

Signing of the Principles for Responsible Investment (PRI)

Taiyo Life, Daido Life, and T&D Asset Management have signed the Principles for Responsible Investment (PRI), which is supported by the United Nations.

Signatory of:



Reflection ESG Factors in Investment Decisions

Utilization of ESG Issues in the Asset Management Process (Integration)

Taiyo Life and Daido Life strive to increase long-term investment returns and fulfill its mission as an institutional investor to create a sustainable society by taking into account not only financial information

relating to investees and borrowers but also assessment results relating to ESG and other non-financial factors when making investment and financing decisions for all assets under management.

Negative Screening

We have introduced a negative screening method that excludes companies and businesses from investment and financing if they are unfavorable from the viewpoint of ESG.

Exclusion of manufacturers of inhumane weapons

Given the humanitarian concerns, we prohibit investment and financing in companies that manufacture specific weapons (manufacturers of cluster munitions, biological and chemical weapons, landmines, nuclear weapons, etc.)

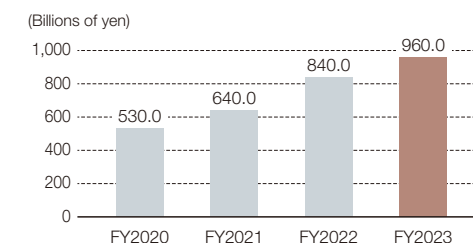
Attitude towards investment and financing for businesses with large environmental impact

Because the consumption of fossil fuels is one of the major factors driving environmental problems such as climate change and air pollution, it is the Group's policy not to make any new investments or loans to coal-fired power generation projects or coal mining projects. It is also our policy not to make any new investments or loans in oil and gas exploration projects in the Arctic (areas north of 66°33'N) where the impacts on climate change and the ecosystem are high, or in oil sands exploration projects, which pose a greater environmental burden during extraction and refining compared to traditional petroleum.

ESG-themed Investment and Financing

The three life insurance companies (Taiyo Life, Daido Life and T&D Financial Life) take ESG issues into account in making investment and financing decisions and focus their investments and loans on themes that contribute to creating a sustainable society. The cumulative amount of ESG-themed investment and financing made as of the end of FY2023 was 960 billion yen.

ESG-themed investment and financing



Invest to Help Build a Sustainable Society

Stewardship Activities

Ongoing Dialogue with Investees and Borrowers

Taiyo Life, Daido Life

Taiyo Life and Daido Life make efforts to share awareness with investment targets through constructive, purposeful dialogue based on issues concerning sustainability. Through such efforts, the companies seek to stimulate the improvement of corporate value and sustainable growth from the mid- to long-term perspective in investment targets such as domestically listed companies and corporate bond-issuing entities. Between July 2023 and June 2024, Taiyo Life and Daido Life engaged in dialogue with 180 companies and 142 companies, respectively.

T&D Asset Management

T&D Asset Management uses individual and small meetings with companies as opportunities to hold constructive dialogues that promote sustainable growth from such perspectives as business strategy, capital efficiency, environmental and social issues, and governance. In the period between July 2023 and June 2024, meetings were held with 202 companies.

Exercising Voting Rights

Taiyo Life, Daido Life

Taiyo Life and Daido Life strive to make voting decisions based not only on formal determination criteria such as financial information, but also on non-financial information such as ESG. They also promote the sustainable growth of investment targets by practicing regular constructive purposeful dialogue (engagement).

In order to strengthen our governance and conflict of interest management structures relating to stewardship activities as a whole, including the exercise of voting rights, we created a committee on exercising voting rights, which includes outside members.

T&D Asset Management

T&D Asset Management has established the Stewardship Activity Committee to deliberate and make decisions on matters related to the exercising of voting rights. The Stewardship Activity Committee deliberates and makes decisions on matters related to the exercising of voting rights, including the company's Guidelines for Exercising Voting Rights. The Guidelines for Exercising Voting Rights are designed to go beyond simply providing guidance for formal assessments; instead, they are intended to contribute to the sustainable growth of investee companies. Proposals for instructions regarding the exercising of voting rights are drafted based on the Guidelines for Exercising Voting Rights; taking feedback from the Stewardship Activity Committee into consideration, the Committee chairman then makes a final decision on these proposals.

Efforts to Contribute to the Mitigation of Climate Change

CO₂ Emission Reduction Targets for Investees and Borrowers

As a responsible institutional investor, the T&D Insurance Group has set emission reduction targets for CO₂ emissions from its own investees and borrowers (Scope 3, Category 15) as shown on the right.

The 2030 interim target was a 40% reduction of CO₂ emissions. However, in May 2024, the Group announced this was increased to a 50% reduction to better align with the pace of the reductions achieved to date and our commitment to contributing to the realization of a carbon neutral society.

T&D Insurance Group CO₂ emissions reduction target

FY2030	50% reduction (compared to FY2020)
FY2050	Net zero

* Covers stocks, bonds, and loans held by Taiyo Life and Daido Life that were issued by listed companies in Japan
Reduction targets are set on a per-unit basis (CO₂ emissions per unit of investment)

Efforts to Achieve Targets

Taiyo Life and Daido Life engage continuously with investees and borrowers on the theme of climate change to reduce CO₂ emissions and achieve net zero, and provide financial support to investees and borrowers who are tackling the climate change issue through initiatives for financing projects that use the funds for investments in decarbonization.

Dialogue with investees and borrowers

We are requesting that our investees and borrowers with the highest CO₂ emissions improve their information disclosure, including publishing emission reduction targets and roadmaps for achieving the targets. In addition, we provide long-term support and encouragement to investees and borrowers by exchanging opinions on reduction efforts and progress, and by sharing awareness.

Financial contributions through ESG-themed investment and financing

As an institutional investor who manages long-term funds, the Group believes that it is possible to provide stable funding to investees and borrowers who promote long-term solutions to climate change and other issues. We support companies tackling climate change issues from a financial standpoint by actively investing in green bonds, transition finance, and similar instruments that use the funds for investments aimed at decarbonization.

CO₂ Emission Reduction Status of Investees and Borrowers

Targeted assets	Holdings	CO ₂ emissions	Energy intensity (tons per million yen)
Stocks and bonds of and loans to companies listed in Japan*	¥2,742.8 billion	1,580,000 tons	0.58
Government bonds issued by Japanese and foreign governments	¥4,905.6 billion	6,530,000 tons	1.33
Total	¥7,648.5 billion	8,120,000 tons	1.06

* Emissions in each country are production-based emissions (excluding emissions related to land use, land use change, and forestry).

Group Employee Dialogue

The role played by ESG investment to achieve sustainable growth from a medium- to long-term perspective



The T&D Insurance Group proactively makes ESG investments that help solve social issues. We asked the personnel making their mark in this area at each Group company and the nature of their jobs, specific initiatives they implement, how ESG investment contributes to enhanced corporate value, and their vision for the future.

(Left)

Kazuki Maeda

Fixed Income Department,
Daido Life Insurance Company

(Center)

Eriko Ikeda

Responsible Investment Office
T&D Asset Management Co., Ltd.

(Right)

Junya Higashitani

Financial Loan Department,
Taiyo Life Insurance Company

Please tell us about your work responsibilities.

Maeda I work in the Fixed Income Department of Daido Life, and I handle investment in corporate bonds on the front lines of asset management. My main responsibilities are the analysis of investee companies and outsourced investment institutions, portfolio management and the preparation of market outlooks for corporate bonds. The moments when I feel fulfillment from my job is when careful preparations from day-to-day activities, the analysis of investment stocks and communication with business partners and team members leads to the acquisition of a promising investment opportunity.

Ikeda I work as an ESG analyst in the Responsible Investment Office under the Equity Investment Department at T&D Asset Management. I originally worked as a financial analyst at an asset management company, but when my daughter was born, as a parent started to think about doing a job that would allow me to help make the future environment and society better, and I joined T&D Asset Management out of a desire to work on ESG investment. I have three main responsibilities, first of all is the analyst work uncovering and analyzing the investee companies of ESG funds, and engaging with those companies. Second is stewardship-related work such as proxy voting and dealing with PRI reporting. The third is work to promote the overall ESG integration of T&D Asset Management. During

interviews, the points raised as non-financial issues sometimes turn out to be underlying factors behind financial issues. I experience a sense of job fulfillment when I can share information about issues these companies have not realized during dialogue with them.

Higashitani I work in the Financial Loan Department of Taiyo Life. In addition to handling corporate loans, my responsibilities include structured finance, such as investing in and financing mortgage-backed securities, domestic project financing and LBO loans. In 2022, as a part of ESG investment and financing, I experienced a sense of job fulfillment when we managed to invest in a solar power generation project utilizing a new corporate PPA*¹ scheme.

*1 An agreement under which a company or local government purchases renewable energy-derived electricity from a retail electricity provider over the long term

You are all responsible for a wide range of ESG-related work. Can you tell us about any investment projects or examples of dialogue that have left an impression on you?

Maeda The most memorable project for me was an investment in an impact bond fund two years ago. I felt there was something significant about impact investments that allow the pursuit of both social returns and economic returns, and had been looking into it. In the course of doing so I connected with an investment manager with

exceptional management skills regarding impact investment, which was established by initiative of the United Nations, and we got the opportunity to invest in a fund. During discussions with employees of this investment manager, I got a strong sense that each of them were highly passionate and were working with a sense of mission, and this deeply impressed me. Ultimately, the fund was selected for an Award of Excellence as part of the Sustainable Finance Awards organized by the Research Institute for Environmental Finance, and I felt that in some small way, we had been able to contribute to the development of impact investment in the Japanese corporate bond market.

Ikeda Through dialogue with a certain consulting firm, I pointed out an issue where despite steady profit growth, the company's share price was not keeping pace. Due to the nature of its business, this company required almost no capital investment, but despite that its dividend payout ratio was low. I therefore shared my insight about this problem with the company, and as a result of emphasizing the need to solve the issue, the company gained a similar awareness of it. Through these efforts, the company brought on an outside director with detailed financial knowledge, and strengthened shareholder return measures such as raising the dividend payout ratio and conducting share buybacks. After we included this company in its portfolio, its share price rose by around 45% at its peak, and I believe our dialogue with them played

Group Employee Dialogue

some part in this. Being able to contribute to the company's share price and improved corporate value by sharing information on the issues it faced was something that was particularly memorable for me.

Higashitani In 2020, Taiyo Life implemented “donation-linked green loans” for a securities firm. This project involved loans based on the lending company's green framework, where the loaned funds were allocated to endeavors such as a renewable energy generation project, and included donations made to medical relief activities in Myanmar. For Taiyo Life, which has also entered the life insurance business in Myanmar, this was an initiative that reflected our company's unique characteristics, and it was particularly memorable for me.

It seems that social expectations regarding ESG will continue to increase in the future. In what areas of your business activities were strengthened in fiscal 2023?

Higashitani For Taiyo Life, we conducted monitoring to ensure that funds were being used appropriately after granting loans, and strengthened efforts to encourage disclosures through engagement as needed. In the structured finance team I manage, we have stepped up our monitoring systems for the financing of existing projects, particularly renewable energy generation projects, and the whole team has been working hard on a range of tasks including making additional visits to sites, conducting interviews with project operators and verifying equipment and facilities. By conducting additional investigations even after loans have been executed, I feel we are fulfilling our role as a financial institution to contribute to local economies and advance a decarbonized society. In addition, recently various issues have come to the forefront such as damage to facilities from landslides and other natural disasters, forest development that goes beyond the scope of government approval, and the illegal dumping of unneeded equipment, and I think these activities are also effective as an opportunity to reassess these risks.

Ikeda In fiscal year 2023, we stepped up our efforts in two key areas. First, we strengthened engagement regarding the “S” part of ESG. Starting with securities reports issued for the fiscal year ended March 31, 2023, a partial mandate was introduced requiring disclosures of sustainability information, particularly disclosures concerning human capital. In response to this, we strengthened our efforts to

confirm information about the measures companies were taking to deal with employee turnover, trends in average overtime hours, and the results and targets for employee engagement surveys. We also started verifying with companies about the implementation scope of supplier surveys, and the support and action taken in response to survey results. Secondly, we have improved our overall management of engagement. After identifying the issues for each company and the goals to be pursued on the side of us, we prepare an engagement sheet. We use this to manage proposals from us and progress on the response from the company, and by sharing this internally, we have worked to improve the effectiveness of our engagement activities.



Maeda Starting in the previous fiscal year our department expanded the scope of ESG scoring to cover all domestic corporate bond investments. ESG scoring involves assessing multiple monitoring metrics related to E, S and G to score each company.

Previously, ESG assessments were conducted by each assigned analyst and included qualitative aspects, leading to ambiguity in the criteria. By making it possible to conduct qualitative and uniform assessments that do not incorporate the subjectivity of the assessor, the assessments have become more meaningful, and can now be effectively utilized in our engagement activities. However, ESG issues can vary by company and sector, and simply looking at the numbers is not enough. That is why it is important to properly communicate and engage in productive dialogue. With that in mind, my team holds regular workshops to ensure that we continue to improve our knowledge.

There has been a growing trend toward measuring and disclosing positive impacts. How do you tackle this in your own capacities?

Ikeda To companies that are contributing to CO₂ emission reductions through their technological capabilities or services, we submit proposals encouraging them to estimate the impact they have to the extent possible and disclose the results. Many companies place an emphasis on helping to reduce emissions across society as a whole by supplying low-emission products and services, which are known as

Scope 4 emissions, and our ESG fund assesses business models from the perspective of contributions to the environment and society. We have also strengthened our monitoring of portfolios through ESG data, and in the near future I think it will be necessary to quantitatively calculate non-financial impact and reflect that in estimated share prices.

We believe that it is important to measure the positive impacts on society, and together with Taiyo Life and Daido Life we are part of an “Impact Consortium” and proactively gather information, including research into cutting-edge activities overseas.

Maeda Daido Life measures the impact created through investment on a joint basis with the Investment Planning Department. Currently not a great deal of progress has been made with companies disclosing impact metrics. Additionally, collating information about the impact of each company involves a lot of manual work, and the need for human resources is an industry-wide issue. As many groups offer a range of measurement tools, we make use of them in our research and encourage companies to pursue disclosure. The T&D Insurance Group's policy is working to advance impact measurement in the areas of healthcare and nursing care in addition to CO₂ emissions, and we are also trying to update knowledge in those fields.

Higashitani One area where we run into difficulty is although there are clear and common metrics for decarbonization projects, such as by how many tons of CO₂ emissions have been reduced, and the disclosure of impact measures has become a standard practice, positive impact in the social sphere is so wide-ranging that it is difficult to identify in a way that makes it comparable with other efforts. Take vaccine bonds for example. While you can produce a clear social impact in terms of how many people got vaccines using the funds we invested, when funds are utilized based on a social framework, it is relatively hard to ascertain in specifically which projects the funds have been used, and as a result, there are cases where clearly identifying social impact is a challenging prospect. Hopefully, more quantitative tools will be developed in the future. I think that the companies creating frameworks and lenders both need to be innovative in terms of impact measurement and reporting methods.

Maeda On the point that Mr. Higashitani brought up, I also feel there are improvements to be made on the investor side. For

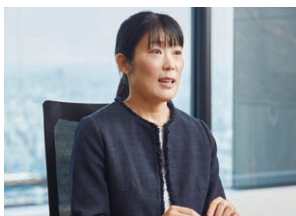
Group Employee Dialogue

example, in cases where funds are provided to financial institutions in emerging nations, the companies in question may lack the resources to calculate impact, and indiscriminately demand disclosure will not be effective. I think it is important for us to consider appropriate standards so that we can assess impact within our own framework.

T&D Holdings has set the target of achieving net zero CO₂ emissions across its investment and financing portfolio by 2050. How are you working towards this goal in your own capacities?

Maeda When it comes to reaching the net-zero level, a shift toward decarbonization needs to be made, including technological innovations and a restructuring of the value chain in each industry. As investors ourselves, we also need to develop a proper understanding of exactly what constitutes a business that truly contributes to this by ascertaining the opportunities and risks in each industry, and determining the appropriateness of the roadmap to decarbonization presented by each company. This is not an easy task, but we will tackle it by continually updating our information through communication with companies and related industry parties, understanding of Science Based Targets (SBT),^{*2} and other efforts.

*2 Science-based targets set for the next 5-10 years that provide companies with targets for reducing greenhouse gas emissions in line with the Paris Agreement goals.



Ikeda We have seen considerable progress with companies disclosing environmental data and setting targets, and more companies are obtaining SBT certification and setting targets that have a scientific basis. The T&D Insurance Group has also set

both a 2050 target and a 2030 interim target, but there isn't much time left to achieve them. In engagement with companies, we communicate that it is important to seek effectiveness in line with targets such as SBT. In practice, that means confirming progress towards goal achievement based on actual data a company has disclosed, and confirming that top management is committed to those targets, that the progress is being monitored by their board of directors, as well as determining to what extent ESG has been incorporated into the

performance-linked competition criteria for directors. In aiming for net zero emissions by 2050, we need to practice engagement that takes elaborate ESG analysis, including natural capital, into account, and internally we will be strengthening our efforts in this regard.

Higashitani We work on confirming the decarbonization roadmaps of the companies we invest in and engage with them both before and after we make investment and financing decisions. Additionally, in communication and exchanges with companies, we help those companies that are searching for ways to reduce CO₂ emissions by sharing examples of initiatives underway in other industries and providing information about the status of green bonds and similar opportunities. Everyone on the team is aware that a life insurance company that is able to provide long-term financing is in a position that is highly compatible with efforts to address corporate ESG issues, and we make an effort to provide useful information. Of course, although we promote sustainable investment and financing, we are also aware that neglecting our traditional credit rating responsibilities could be counterproductive.

Ensuring a return is also important, and since some industries have many companies incurring a significant burden with capital investment aimed at decarbonization, when making investment and financing decisions we must take the status of those companies into account.

Finally, please tell us about the areas the T&D Insurance Group should focus on for the development of ESG investment, and the issues we face.

Ikeda I think some of the material issues we will need to deal with in the future include the declining population and geopolitical risks. When I was a student, I did a homestay at a dairy farm in the United States, and the high school-aged child of the host family would take the family tractor to mow the schoolyard lawn. They apparently did this whenever they had free time, but what left me with a strong impression was the culture, where it was considered natural for the local community to play a part in maintaining the educational environment. On the other hand last year, when I joined the PTA for my daughter's elementary school, many of the parents said they were unable to take part due to work commitments. This is just one example, but my point is that there are still things that companies can do. I believe financial institutions such as investors like ourselves need to play a leading role in making the world a better place, and I

hope we can create investment products to shape a society focused on children and develop mechanisms encouraging the resolution or avoidance of war and conflict.

Higashitani In the renewable energy field, I think the number of projects being formed has trended downward over the past few years due to the impact of changes to various schemes and regulations. However, new systems such as corporate PPA and long-term decarbonized power auctions^{*3} have been emerging at a rapid pace, and I expect that new financing projects, such as off-shore wind project financing, will also emerge. Within that context, I think the issues we particularly need to address lie in the social sector, as Ms. Ikeda mentioned, and I hope we increase our investment and financing track record in this area. The initiatives Taiyo Life has pursued to date, such as dementia insurance, the provision of disease prevention services and the construction of nursing homes utilizing owned real estate are closely linked to issues faced in the social sector, and I want to explore investment and financing opportunities that will help realize an era of 100-year lifespans in the future. In terms of the role I will play, I will keep an eye out for new financing opportunities without being constrained by fixed ideas, and will be fully committed to working on the tasks in front of me.



*3 A system encouraging the transition to non-fossil fuel-derived power sources with the aim of achieving carbon neutrality by 2050

Maeda In terms of the areas we need to focus on, I think it is important to consider the decarbonization field from a long-term perspective and consistently work towards it regardless of the coming and going of trends. Many of the industries and companies we invest in are still in the research and development stages of efforts aimed at net zero emissions, and their capital investment financing needs have yet to enter full stride, but as those technologies are increasingly demonstrated, a large amount of capital investment funding will be required. As a provider of long-term financing, we need to conduct forward-looking analyses and maintain communication with companies, and Daido Life also needs to put systems in place to support those efforts.

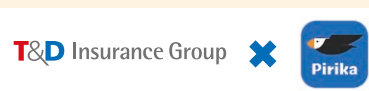
Social Activities

As a group engaged in the life insurance business with its highly public and social nature, the T&D Insurance Group implements a variety of initiatives for social activities and conserving the environment. As a life insurance group, our ultimate aim is to achieve sustained growth in step with society in view of our commitment to fulfilling our public mission and meeting our social responsibilities. To that end, our efforts focus primarily on “improving health and welfare,” “developing a sound society,” and “promoting employee participation in social contribution activities.”

T&D Insurance Group

Litter cleanup activities using Pirika, the anti-litter social media app

The T&D Insurance Group promotes cleaning activities as part of its initiatives aimed at resolving social issues. In July 2023 we started using Pirika, the anti-litter social media app, to revitalize and quantify our litter cleanup activities. Pirika won the Grand Prize at the sixth Nikkei Social Business Contest, which we co-sponsored.



Daido Life

Supporting sports for people with disabilities

The inaugural National Sports Games for People with Intellectual Disabilities* was held in 1992, when Daido Life celebrated its 90th anniversary, and the company has been a special sponsor of the National Sports Festival for People with Disabilities every year since.



Every year, Daido Life sets up a company booth in the *Omotenashi Hiroba* (Hospitality Plaza), a venue for interacting with participating athletes, where people with disabilities can enjoy sports experiences and free games; executives and employees from Daido Life, Taiyo Life, and other affiliated organizations work as volunteers to support this event.

In 2023, the National Sports Festival for People with Disabilities, the *Moyuru Kando Kagoshima Taikai*, was held in Kagoshima prefecture.

We have also been an official partner of the Japanese Para Sports Association since January 2015. In our capacity as a partner, we work to further popularize and develop sports for people with disabilities.

* In 2001, the National Sports Games for People with Intellectual Disabilities was integrated with the National Sports Games for People with Physical Disabilities to become the National Sports Festival for People with Disabilities.

Taiyo Life

Supporting the Japan Down Syndrome Society

Taiyo Life and members of Taiyo Life Goodwill Circles support the activities of the Japan Down Syndrome Society by interacting with it.

Main activities

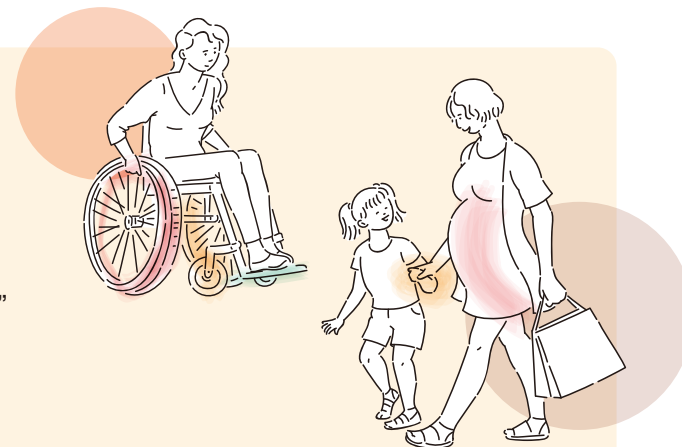
- Support activities as a supporting member of the association.
- Provide Taiyo Life conference rooms for use as venues for seminars held by the association.
- Participation of the corporate officers and employees of branches and head office departments as volunteers at association activities.



T&D Financial Life Insurance

Official Partner Agreement concluded with Japan Deaf Football Association (JDFA)

T&D Financial Life Insurance signed an official partner agreement with the Japan Deaf Football Association in June 2018. As an official partner, T&D Financial Life contributes to the development and spread of deaf soccer and futsal, by supporting the activities of deaf soccer and futsal teams and promoting sports for people with disabilities.



External Evaluation

Evaluation by ESG assessment organizations (As of July 1, 2024)

International Index



FTSE4Good



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Japan Index



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index









2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Major Awards, Commendations (Fiscal 2023)

- Ministry of Economy, Trade and Industry / Listed as a Health and Productivity Management Organization- White 500.
- HDI-Japan / HDI Five-Star Certification Program; the call center achieved a Five-Star certification.
- HDI-Japan / HDI Three Stars Benchmark -QUALITY- For Centers; the telephone support desk (for customers and sales agents) received a three-star rating (the highest rating).
- Universal Communication Design Association / Honored to receive the UCDA Award 2023, the Another Voice Award, and the Overall Award (Bronze).

Principles That the T&D Insurance Group Endorses and Supports

The UN Global Compact 	 <p>Signatory of: PRI Principles for Responsible Investment</p>
Spring 	Advance 
Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) 	TCFD  <p>TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>
RE100 	Climate Action 100+ <p>A proud participant of: </p> <p>Global Investors Driving Business Transition</p>

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