

CREATE VALUE FOR PEOPLE AND SOCIETIES.



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Sustainability Report 2020

Report Publication Information

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| Published in | November 2020 (Previous Issue: November 2019; Next Issue: Scheduled for November 2021) |
| Scope of report | All companies and foundations in the T&D Insurance Group * Contents of this report are selected taking into account the importance of each item, and we indicate the scope of each item as necessary. |
| Period covered | April 2019 to March 2020 (annual) * Also includes reports on some significant activities and events having occurred in and after April 2020. |

Contact Information

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Sustainability Division, Group Planning Department, T&D Holdings, Inc.
7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan
E-mail: csr@td-holdings.co.jp

Regarding Third-party Opinion

As a counselor of the Japan Research Institute, Mr. Eiichiro Adachi possesses extensive knowledge about sustainability/CSR and was asked to offer his opinion and advice about the contents of Sustainability Report 2020 from the standpoint of a third party.

Editorial Policy

The T&D Insurance Group has prepared this report to provide a wide range of stakeholders with a picture of the Group's concepts of and approach to sustainability, as well as its sustainability initiatives. In fiscal 2020, the Group is disclosing information in the form of two different reports in order to let a wider range of stakeholders get to know the Group's initiatives. In addition to Sustainability Report 2020, we are releasing a digest edition of Sustainability Report 2020. In the digest edition, we present the Group's thinking about sustainability and the main sustainability initiatives taken by the Group in an easy-to-understand format. It is an approachable, easy-to-read report with only a small number of pages and many photographs and illustrations. Sustainability Report 2020 conforms to the GRI standards, and reports on the wide-ranging management, social, and environmental initiatives the Group is advancing.

Overview of the Digest Edition of Sustainability Report 2020

- Message from the President ● T&D Insurance Group Vision
- Priority Theme 1 Promote healthy and abundant lives for all people
- Priority Theme 2 Provide workplace environments that enable all people to participate actively
- Priority Theme 3 Help mitigate and adapt to climate change
- Priority Theme 4 Invest to help build a sustainable society
- Social Activities ● Response to COVID-19 ● Organizational Profile ● External evaluation



Aiming to be a corporate group that grows and develops with society, driven by the creation of shared value

—Our actions towards the realization of a sustainable society—

Hirohisa Uehara

Representative Director and President,
T&D Holdings, Inc.

Global issues exposed by COVID-19

The global spread of the COVID-19 pandemic in 2020 has thus far had an enormous impact on human society at large and there is currently still no end in sight. I offer my deepest condolences to the families who have lost their loved ones to COVID-19 and express my heartfelt sympathy to the many people whose livelihoods have been affected.

The impact of COVID-19 extends far beyond the health effects of being infected with the coronavirus. In many countries, business activity and people's social activities have suffered the negative consequences of governments clamping down on travel and economic activity in an effort to halt the spread of infections. As a result, I believe the pandemic has also highlighted the fact that a great number of people are extremely vulnerable to the ill effects of an economic or social crisis.



Message from the President

I think these circumstances have made many people realize that in order for humankind to overcome such major crises and continue to evolve, it is vital that the whole world cooperates on solving social issues and builds more resilient and sustainable societies.

I therefore think it has become more important than ever before that we achieve the SDGs—the blueprint we have for solving social issues—if we are to realize such a vision. Up ahead, companies around the world, including ourselves, will need to contribute to achieving the SDGs through their respective business activities by complementing their existing initiatives with highly evolved products and services that meet the needs of society in a post-coronavirus world.

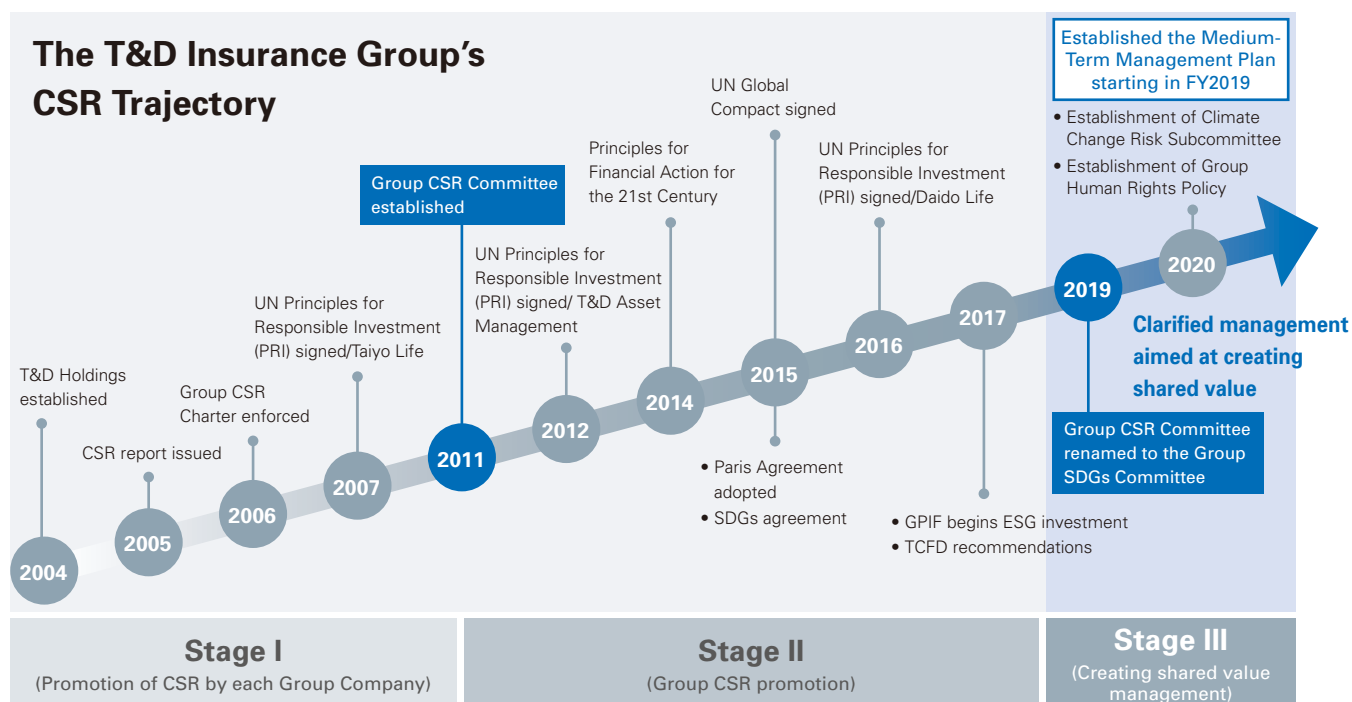
Creating shared value and contributing to the SDGs

In fiscal 2019 we kicked off our medium-term management plan, “Try & Discover 2021—Creation of Shared Value—.” By strengthening core businesses and diversifying our business portfolio, the overall policy of the plan will be to contribute to solving the ever-changing issues faced by people and society, thus aiming to be an insurance group that grows in lockstep with society. Having placed the creation of shared value at the core of our medium-term management plan and identified priority themes in which we can harness the Group’s strengths, our Group vision represents our aim to expand business domains and generate value for society.

When formulating our medium-term management plan, the Group SDGs Committee, on which I myself serve as chairman, narrowed down the social issues that our Group can utilize its strengths to contribute to solving from among the 17 goals and 169 targets of the SDGs. The committee then selected four priority sustainability themes for the Group to address. We aim to take action on these themes by creating shared value through the businesses outlined in the medium-term management plan.



The T&D Insurance Group's CSR Trajectory



Even in a post-coronavirus world, our Group's policy will be to drive home our overall management plan on achieving sustained growth as a corporation and going about our day-to-day business by helping to solve social issues, laying the groundwork for a sustainable society, and creating value for society.

Sharing our expectations with the world

Aside from the COVID-19 pandemic, there are many other social issues that governments and corporations around the world ought to cooperate on addressing. The frequent occurrence of and widespread damage wrought by natural disasters stemming from climate change, such as powerful typhoons and torrential rain, is a cause for concern for not just Japan, but many other parts of the world. And there are numerous other social challenges recognized worldwide, such as various human rights issues, widening social and economic disparity, new types of disparities and changes in employment brought on by technological innovation, and the plethora of challenges posed by the continued graying of societies in many developed countries.

In 2015 the Group signed onto the United Nations (UN) Global Compact, a framework for cooperation between businesses and the UN with the goal of achieving sustainable growth advocated by the UN. On behalf of the T&D Holdings Group, we signed a letter addressed to the UN Secretary-General in support of the 10 principles in the four areas of human rights, labor, the environment, and anti-corruption. Based on this, the Group participates in activities to demonstrate responsible business practices.



Message from the President

Further, in 2007 Taiyo Life was the first Japanese life insurer to sign onto the Principles for Responsible Investment (PRI), a UN code of conduct that encourages institutional investors to take environmental, social, and governance (ESG) themes into consideration when making investments. T&D Asset Management and Daido Life became signatories in 2012 and 2016, respectively, and the Group as a whole is working towards contributing to the realization of a sustainable world in the field of ESG investment.

Based on the Paris Agreement, under which the international community agrees to work together on mitigating and adapting to climate change, we continue to take measures to reduce greenhouse gas emissions generated by our broad range of business activities, and as an institutional investor, we are doing our utmost to help mitigate and adapt to climate change. Furthermore, we support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was set up by the Financial Stability Board (FSB), and actively engage in the disclosure of easy-to-understand climate-related financial information.

On the topic of human rights, our Group CSR Charter expresses our respect for all human rights and we have always respected the individuality and diversity of all employees and strived to create a workplace environment that guarantees health and safety for all. In July 2020 we established the T&D Insurance Group Human Rights Policy to express our views on respect for human rights in line with the Guiding Principles on Business and Human Rights, a code of behavior developed by the UN Human Rights Council for all states and business enterprises to abide by. Also, considering that our Group has a majority of female employees, giving scope to the capabilities of women in the Company is a key management issue for the purpose of sustainably enhancing corporate value. We continue to implement multifaceted initiatives that support the empowerment of women in the workplace. For example, we have overhauled our personnel and compensation systems, encouraged work-life balance, and supported personal skills development.

Expected responsibilities and sustainability of the T&D Insurance Group

Life insurance is the Group's core business. Life insurance serves the public interest and is intimately linked to stability and improvements in people's lives, economic development, and the attainment of a sustainable society. Our Group too has a responsibility to contribute to society through our life insurance business activities.

In order to fulfill this responsibility, we are cognizant of the fact that we must enhance the Group's own sustainability and continue to achieve stable growth. The post-coronavirus world we aim to realize should not be the same as that before the onset of the pandemic, but a more sustainable world in which the SDGs have been achieved. Moreover, I believe it should be a world in which governments, corporations, and all citizens help each other to make such a vision a reality. Taking the initiative to make it happen presents our Group with new and challenging business opportunities. The T&D Insurance Group will constantly share value with society, aim to be an insurance group that grows in a sustainable manner together with society, and continue on this course into the future one step at a time.



COVID-19



Response to COVID-19

The life insurance and other financial businesses run by the T&D Insurance Group have a social mission that is closely linked to the stability and improvement of people's lives, economic development, and the realization of a sustainable society. The Group is engaged in a variety of initiatives in response to COVID-19. The Group will work as one with the hope the situation is resolved as soon as possible.

Initiatives of the T&D Insurance Group

T&D Insurance Group has established Crisis Management Headquarters for the Group and each operating company, and is implementing the following initiatives.

Support for customers

In order to provide customers with peace of mind amidst the COVID-19 pandemic, we have kept the system to provide stable financial services that are indispensable to our customers, including the payment of claims and benefits in our life insurance business. In addition, we are responding to the individual needs of our customers, for example by providing interest-free loans to policyholders and extending the policy renewal period.

Response to date

- ✓ Extension of the grace period for payment of premiums and the period for policy renewal procedures
- ✓ Simple and rapid payment of claims, benefits and policy loans
- ✓ Payment of hospitalization benefits based on certain conditions even in cases where treatment was received at home or in other facilities due to circumstances of medical institutions
- ✓ Payment of accidental death benefits in the event of death due to COVID-19
- ✓ Exemption from interest on policy loans (initial loans)

Support for employees

From the perspective of preventing the spread of COVID-19, we are taking measures such as encouraging employees to work from home. In addition, we are maintaining employment and providing compensation for earnings of in-house sales representatives who had to cut back their sales activities out of concern for the safety of our customers.

Measures to prevent infection of employees

① Promotion of work from home



② Promotion of staggered working hours



③ Utilization of teleconferencing and videoconferencing



Support for society

In addition to continuing insurance claim payment operations and call center operations, we are also providing services essential for society such as telephone consultations on employment adjustment subsidies aimed at supporting stable employment in SMEs.



Response to date

- ✓ Continuation of operations essential for society (insurance claim payment operations, call center operations, etc.)
- ✓ Implementation of telephone consultation and labor and social attorney referral services to apply for employment adjustment subsidies aimed at supporting stable employment in SMEs (Daido Life)
- ✓ Donations to medical organizations that are fighting infectious diseases

I Organizational Profile

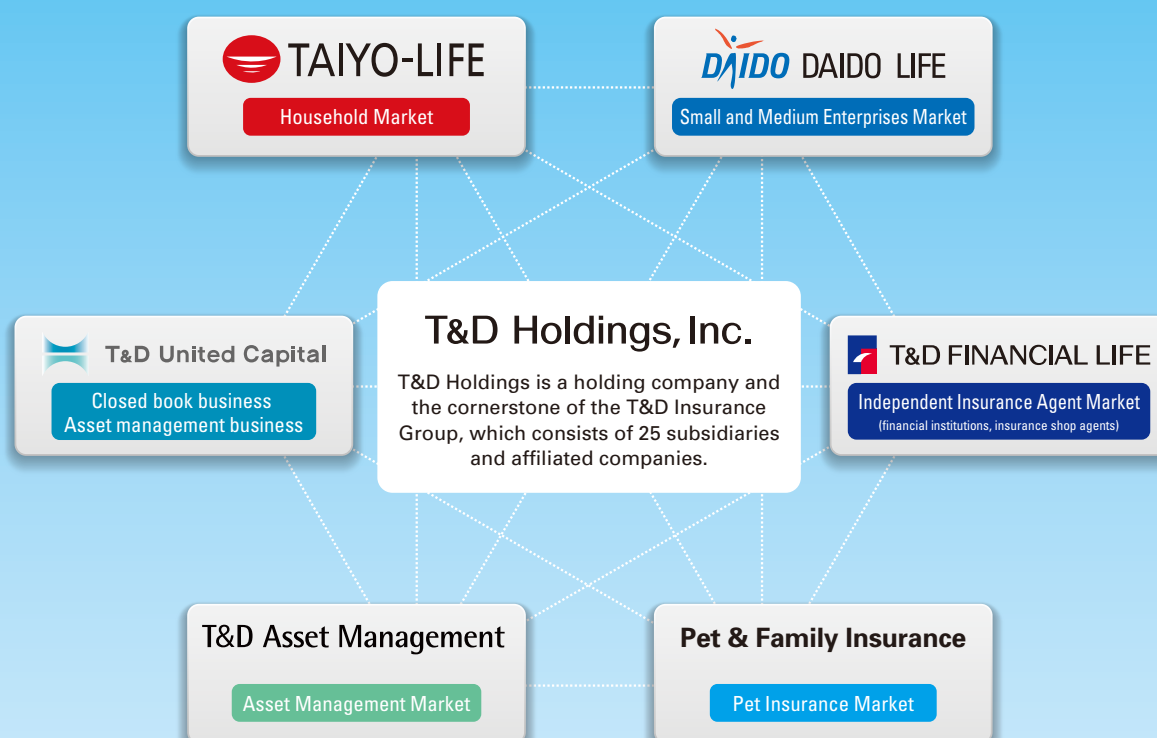
1. Organizational Profile

1-1 Outline of the T&D Insurance Group's Business

102-2

The T&D Insurance Group is a unique grouping consisting of a core set of domestic life insurance businesses pursuing market-specific strategies together with other businesses with an affinity to the life insurance market, including a closed book business, an asset management business, and a pet insurance business, all under T&D Holdings, a holding company. This organization allows Group companies to work to fully exploit the strengths and uniqueness of their respective business models, in support of their customers' lives and businesses.

● Group Structure as of July 1, 2020



Main Group Companies Other Than Above

Insurance & insurance-related businesses

- T&D Confirm Ltd.
- Toyo Insurance Agency Co., Ltd.
- Daido Management Service Co., Ltd.
- Taiyo Life Aging Society Institute
- Capital Taiyo Life Insurance Limited
- Fortitude Group Holdings, LLC
- Fortitude Reinsurance Company Ltd.

Investment-related Businesses

- T&D Lease Co., Ltd.
- Taiyo Credit Guarantee Co., Ltd.
- Alternative Investment Capital, Ltd.

Administration-related Businesses

- T&D Customer Services Co., Ltd.
- T&D Information System Ltd.
- Nihon System Shuno, Inc.
- Zenkoku Business Center Co., Ltd.
- Thuriya Ace Technology Company Limited

Ordinary revenues

¥2,197.9
billion

Ordinary profit

¥125.4
billion

Profit*

¥67.1
billion

No. of employees

19,058

* Profit attributable to owners of parent

Figures for revenues and profits are from fiscal 2019 and the number of employees is as of March 31, 2020

1-2 T&D Insurance Group Companies and Foundations

102-2

102-4

102-6

102-45

● Organizational Structure

The T&D Insurance Group consists of T&D Holdings, 19 consolidated subsidiaries and 6 affiliated companies that are engaged in life insurance and other businesses as described below.

(◎: Consolidated subsidiaries ◇: Equity method affiliate companies)

| | | |
|--|---|--|
| T&D Holdings, Inc. | | https://www.td-holdings.co.jp/en/ |
| Insurance & Insurance-related Businesses | Insurance | ◎ Taiyo Life Insurance Company https://www.taiyo-seimei.co.jp/ |
| | | ◎ Daido Life Insurance Company https://www.daido-life.co.jp/ |
| | | ◎ T&D Financial Life Insurance Company https://www.tdf-life.co.jp/ |
| | | ◎ Pet and Family Insurance Company https://www.petfamilyins.co.jp/ |
| | | ◇ Capital Taiyo Life Insurance Limited |
| | | ◇ Fortitude Group Holdings, LLC |
| | | ◇ Fortitude Reinsurance Company Ltd. https://fortitude-re.com/ |
| | Insurance-related | ◎ T&D Confirm Ltd. |
| | | ◎ Toyo Insurance Agency Co., Ltd. https://www.sonpo.co.jp/toyohkdaiko/ |
| | | ◎ Daido Management Service Co., Ltd. https://www.dms-hp.co.jp/ |
| | | ◎ Taiyo Life Aging Society Institute https://www.taiyo-institute.co.jp/company/ |
| Investment-related Businesses | Investment Management and Advisory, etc. | ◎ T&D Asset Management Co., Ltd. https://www.tdasset.co.jp/en/ |
| | Other Investment-related | ◎ T&D United Capital Co., Ltd. https://www.tduc.co.jp/en/ |
| | | ◎ T&D Lease Co., Ltd. http://www.td-lease.co.jp/index.html |
| | | ◎ Taiyo Credit Guarantee Co., Ltd. https://www.taiyo-sinyo-hosyo.co.jp/ |
| | | ◇ Alternative Investment Capital, Ltd. https://www.aicapital.co.jp/english/ |
| Administration-related Businesses | Administration-related | ◎ T&D Customer Services Co., Ltd. |
| | General Affairs and Calculation-related | ◎ T&D Information System Ltd. https://www.td-system.co.jp/ |
| | | ◎ Nihon System Shuno, Inc. https://www.nss-jp.com/ |
| | | ◎ Zenkoku Business Center Co., Ltd. http://www.zbc-jp.com/ |
| | | ◇ Thuriya Ace Technology Company Limited |
| Foundations | The Taiyo Life Welfare Foundation http://www.taiyolife-zaidan.or.jp/ | |
| | Daido Life Welfare Foundation http://www.daido-life-welfare.or.jp/ | |
| | The Daido Life Foundation http://www.daido-life-fd.or.jp/ | |

*1 Includes main Group companies and foundations as of July 1, 2020.

*2 Thuriya ACE Technology Company Limited is an affiliate company for designing and developing information technology systems in Myanmar.

*3 Fortitude Reinsurance Company, Ltd. is a wholly owned subsidiary of Fortitude Group Holdings, LLC.

1-3 Corporate Profile (as of March 31, 2020)

102-1

102-3

102-13

《T&D Holdings, Inc.》

| | |
|--------------------------------|--|
| Established | April 2004 |
| Head office location | 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan |
| Capital stock | 207.1 billion yen |
| No. of employees | 114 |
| independent accounting auditor | Ernst & Young ShinNihon LLC |
| Description of business | Insurance holding company for the T&D Insurance Group conducting the following: <ul style="list-style-type: none"> • Management control of life insurance subsidiaries and affiliates under the Insurance Business Act and other laws and regulations • Other businesses associated with the above |

《Taiyo Life Insurance Company》

| | |
|----------------------|---|
| Established | February 1948 (Founded May 1893) |
| Head office location | 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan |
| Capital stock | 62.5 billion yen |
| No. of employees | Sales: 8,071 Administrative: 2,333 Total: 10,404 |

《Taiyo Life's Business Model》

Households



Protection-oriented products covering medical care, nursing care and death security that meet customer needs

Face-to-face consultations
Focus on major metropolitan areas and major local cities
8,071 in-house sales representatives

《Daido Life Insurance Company》

| | |
|-----------------------|--|
| Established | July 1947 (Founded July 1902) |
| Head office locations | 2-1, Edobori 1-chome, Nishi-ku, Osaka 550-0002, Japan 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan |
| Capital stock | 110 billion yen |
| No. of employees | Sales: 3,746 Administrative: 3,100 Total: 6,846 |

《Daido Life's Business Model》

SMEs



Products for corporate risk management (protection against death and disability)

Collaboration with tie-up groups in the SME market

| | |
|--|---|
| Corporate organizations (NFCTA/TPA, etc.) | 3,746 in-house sales representatives 1,282 non-life insurance agents |
| Professional organizations of tax accountants (TKC National Federation/ local branches of CPTA Associations) | 13,018 tax accounting agencies |

《T&D Financial Life Insurance Company》

| | |
|----------------------|---|
| Established | July 1947 (Founded April 1895) |
| Head office location | 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-0023, Japan |
| Capital stock | 56 billion yen |
| No. of employees | 275 |

《T&D Financial Life's Business Model》

Independent insurance agents (financial institutions and insurance shops)



Products for securing a comfortable retirement life and for lower household budgets

Products offered through independent insurance agents (financial institutions, insurance shop agents)
100 financial institutions
46 insurance shop agents (including franchises)

◇ Industry Association to which the Three Life Insurance Companies Belong: The Life Insurance Association of Japan

《T&D Asset Management Co., Ltd.》

| | |
|----------------------|---|
| Established | December 1980 |
| Head office location | Mita Bellju Building, 36-7, Shiba 5-chome, Minato-ku, Tokyo 108-0014, Japan |
| Capital stock | 1.1 billion yen |
| No. of employees | 162 |

《Pet & Family Insurance Company》

| | |
|----------------------|--|
| Established | August 2003 |
| Head office location | 27-3 Higashiueno 4-chome, Taito-ku, Tokyo, 110-0015, Japan |
| Capital stock | 2.8 billion yen |
| No. of employees | 81 |

《T&D United Capital Co., Ltd.》

| | |
|-------------------------|---|
| Established | June 2019 |
| Head office location | 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan |
| Capital stock | 5.5 billion yen |
| No. of employees | 23 |
| Description of business | Investment business aimed at building an effective and efficient investment system across the Group <ul style="list-style-type: none"> • Closed book business • Asset management business |

《T&D Asset Management's Business Model》



《Pet & Family Insurance's Business Model》



1-4 Number of Employees

102-8

401-1

● Number of Employees (T&D Holdings, Consolidated)

| Business sector | March 31, 2018 | March 31, 2019 | March 31, 2020 |
|--|----------------|----------------|----------------|
| Insurance & insurance-related businesses | 18,546 (1,095) | 18,275 (960) | 17,827 (945) |
| Investment-related businesses | 442 (23) | 435 (19) | 450 (15) |
| Administration-related businesses | 769 (85) | 779 (61) | 781 (55) |
| Total | 19,757 (1,203) | 19,489 (1,040) | 19,058 (1,015) |

* The number of employees shows the number of employed staff excluding executive officers. The number of part-time workers is shown in parentheses as an annual average, which is not included in the number of employees.

* The figures for part-time workers differ from the Financial Report due to the rounding process.

● Number of Employees and Number of People Hired by the Group's Three Life Insurance Companies

| | No. of employees | | | No. of employees hired | | |
|-----------------------|------------------|----------------|----------------|------------------------|--------|--------|
| | March 31, 2018 | March 31, 2019 | March 31, 2020 | FY2017 | FY2018 | FY2019 |
| No. of employees | 18,394 | 17,979 | 17,525 | 3,913 | 3,773 | 3,377 |
| Male | 3,539 | 3,514 | 3,445 | 186 | 190 | 159 |
| Female | 14,855 | 14,465 | 14,080 | 3,727 | 3,583 | 3,218 |
| Sales representatives | 12,656 | 12,226 | 11,817 | 3,671 | 3,468 | 3,100 |
| Male | 320 | 341 | 312 | 70 | 80 | 56 |
| Female | 12,336 | 11,885 | 11,505 | 3,601 | 3,388 | 3,044 |
| Administrative | 5,738 | 5,753 | 5,708 | 242 | 305 | 277 |
| Male (Managers) | 3,219 (2,138) | 3,173 (2,069) | 3,133 (2,108) | 116 | 110 | 103 |
| Female (Managers) | 2,519 (345) | 2,580 (387) | 2,575 (432) | 126 | 195 | 174 |

* Managers include head office deputy division managers, assistant officers, and other officers.

1-5 Dialogue and Consultations with Labor Unions

102-41

Each of the three life insurance companies in the T&D Insurance Group has an independent labor union and a collective agreement. On this basis, the companies have proactively discussed with the unions on a wide range of issues including business management, corporate policies, wages, working hours, holidays, personnel management systems, fringe benefits and so forth. We believe that a truly meaningful cooperative relationship between employees and company, that is based on the spirit of trusting each other, can be built only through straightforward discussions based on their respective viewpoints, and that kind of relationship will motivate employees and bolster the competitiveness of the company.

● Labor Unionization of the Administrative Personnel of the Three Life Insurance Companies

| | FY2017 | FY2018 | FY2019 |
|-----------------------------|--------|--------|--------|
| Labor unionization rate (%) | 80.0 | 80.2 | 79.9 |

2. Supply Chain

2-1 Definition of Supply Chain

102-9

T&D Holdings defines its supply chain as shown in the table below, and works toward widespread sustainability and CSR throughout that supply chain.

| Activities | | Supply chain |
|--------------------------------|-----------------|---|
| Sales of products and services | Media | Manufacturing of media to be used in the sales of products and services |
| | Sales agents | Sales agents |
| Contracting work | | ICT systems, consulting, auditing |
| Office buildings | Buildings | Construction, maintenance, administration of office buildings |
| | Energy consumed | Petroleum refining and distribution, electric power providers |
| | Waste | Waste disposal companies |
| Delivery | | Delivery company |
| Movement of employees | Business trips | Airplane, rail, bus, taxi, accommodation |
| | Commuting | Rail, bus |
| Investment | | Investees |

2-2 Cooperation with Suppliers

414-1

● Management of Outsourcing of Business Operations

The T&D Insurance Group outsources some business operations to third parties. In order to maintain our management soundness and strengthen our management control capability, we have prepared the adequate management system for outsourcing, specifically by formulating the methodology to select outsourcing partners and supervise them.

T&D Holdings has formulated an Outsourcing Checklist as a part of the Guidelines for Outsourcing and Detailed Rules on Risk Evaluation for Outsourcing, based on the Procedural Guidelines for Implementation and Management of Outsourcing. The Group examines the risk-related issues, and assesses the suitability of each outsourcing partner with covered in the note respect to the issues including social aspects* such as human rights, labor conditions, and environmental initiatives.

* Social aspects refer to the occurrence of human rights violation, labor problems such as forced labor, excessive work hours, and health and safety, as well as measures to prevent and mitigate environmental pollution and climate change.

After the commencement of outsourcing, the Group checks the outsourcing partner more than once a year, monitors the performance of the outsourced operations, and, if necessary, asks for improvements.

● Initiatives for Green Purchasing and Procurement

The T&D Insurance Group takes various initiatives to protect the global environment, based on the 'T&D Insurance Group CSR Charter' and the 'T&D Insurance Group Environmental Policy.' As one facet of these efforts, the Group has formulated its Groupwide Green Purchasing Standards to be applied when the Group procures or purchases the goods or services needed for its business operations. The Group promotes green purchasing and green procurement, giving priority to the purchase of goods or services that help reduce its environmental impact.

Green purchasing mainly targets office furniture, equipment and consumable supplies, while green procurement targets printing of product brochures and policy documents and procurement of real estate facilities and system equipment. Results of these activities are reported to the Group SDGs Committee and its upper organization, the Board of Directors, every six months.

II Sustainability Management

1. T&D Insurance 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.

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**



Goal of the T&D Insurance Group

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

2.Philosophy and Policy of T&D Insurance Group

102-16

The T&D Insurance Group has embraced the following corporate philosophy as the starting point for the Group and the bedrock of all of its business activities: “With our ‘Try & Discover’ motto for creating value, we aim to be a group that contributes to all people and societies.”

The T&D Insurance Group is centered on the life insurance business, which attaches fundamental importance to the principle of mutual assistance. This is why our fundamental guiding principle as a business enterprise, and the very rationale for our existence, is to contribute to people and society through our businesses with the aim of achieving a sustainable society.

【Structure of Sustainability Basic Policies】



【Other Related Basic Policies】

- The T&D Insurance Group's Basic Policies Related to Customer-oriented Business Operations
- Basic Policy on Corporate Governance
- Group Risk Management Policy
- etc.

● 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.

● T&D Insurance Group CSR Charter

The T&D Insurance Group is firmly committed to fulfilling the public mission of life insurance and other businesses and to undertaking its corporate social responsibilities based on its management philosophy and by achieving sustainable growth along with society.

1. Providing Better Products and Services

The T&D Insurance Group will offer high-quality, optimal products and services that meet customer needs, and will contribute to the sustainable growth of society and to the solution of social issues.

2. Strict Compliance

- The T&D Insurance Group will strictly observe laws, regulations and rules, and act with sincerity and integrity according to high ethical standards.
- The T&D Insurance Group will maintain and promote fair and free competition.
- The T&D Insurance Group will stand firmly against antisocial forces and groups that may threaten the order or safety of civil society.

3. Respect for Human Rights

- The T&D Insurance Group will respect the human rights of all people, and make efforts to enlighten all its employees on human rights.
- The T&D Insurance Group will respect the individuality and diversity of all its employees, ensure a healthy and safe work environment, and develop its human resources.
- The T&D Insurance Group will respect privacy, and will strictly control and protect personal information.

4. Communication

The T&D Insurance Group will provide proper information concerning its products and services and disclose corporate information in an appropriate and timely manner to the general public as well as to its customers and shareholders, and will actively strive to maintain a dialogue with all its stakeholders.

5. Contribution to Local Communities and Societies

The T&D Insurance Group will implement social activities as a good corporate citizen, and will contribute to the sound development of local communities and society.

6. Global Environmental Protection

The T&D Insurance Group will carry out its activities with full awareness of the importance of consideration for environmental issues, and will strive to protect the global environment.

7. Establishment of Effective Governance and Thorough Implementation

To ensure that its actions are in compliance with this charter, the T&D Insurance Group will develop an effective governance structure and strive to cooperate with a wide range of stakeholders, including its customers, shareholders, employees, sales agents, business partners, and local communities.

● T&D Insurance Group Human Rights Policy

Based on T&D Insurance Group's corporate philosophy and the T&D Insurance Group CSR Charter, the T&D Insurance Group has established its Human Rights Policy as a standard for all executives and employees of the T&D Insurance Group to comply with.

For more information, please see "Establishment of T&D Insurance Group Human Rights Policy" on page 29.

● T&D Insurance Group Environmental Policy

The T&D Insurance Group will carry out business activities with full awareness of the importance of environmental concerns and will give sufficient consideration to global environmental protection based on the T&D Insurance Group CSR Charter. The Group will achieve sustainable growth along with the society while fulfilling the public mission of life insurance and other businesses, and undertaking its corporate social responsibilities.

The Group established the following environmental policy and is committed to complying with it in all of its business activities.

1. Environmental Conservation Efforts through Business Activities

We will contribute to the protection of the global environment in all of our business activities.

2. Reduction in Environmental Impact

Recognizing the environmental burden of resource or energy consumption and waste emissions, we will work toward reducing environmental impact by conserving energy or resources, recycling resources, and promoting green purchasing.

3. Compliance with Environmental Laws

We will observe all environmental laws and regulations.

4. Promotion of Environmental Awareness-Raising Activities

We will raise environmental awareness among all Group members through awareness-raising activities to promote environmental protection initiatives.

5. Continuous Improvement in Environmental Initiatives

By setting environmental objectives and reviewing them regularly, we will endeavor to continuously improve our environmental performance.

All members of the T&D Insurance Group are notified of this environmental policy, which is also publicly disclosed.

● The T&D Insurance Group Compliance Code of Conduct

Guided by its corporate philosophy of "aiming to be a group that contributes to all people and societies through the creation of value," the T&D Insurance Group has established the T&D Insurance Group Compliance Code of Conduct to conduct fair and adequate business activities with integrity and sincerity for all stakeholders, including customers.

For more information, please see our website.

WEB <https://www.td-holdings.co.jp/en/csr/csr-policy/csr-compliance.html>

● Basic Policy on Corporate Governance

T&D Holdings has committed to all the provisions of the Corporate Governance Code that has applied to listed companies since June 2015 for the purpose of ensuring the T&D Insurance Group's sustained growth and the enhancement of its corporate value over the medium to long term. T&D Holdings has also disclosed a Basic Policy on Corporate Governance on its website setting forth the Group's initiatives and policies as they pertain to the salient principles and rules in the Corporate Governance Code.

For more information, please see our website.

WEB <https://www.td-holdings.co.jp/en/csr/csr-policy/corporate.html>

Reference: Information on Japan's Corporate Governance Code (Tokyo Stock Exchange website)

WEB <https://www.jpx.co.jp/english/equities/listing/cg/>

3. T&D Insurance Group's Value Creation Process (conceptual diagram)

[Identifying important social issues]

We identify the social issues to be addressed through our businesses by examining the SDGs, social changes, technological innovation, our Group business models, and other sources.

Continually changing issues faced by people and society

Social issues



SDGs

17 goals
169 targets

SUSTAINABLE DEVELOPMENT GOALS



Changes in the social environment

- Further decline in birthrate, aging population, and population decline
- Increasing need to make self-provision for pension, medical care, and nursing care
- Increasing social inequality
- Increasingly diverse households

Increased climate change risks

- Temperature rise
- Increase in natural disasters
- Transition to a low-carbon society

Technological innovation

- Advances in IT technology
- Advances in medical technology

Identify the social issues to be addressed through our businesses*

1. Secure equal rights in property ownership
2. Reduce economic and social risks in an aging society
3. Improve nutrition in poor households
4. Promote sustainable agriculture
5. Support use of health services
6. Take measures to combat infectious and contagious diseases
7. Help people maintain good health
8. Acquire skills necessary for decent work and entrepreneurship
9. Provide equal access to education
10. Provide safe and effective learning environments
11. Promote the advancement of women
12. Stop discrimination against women and violence
13. Provide access to safe and inexpensive water
14. Provide equal access to sanitation facilities
15. Provide low-cost, reliable energy
16. Improve energy efficiency
17. Increase use of renewable energy
18. Promote investments in clean energy
19. Support establishment and growth of SMEs
20. Promote decent work
21. Create healthy and safe workplace environments
22. Promote use of insurance and financial services for all
23. Provide financial services to SMEs
24. Encourage all people to engage in social and economic activities
25. Build communities that are inclusive of the weak
26. Build communities that are resilient to disasters
27. Enhance efficiency of resource use
28. Increase reuse and recycling activities
29. Strengthen resilience to climate change
30. Protect marine resources and prevent marine pollution
31. Conserve forests
32. Conserve terrestrial biodiversity
33. Eradicate corruption and bribery
34. Promote investments in sustainable development
- d) Ensure fair and free competition
- g) Respect worker personalities and diversity
- h) Support human resources and skills development
- i) Manage and protect personal information
- j) Provide proper information on products and services
- o) Collaborate with stakeholders

Business activities based on our

1. Strengthening of core businesses

Each Group company will develop its strengths; step up and expand relationships with customers

We will leverage the Group's strengths of originality and expertise in specialized markets to develop and deliver insurance products and services that are truly needed by the changing people and society.

2. Diversification of business portfolio Challenge for new growth areas

We will pursue new growth areas that produce value to society and have a high affinity to the core business of the Group. By diversifying our business portfolio, we will expand our value creation into these new growth areas.

T&D Asset Management

Pet & Family Insurance

T&D United Capital

Planning / plan revision

Feedback

3. Promotion of integrated Group management Contribute to society by leveraging our business platform

We will contribute to the realization of a better society through Group-wide activities that utilize our business platform, including work style reforms, enrichment of the workplace environment, business and human rights, human resources development, governance and risk management, and various social contribution activities.

* Numerical figures denote social issues derived from the SDGs
Alphabet letters denote social issues derived from the T&D Insurance Group CSR Charter

[Efforts to address important social issues]

We have based our business strategies on actions that contribute to solving important social issues and create value for society. We will work to create social and economic value through our activities in our core businesses, the business areas into which we are expanding, and our sustainability management business platform.

[Creating shared value]

We have established sustainability priority themes that create shared value. By continuously executing the activities and assessing their results, we aim to create shared value.

business strategies (medium-term management plan)



Creation of shared value

Sustainability priority themes and creation of shared value

Promote healthy and abundant lives for all people

Healthy and abundant lives (person/household)



Provide workplace environments that enable all people to participate actively

Employment and job satisfaction (workplace)



Help mitigate and adapt to climate change

Sustainable global environment (global environment)



Invest to help build a sustainable society

A resilient and vibrant society (society/community)



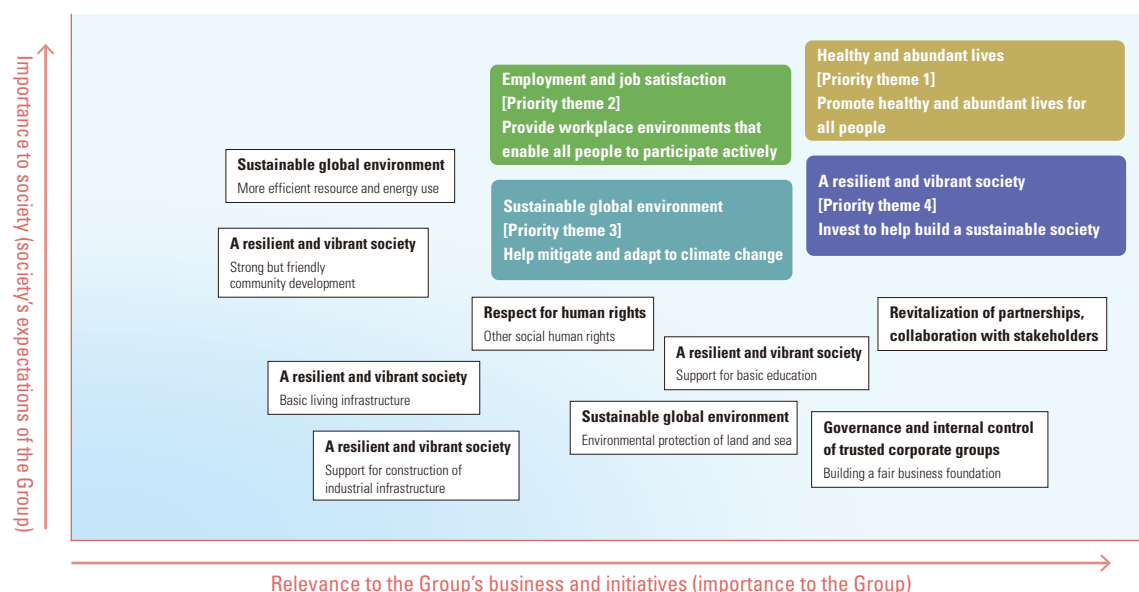
4. Priority Themes for Promoting Sustainability

102-46

103-1

4-1 Sustainability Priority Themes (FY2020)

Among the various sustainability fields that relate to its business activities, the T&D Insurance Group has identified social issues that are highly important to society and highly relevant to the Group's operations. Based on this, we established the following four sustainability priority themes.



● Process for Selecting Priority Themes

(1) Identify important social issues

We considered various social issues to be targeted, based on what society expects of us as a Group engaged mainly in the insurance business, as well as how we can help develop a sustainable society.

After examining the SDG goals and targets, our Group CSR Charter, changes in the social environment, trends in technological innovation, and other sources, we identified 40 (important) target-related social issues relevant to our policies, products, services, and business model.

For more information, please see our website.

WEB <https://www.td-holdings.co.jp/en/csr/effort/casestudy.html>

(2) Identify initiatives that address the important social issues

We identified the initiatives that have been implemented to increase social value with respect to the important social issues through the six business themes linked to the Medium-Term Management Plan and our critical business and sustainability management platforms.

(3) Identify the shared value to be realized by the initiatives and the corresponding sustainability themes

We identified initiatives that address important social issues and the shared value of their impact. In order to create shared value, we set themes that promote Group sustainability from the perspectives of the areas of the issues to be addressed and the ways of addressing them.

For more details on (2) and (3), please see "Initiatives for solving social issues and creating shared value" on page 17.

(4) Prioritize shared values and sustainability themes

We evaluated the importance of each shared value and sustainability theme based on both a) importance to society, and b) relevance to the Group's business (influence on social issues). We then clarified the priority of the initiatives for the Group to pursue.

a) Importance to society: Evaluation based on its impact on society and its contribution to the SDGs

b) Relevance to the Group's business: Evaluation based on the relationship with business themes cited under the Medium-Term Management Plan, and the relationship with policies and actions defined in the T&D Insurance Group CSR Charter

(5) Select sustainability priority themes

We set priority themes for promoting Group sustainability that can have an impact on the creation of shared value by addressing important social issues.

(6) Verify the adequacy of sustainability priority themes

- We engaged in dialogue and exchanged views on the selection process of priority themes with a qualified third party, then confirmed the adequacy of social issues to be targeted and the validity of our priority evaluation.
- In addition, we received approval from the Group SDGs Committee and reported to the Executive Committee and Board of Directors.

● Initiatives for Solving Social Issues and Creating Shared Value

The T&D Insurance Group is committed to creating shared value and contributing to solving social issues through the Group's broad range of business activities.

[Social Issues and T&D Insurance Group Initiatives]

| Important social issue | Medium-Term Management Plan business theme / Sustainability management platform | T&D Insurance Group initiative B: Sustainability promotion in business activities P: Insurance business products and services I: ESG investment C: Social contribution | Shared value and sustainability theme (major activities) |
|---|--|--|--|
| 2. Reduce economic and social risks in an aging society | 1. Enriching the lives of senior citizens 5. Asset formation matched to customer life plans | P: Insurance to support the prevention of dementia, insurance to protect a wide range of nursing care needs P: Pension products to address the 100-year-life era, insurance for long-term care and dementia C: Research grants for various health problems and the issues accompanied by rapid increase in the elderly population | Healthy and abundant lives [Priority theme 1] Promote healthy and abundant lives for all people (person/household) |
| 7. Help people maintain good health | | I: Investment in funds that support businesses that contribute to improving people's health C: Foundation grants to welfare projects for the elderly and disabled | |
| 22. Promote use of insurance and financial services for all | 3. Healthy and fulfilling lifestyles for more diverse households 4. Enhancing future vitality with digital innovation | P: Protection-oriented products at an affordable price, income protection insurance that can add specific disease insurance P: Integration of Internet-based insurance enrollment with face-to-face support service P: To meet the insurance needs of foreign workers at SMEs, started handling the applications of foreign employees who have difficulty understanding the application process in Japanese | Employment and job satisfaction [Priority theme 2] Provide workplace environments that enable all people to participate actively (workplace) |
| 24. Encourage all people to engage in social and economic activities | | C: Engagement and support with the Down Syndrome Association and volunteer activities to support people with disabilities P: Delivering asset-formation products for comfortable postretirement life for seniors | |
| 19. Support establishment and growth of SMEs 20. Promote decent work 21. Create healthy and safe workplace environments 23. Provide financial services to SMEs | 2. Developing the SMEs that support Japan | P: Supporting the spread and promotion of health-oriented management and the enhancement of the welfare system at SMEs P: New power bidding support service to support the efficient management of SMEs P: Helping SME owners confirm employee safety in the event of a large-scale disaster | Sustainable global environment [Priority theme 3] Help mitigate and adapt to climate change (global environment) |
| g) Respect worker personalities and diversity h) Support human resources and skills development | Work style reforms, enrichment of the workplace environment | B: Education and training centered on on-the-job training, group training, and self-development support B: Introduction of a re-employment system and implementation of life plan seminars for employees who are reaching the mandatory retirement age B: Promotion of employment for persons with disabilities, implementation of training on LGBT (sexual minorities), and establishment of a consultation desk to promote diversity | |
| 11. Promote the advancement of women 21. Create healthy and safe workplace environments | | B: Establishment and implementation of action plans for promoting the active participation of women and targets for promoting female employees to management positions B: Implementation of a mentor system in which executives and managers support newly appointed female managers B: Establishment of systems for return to the workplace, including formulating a program for returning to work after childcare leave | A resilient and vibrant society [Priority theme 4] Invest to help build a sustainable society (society/community) |
| 17. Increase use of renewable energy 18. Promote investments in clean energy 29. Strengthen resilience to climate change | Efforts to address environmental issues | B: Set common Group goals for reducing electricity usage, reducing office paper usage, and improving the green purchasing ratio B: Conduct "Cool Biz" in summer and "Warm Biz" in winter B: Energy conservation through a "Lights Down" campaign, power demand monitoring system, and "no overtime day" | |
| 34. Promote investments in sustainable development | 6. Contributing to a more sustainable society through investment | I: Investment in "green bonds" and funds targeting renewable energy power generation, energy efficiency, and domestic clean energy power generation projects I: Investment and management of ESG-related funds that make selective investments from the perspective of ESG I: Investment in "EYE bonds" to provide education and employment support for young people in Latin America and the Caribbean I: Exercise of voting rights and dialogue with investees based on the Principles of Responsible Institutional Investors | |

| Important social issue | Medium-Term Management Plan business theme / Sustainability management platform | T&D Insurance Group initiative B: Sustainability promotion in business activities P: Insurance business products and services I : ESG investment C: Social contribution | Shared value and sustainability theme (major activities) |
|--|---|---|---|
| 16. Improve energy efficiency 27. Enhance efficiency of resource use 28. Increase reuse and recycling activities | Efforts to address environmental issues | B: Installed OA equipment in the meeting rooms to reduce the amount of office paper used, and realize paperless meetings, including the Board of Directors and the Executive Management Board B: Promoting green purchasing by giving priority to products that are compliant with the Green Purchase Act and to Eco Mark products | Sustainable global environment (other than climate change) • Efficient use of resources and energy |
| 9. Provide equal access to education 10. Provide safe and effective learning environments | — | C: Support for under-resourced schools in Southeast Asia - donation of books and school supplies C: School bag donation movement - collect school bags and donate them to children in Afghanistan | A resilient and vibrant society • Support for basic education |
| 33. Eradicate corruption and bribery j) Provide proper information on products and services d) Ensure fair and free competition | Governance and internal control | P: Preparing easy-to-understand product brochures, policy overviews, and policy proposals tailored to each customer's needs P: Sending notification of policy details to customers and confirming them in person through direct home visit P: Preparing and distributing service guidebooks and safety guides | Governance and internal control of trusted corporate groups • Building a fair business foundation |
| 25. Build communities that are inclusive of the weak 26. Build communities that are resilient to disasters | — | I : Constructing and operating nursing homes utilizing assets owned by the Company | A resilient and vibrant society • Strong but friendly community development |
| 3. Improve nutrition in poor households 6. Take measures to combat infectious and contagious diseases 5. Support use of health services 13. Provide access to safe and inexpensive water 14. Provide equal access to sanitation facilities | — | C: Subsidies for regional health and welfare research and volunteer activities (Daido Life) | A resilient and vibrant society • Basic living infrastructure |
| 1. Secure equal rights in property ownership 12. Stop discrimination against women and violence i) Manage and protect personal information | Respect for human rights | B: Acquisition of the Privacy Mark for companies that handle personal information appropriately B: Acquisition of ISO27001 certification, the international standard for information security management systems | Respect for human rights • Other social human rights |
| 30. Protect marine resources and prevent marine pollution 31. Conserve forests 32. Conserve terrestrial biodiversity | — | C: Established "Taiyo Seimei no Mori" (the Forests of Taiyo Life) at two locations in Japan and promoted forest conservation based on using timber from forest thinning B: Collected and donated plastic bottle caps, used postage stamps, and other items | Sustainable global environment (other than climate change) • Environmental protection for land and sea |
| 4. Promote sustainable agriculture 15. Provide low-cost, reliable energy | — | I : Investment in "Social Bonds" which contribute to supporting infrastructure development and job creation, etc. in developing regions | A resilient and vibrant society • Support for construction of industrial infrastructure |
| o) Collaborate with stakeholders | Collaboration with business partners and stakeholders | P: Holding customer information meetings and business reporting meetings B: Participation in the Japan Association for the UNEP (Global Environmental Initiatives) C: Support for the Japan Down Syndrome Society | Revitalization of partnerships • Collaboration with stakeholders |

4-2 GRI Material Topic

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| GRI topic | | Materiality assessment (mapping) or Compliance issues |
|---|---|--|
| GRI 200: Economic | 201 : Economic Performance | 3. Improve nutrition in poor household |
| | | 29. Strengthen resilience to climate change |
| GRI 200: Economic | 205 : Anti-corruption | 33. Eradicate corruption and bribery |
| GRI 200: Economic | 206 : Anti-competitive Behavior | d) Ensure fair and free competition |
| GRI 300: Environmental | 301 : Materials | 27. Enhance efficiency of resource use |
| | | 28. Increase reuse and recycling activities |
| GRI 300: Environmental | 302: Energy | 16. Improve energy efficiency |
| | | 17. Increase use of renewable energy |
| GRI 300: Environmental | 303: Water and Effluents | 13. Provide access to safe and inexpensive water |
| | | 27. Enhance efficiency of resource use |
| GRI 300: Environmental | 304: Biodiversity | 31. Conserve forests |
| | | 32. Conserve terrestrial biodiversity |
| GRI 300: Environmental | 305: Emissions CO ₂ | 29. Strengthen resilience to climate change |
| GRI 300: Environmental | 305: Emissions SO _x , NO _x etc. | 18. Promote investments in clean energy |
| GRI 300: Environmental | 306: Effluents and Waste | 30. Protect marine resources and prevent marine pollution |
| | | 31. Conserve forests |
| GRI 300: Environmental | 307: Environmental Compliance | The T&D Insurance Group Compliance Code of Conduct 1. Rigorously Enforcing Compliance |
| GRI 400: Social | 401: Employment | 20. Promote decent work |
| GRI 400: Social | 403: Occupational Health and Safety | 21. Create healthy and safe workplace environments |
| GRI 400: Social | 404: Training and Education | h) Support human resources and skills development |
| GRI 400: Social | 405: Diversity and Equal Opportunity | 11. Promote the advancement of women |
| | | g) Respect worker personalities and diversity |
| GRI 400: Social | 412: Human Rights Assessment | 12. Stop discrimination against women and violence |
| | | g) Respect worker personalities and diversity |
| GRI 400: Social | 413: Local Communities | 25. Build communities that are inclusive of the weak |
| | | 26. Build communities that are resilient to disasters |
| GRI 400: Social | 414: Supplier Social Assessment | o) Collaborate with stakeholders |
| GRI 400: Social | 418: Customer Privacy | i) Manage and protect personal information |
| GRI 400: Social | 419: Socioeconomic Compliance | The T&D Insurance Group Compliance Code of Conduct 1. Rigorously Enforcing Compliance |
| Issues not identified in GRI Standard topics | Better Products and Services | 19. Support establishment and growth of SMEs |
| | | 22. Promote use of insurance and financial services for all |
| | | 23. Provide financial services to SMEs |
| | Promote community and employee health | 7. Help people maintain good health |
| | | 21. Create healthy and safe workplace environment |
| | Responsibilities as an institutional investor | 18. Promote investments in clean energy |
| | | 34. Promote investments in sustainable development |
| | Demographic Change/Aging issues | 2. Reduce economic and social risks in an aging society |

5. Contribution to SDGs

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At the United Nations Sustainable Development Summit 2015, “Transforming Our World: the 2030 Agenda for Sustainable Development” was adopted unanimously. The agenda sets forth Sustainable Development Goals (SDGs), consisting of 17 goals and 169 targets, for the realization of sustainable development at the global level through the cooperation of the global community, including national governments, ordinary citizens and private-sector corporations.

The SDGs are aimed at realizing a sustainable world through initiatives that address issues in a wide range of fields. They are in line with the Group’s corporate philosophy of “aiming to be a group that contributes to all people and societies through the creation of value.” The Group will continue to incorporate contributions to SDGs into the process for selecting sustainability priority themes and make efforts to contribute to achieving SDGs through our initiatives to promote sustainability, taking advantage of the features and strengths of the business.

5-1 Sustainability Priority Themes and SDGs

[Sustainability Priority Themes and the SDGs]

| Sustainability priority themes | Main related SDG targets | Specific actions |
|--|---|--|
| 1. Promote healthy and abundant lives for all people |     | <ul style="list-style-type: none"> Provide insurance products and services to meet social changes stemming from the declining birthrate and aging population <ul style="list-style-type: none"> Develop and offer insurance products and services to help people prepare for nursing care Develop and offer pension products to address the 100-year-lifespan era, as well as insurance products and services to address dementia treatment Support the health management practices of small and medium-sized companies Develop and offer dementia prevention apps and so on |
| 2. Provide workplace environments that enable all people to participate actively |     | <ul style="list-style-type: none"> Effectively utilize and train human resources through OJT, group training, self-development support and so on Support the advancement of women such as managerial appointments, childcare support systems Strive to modernize workstyles to enrich work and life by providing work-at-home options, reducing working hours, encouraging vacation uptake, and so on Help create environments in which employees of business partners can work in a healthy and safe manner |
| 3. Help mitigate and adapt to climate change |     | <ul style="list-style-type: none"> Work to reduce consumption of electricity and office paper Promote green purchasing initiatives to help protect the environment Conserve and cultivate forests Support and collaborate with NPOs engaged in protecting the global environment |
| 4. Invest to help build a sustainable society |       | <ul style="list-style-type: none"> Invest in renewable energy efficiency businesses Invest in / loan to businesses committed to solving water shortage issues Invest and loan to support youth development and employment in developing countries Invest in businesses that promote better health for people |

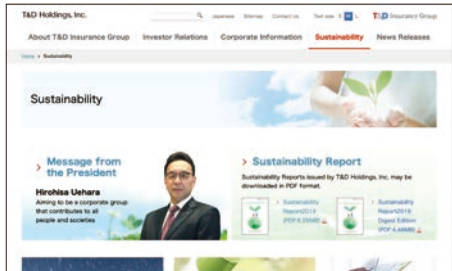
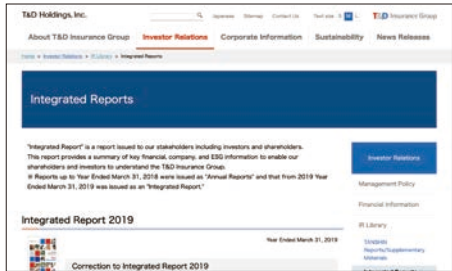
SUSTAINABLE DEVELOPMENT GOALS



5-2 SDG Compass Comparison Table

The SDG Compass serves as a guideline for how companies align their SDGs with their business strategies and measure and manage their contributions. The Compass was created jointly by the Global Reporting Initiative (GRI), United Nations Global Compact (UNGC), and World Business Council For Sustainable Development (WBCSD) in 2016. The five steps in the SDG Compass and the status of the Group's efforts are described below.

[SDG Compass Comparison Table]

| Item | SDG Compass contents | Relevant material (P indicates the page of this report) |
|--|---|---|
| Executive summary | Why do the SDGs matter for business? What is the SDG Compass? | Message from the President (P.1) P.21: 5-2 SDG Compass comparison table |
| Step 1 Understanding the SDGs | What are the SDGs? Understanding the business case The baseline responsibilities for business | P.20: 5. Contribution to SDGs |
| Step 2 Defining priorities | Map the value chain to identify impact areas Select indicators and collect data Define priorities | P.16: 4-1 Sustainability priority themes |
| Step 3 Setting goals | Define scope of goals and select KPIs Define baseline and select goal type Set level of ambition Announce commitment to SDGs | P.50: Priority theme 2 (targets set for promoting female employees to management positions) P.61: Priority theme 3 (Group-wide Targets and Results) |
| Step 4 Integrating | Anchoring sustainability goals within the business Embed sustainability across all functions Engage in partnerships | P.16: 4-1 Sustainability priority themes • Initiatives for solving social issues and creating shared value P.14: 3. T&D Insurance Group's Value Creation Process P.26: Participation in external evaluations and initiatives |
| Step 5 Reporting & communicating | Effective reporting and communication Communicating on SDG performance | <ul style="list-style-type: none"> • Publication of Sustainability Report (this report) • Website https://www.td-holdings.co.jp/en/csr/  • Integrated Reports https://www.td-holdings.co.jp/en/ir/document/annual.html  |

For details on the SDGs and the T&D Insurance Group's initiatives, please refer to our website.

WEB <https://www.td-holdings.co.jp/en/csr/effort/casestudy.html>

6. Status of Sustainability Promotion

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● FY2019 Status Report on the Promotion of Group Sustainability

The T&D Insurance Group has established the Group SDGs Committee, chaired by the president of T&D Holdings and consisting mainly of officers in charge of sustainability/CSR at each Group company. Under this Committee, we are pushing ahead with unified Groupwide CSR activities.

The Group SDGs Committee serves as the cornerstone for promoting sustainability. It formulates basic policies for the Group's sustainability promotion activities and selects priority areas, along with drawing up annual plans and regularly confirming the implementation status of those plans. Since fiscal 2019, we have set four sustainability priority themes under which we are working to promote sustainability.

FY2019 Group Sustainability Promotion Progress Report (Partial Account of Activities)

| Plan Initiatives | Do FY2019 results/performance | Check/Act Activities planned for FY2020 |
|--|--|--|
| ● Priority Theme 1: Promote healthy and abundant lives for all people | | |
| <ul style="list-style-type: none"> Providing insurance products and services that meet the needs of society Support for maintaining good health | <ul style="list-style-type: none"> Developed and launched <i>single-premium whole life nursing care insurance</i> to prepare for nursing care risk and inheritance Developed and launched <i>Kaigo Relief α</i> to provide wide coverage when long-term care is required, such as for dementia Developed and launched <i>Fivetenworld 2</i> to provide for nursing care and dementia Providing the KENCO SUPPORT PROGRAM to support health-oriented management at SMEs Developed Taiyo's GENKI Project to encourage good health Started handling the applications of foreign employees who have difficulty understanding the application process in Japanese in order to meet the insurance needs of foreign workers at SMEs | <ul style="list-style-type: none"> Continue contributing to solutions to social issues and developing and offering high-quality, optimal products and services that meet customer needs Continue to provide services to support the health of our customers and society as a whole |
| ● Priority Theme 2: Provide workplace environments that enable all people to participate actively | | |
| <ul style="list-style-type: none"> Creating a flexible and vibrant workplace where diverse human resources can demonstrate their abilities with a motivation to work and grow (work style reform, promotion of active roles for women, promotion of a diverse workforce) Creating a healthy and safe working environment | <ul style="list-style-type: none"> Implemented personnel exchanges within the Group, in-house open recruitment of employees seeking specific positions, and support system for studying in Japan and overseas Promoted the appointment of female managers by setting numeric targets Extended retirement age to 65, introduced a continuing employment system that allows persons to keep working up to the age of 70, held life planning seminars for employees Supported SME owners to check employee safety in the event of a large-scale disaster | <ul style="list-style-type: none"> Continue to develop the next generation of human resources and support employees' career development Continue to implement work style reforms to allow all Group executives and employees to grow Promote initiatives for new work styles in anticipation of the "new normal" after COVID-19 |
| ● Priority Theme 3: Help mitigate and adapt to climate change | | |
| Reduction in power consumption Period: FY2018–FY2027 (Baseline year: FY2016) Scope: Buildings owned, leased and used by T&D Holdings and core Group companies Baseline: Power consumed in FY2016 Target: More than 10% reduction in power consumption per floor space | <ul style="list-style-type: none"> Implemented a multitude of measures, including lights-out before business hours and during lunch breaks, turning off office appliances, setting a "no overtime day," new construction of owned real estate (including investment buildings), and energy saving investment when renewing facilities FY2019 results: 101.7Kwh / m², 91.6% of baseline (8.4% reduction from baseline) | <ul style="list-style-type: none"> Reduce CO₂ emissions by continuing to promote efforts to reduce power consumption through the measures listed on the left |
| Reduction in office paper use Period: FY2019–FY2023 Baseline: Average of office paper usage between FY2014 and FY2018 Scope: Paper used at T&D Holdings and head offices of core Group companies Target: 12% reduction from baseline | <ul style="list-style-type: none"> Reduced usage by promoting paperless meetings, reducing storage documents, adding PC sub-monitors, installing PC connection monitors to meeting tables, managing the number of copies, promoting digitization of insurance policy provisions, etc. Reduced by 9% from baseline in FY2019 | <ul style="list-style-type: none"> Initiate a new five-year target from FY2019 to further reduce paper usage |
| Green purchasing ratio Target: A green purchasing ratio for stationery and other office supplies of 80% or more Scope: T&D Holdings and core Group companies | <ul style="list-style-type: none"> Established Group-wide Green Purchasing Standards and promoted preferential purchasing of green products Achieved target with 94.2% green purchasing ratio in FY2019 | <ul style="list-style-type: none"> Continue to implement initiatives that give priority to purchasing of green products |
| ● Priority Theme 4: Invest to help build a sustainable society | | |
| <ul style="list-style-type: none"> Contribute to the realization of a sustainable society through ESG investments that take into account environmental, social and corporate governance issues Exercise voting rights as a responsible institutional investor and promote dialogue with investees | <ul style="list-style-type: none"> <Environment> Implemented renewable energy project financing and invested in green bonds <Society> Invested in social bonds and infrastructure development projects in developing countries Exercised routine dialogue (engagement) with investee companies to promote their sustainable growth | <ul style="list-style-type: none"> Continue investment and lending behavior based on ESG investment and the Principles for Responsible Institutional Investors (Japan's Stewardship Code) |
| ● Communication | | |
| <ul style="list-style-type: none"> Dissemination of information related to the promotion of Group sustainability Raising sustainability/CSR awareness within the Group | <ul style="list-style-type: none"> Issued a Group Sustainability Report and expanded the information disclosed on the website Disseminated sustainability/CSR-related information within the Group through Group newsletters and training including e-learning | <ul style="list-style-type: none"> Expand report disclosure information and dissemination of sustainability-related information Continue measures to raise awareness of sustainability of executives and employees through education and training |
| ● Contribution to local communities and society | | |
| <ul style="list-style-type: none"> Group joint blood donations School bag donation campaigns Charity calendar exhibitions | <ul style="list-style-type: none"> Held blood donation twice a year in cooperation with the head offices of each Group company Collected unused school bags and donated them to children in Afghanistan Held a charity calendar exhibition with the cooperation of our business partners and donated the proceeds to facilities for people with disabilities | <ul style="list-style-type: none"> Continue the efforts to contribute to society listed on the left |

7. Sustainability Promotion Framework

103-2

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7-1 Sustainability Promotion Framework (FY2019)

The T&D Insurance Group has established the Group SDGs Committee, which consists mainly of officers in charge of sustainability/CSR (planning and CSR) at each Group company. Our sustainability promotion framework has been reinforced to facilitate coordinated efforts by way of deliberation by the Group SDGs Committee of Group-wide sustainability policies and initiatives, while encouraging each Group company to actively pursue sustainability promotion efforts in its respective operations.

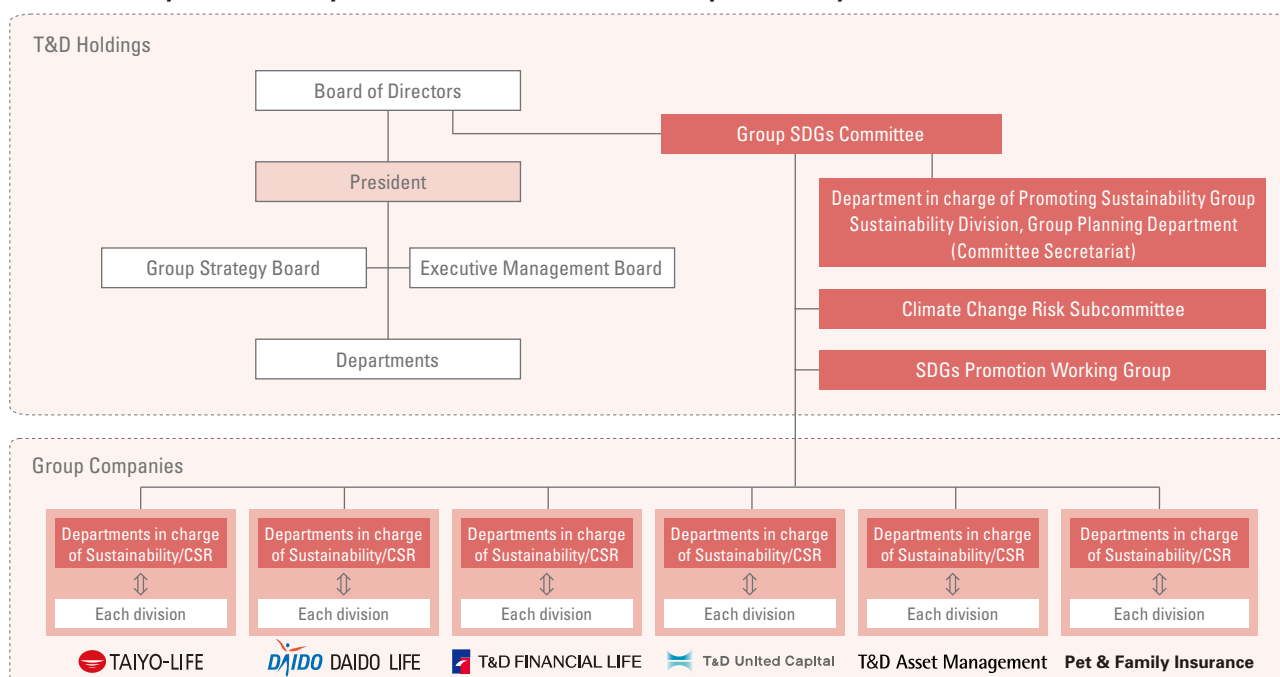
● Group SDGs Committee (established by reorganizing the Group CSR Committee in April 2019)

The SDGs express the goals of promoting sustainability in a way that is easy to understand. To further strengthen Group cooperation in promoting sustainability, the Group SDGs Committee was established directly under the Board of Directors with the goal of advancing efforts across the Group as a whole. The Committee serves as the cornerstone for promoting sustainability at the Group. It formulates basic policies for the Group's SDGs and CSR activities and selects priority themes along with drawing up annual plans and regularly confirming the implementation status of those plans. The Group SDGs Committee is chaired by the president of T&D Holdings (representative director and chairperson of the Board of Directors) and vice-chaired by the executive officer in charge of the Group Planning Department. In fiscal 2019, the Committee met five times. All the information shared and the issues deliberated and discussed are reported to the Board of Directors. We also established the Climate Change Risk Subcommittee as a subordinate body of the Group SDGs Committee (April 2020) to proactively address the increasingly important issue of climate change. The Subcommittee is chaired by the General Manager of the Group Planning Department of T&D Holdings, who is in charge of promoting the Group's sustainability, and consists of the persons (section managers) in charge of the planning, risk management, and asset management departments at each Group company.

In addition, we have established the SDGs Promotion Working Group, which comprises the departments in charge of Sustainability/CSR of T&D Holdings and each Group company. The Working Group shares information on sustainability promotion at each Group company, while assisting with the management and activities of the Group SDGs Committee, in order to advance each Group company's sustainability promotion.

- Executive officer in charge of sustainability at T&D Holdings
.....Mitsuhiro Nagata, Director and Senior Managing Executive Officer (FY2019)
100% attendance at Group SDGs Committee meetings in fiscal 2019
- Department in charge of Promoting Sustainability Group at T&D Holdings
.....Sustainability Division, Group Planning Department at T&D Holdings
- Departments in charge of Sustainability/CSR at Group companies
.....Established departments in charge of Sustainability/CSR at Group companies
(planning departments, public relations departments)

《Sustainability Promotion System in the T&D Insurance Group (as of July, 2020)》



8. Management Approach

T&D Holdings is promoting activities for each of the core subjects and themes of ISO 26000, through the meeting structure shown in the table below.

| Core Subjects and Themes of ISO 26000 | | Meeting Structure (Chairperson) |
|---------------------------------------|--|---|
| Organizational governance | Organizational governance | Executive Committee [President of T&D Holdings] (reorganized into Executive Management Board in June 2020) Group Management Committee [President of T&D Holdings] (reorganized into Group Strategy Board in June 2020) |
| Human rights | Due diligence, human rights risk situations, avoidance of complicity, discrimination and vulnerable groups | Group Compliance Committee [President of T&D Holdings] |
| Labor practices | Employment and employment relationships, conditions of work and social protection, social dialogue, health and safety at work, human development and training in the workplace | Human Resources Strategy Council [Executive officer in charge of personnel at T&D Holdings] (transitioned to Group HR Committee in June 2020) |
| The environment | Prevention of pollution, sustainable resource use, climate change mitigation and adaptation, protection of the environment, biodiversity and restoration of natural habitats | Group SDGs Committee [President of T&D Holdings] |
| Fair operating practices | Anti-corruption, responsible political involvement, fair competition, respect for property rights | Group Compliance Committee [President of T&D Holdings] |
| | Social responsibility in the value chain | Group Risk Management Committee [Executive officer in charge of risk management at T&D Holdings] |
| Consumer issues | Consumer service, support, and complaint and dispute resolution, education and awareness | Customer service department and product development department of each major group company |
| | Consumer data protection and privacy | Group Risk Management Committee [Executive officer in charge of risk management at T&D Holdings] |
| Community involvement and development | Community involvement | Group SDGs Committee [President of T&D Holdings] |

The activities of the core subjects and themes of ISO 26000, other than Group CSR committees, are described below.

● Executive Management Board and Group Strategy Board (reorganized from Executive Committee and Group Management Committee in June 2020)

T&D Holdings has established an Executive Management Board and Group Strategy Board. The Executive Management Board is composed of the chairman, president, executive vice president, and executive officers, and primarily discusses and resolves important matters related to the management of the Company and of the Group. The Group Strategy Board consists of the president, executive officers in charge of the business planning units and business management units, and the presidents of Taiyo Life and Daido Life, who are also members of the Group's Board of Directors. The Group Strategy Board discusses matters related to the Group's growth strategies and other important matters associated with them.

● Group Compliance Committee

This committee was established under the Board of Directors to strengthen the Group's compliance structure. Its chairperson is the president. The vice chairperson is the executive officer in charge of the Risk Management Department (responsible for compliance). In addition to promoting, monitoring and improving the Group's compliance structure, the committee investigates, plans, and discusses fair business performance, human rights violations, and other such issues. The committee verifies the compliance status of the T&D Insurance Group Compliance Code of Conduct and the effectiveness of the compliance structure through periodic monitoring of the Group's compliance practices and deliberations on them. The committee held four meetings in fiscal 2019 and reported issues covered and information shared to the Board of Directors.

● Human Resources Strategy Council

T&D Holdings and the three life insurance companies share information about labor-related matters regarding the administrative personnel employed by the Group. The Group has established the Human Resources Strategy Committee in order to cooperate in conducting surveys, formulating plans and holding consultations regarding important matters of policy to which the Group should respond. The chairperson of the committee is the T&D Holdings executive officer responsible for human resources, and the committee members are the heads of the human resource departments of the three life insurance companies. The committee meets every month. The Human Resources Strategy Council is promoting efforts to create a corporate culture that diverse human resources will find engaging to work in and that enables them to reach their full potential. The council does this by conducting surveys, formulating plans and holding consultations regarding policies and management methods concerned with the Group's labor-related matters. These include promoting the active participation of women and other forms of diversity, developing human resources, promoting a good work-life balance, and ensuring the health and protecting the safety of employees.
(Activities in FY2019. In June 2020 the Council transitioned to the Group HR Committee, which reviews Group human resources strategies.)

● Group Risk Management Committee

Positioned directly under the Executive Committee (the Executive Management Board after June 2020), the Group Risk Management Committee manages and controls risks that the T&D Insurance Group is exposed to and ensures thorough risk management. The Committee chairperson is the executive officer in charge of the Risk Management Department. The Committee also engages in conducting surveys, formulating plans, and holding consultations regarding the risks associated with the outsourcing management of our business partners. In fiscal 2019, the Committee held 18 meetings and reported the results of deliberations to the Executive Committee and the Board of Directors.

9. Stakeholder Engagement

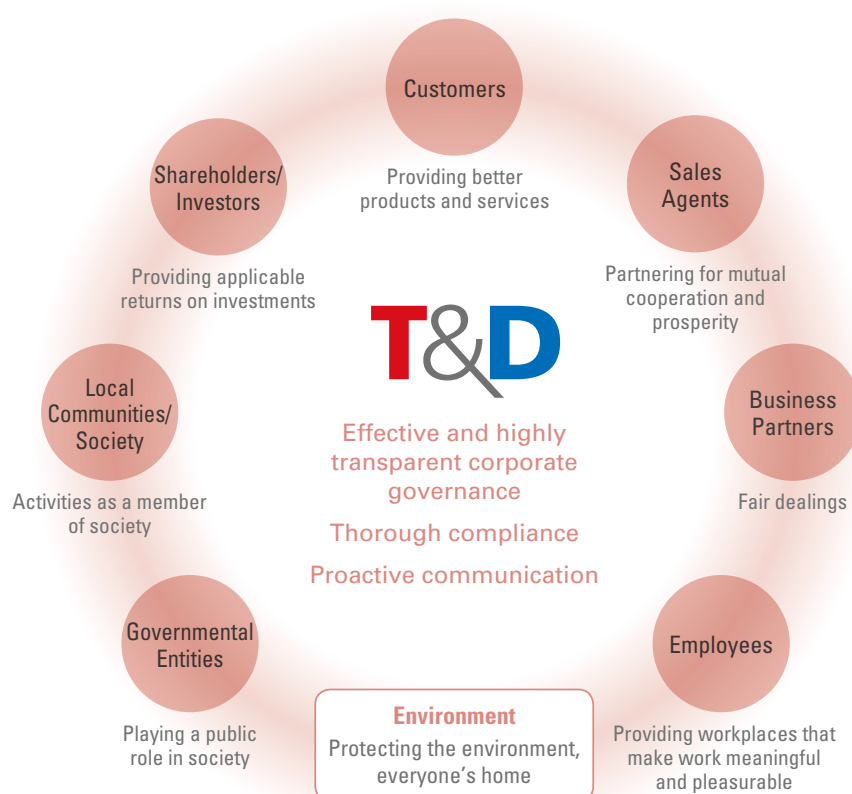
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● The T&D Insurance Group and Its Stakeholders



● Management Reflecting Stakeholders' Opinions

The T&D Insurance Group proactively engages in dialogue with stakeholders as set out in the T&D Insurance Group CSR Charter (see "4. Communication"). By taking every possible opportunity to interact, the Group's three life insurance companies collect the opinions of policyholders, sales agents and other stakeholders and reflect them in their respective business management.

● Proactive Information Disclosure

The T&D Insurance Group pursues proactive communication activities and works to make comprehensible information disclosures to customers, shareholders, investors, and all other stakeholders. To maintain and even heighten our trustworthiness in the eyes of society, T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, and Pet & Family Insurance have formulated Disclosure Rules*. In keeping with these rules, we are striving to secure the transparency of management and to practice Group-wide and well-managed information disclosure in a timely, fair and accurate manner especially in the event of an emergency.

* Based on its Disclosure Rules, T&D Holdings has prepared and makes available its Disclosure Policy.

《Dialogues with Main Stakeholders》

| | |
|--|--|
| Shareholders and investors | <p>Shareholders' meetings, financial results briefings, individual meetings for institutional investors, and publication of shareholder newsletters</p> <p>In addition to shareholders' meetings, we hold information meetings, teleconferences, and individual meetings for institutional investors. T&D Holdings informs its shareholders, numbering 220,668 as of March 31, 2020, of the status of Group operations and other matters twice a year, in June and December, through shareholder newsletters.</p> |
| Customers | <p>Customer feedback, customer surveys, customer meetings, business reporting meetings, Service Quality Improvement Committee, Service Supervision Committee, etc.</p> <p>The Group has set up many points of contact with its customers, including sales representatives, agents, call centers and the Internet, as well as a new policy procedures survey that focuses on the attitudes of sales representatives and the understandability of application forms and other documents and customer satisfaction surveys, giving the Group access to a wide range of customer feedback. A committee has also been established to improve customer satisfaction, and the Group incorporates the opinions of outside committee members, including attorneys and experts in consumer issues, in its management.</p> |
| Employees | <p>Education and training, human rights training, employee awareness surveys, dialogues and consultations with labor unions, an internal reporting system, etc.</p> <p>Education and training are provided through on-the-job training and group training, and through support for self-education efforts. The Group also conducts human rights awareness training that addresses discrimination, harassment and other issues as a way of deepening employees' understanding of the importance of respecting human rights. Awareness surveys are conducted to collect information on employee opinions and requests regarding job satisfaction and enhancing motivation. Through dialogues with its labor unions, the Group has an opportunity to discuss a wide range of subjects, including management policies, wages, working hours, leave, human resource systems and benefits.</p> |
| Protecting the environment and contributing to local communities | <p>Participation in the UN Global Compact, Principles for Financial Action for the 21st Century, and the Japan Association for the United Nations Environment Programme (UNEP), support for the Japan Down Syndrome Society, working with the Japan Philanthropic Association, implementing Forests of Taiyo Life activities, supporting activities by The Nature Conservation Society of Japan, etc.</p> <p>The Group participates in the UN Global Compact, Principles for Financial Action for the 21st Century, and other initiatives. It also exchanges views in a wide range of areas through study groups and dialogues with the participating companies. Furthermore, the Group has opportunities to understand stakeholders' expectations toward enterprises and to explore possibilities of the Group's contribution through support of and participation in the activities of NPOs active in each field.</p> |

10. Principles That the T&D Insurance Group Endorses and Supports

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● The UN Global Compact

The T&D Insurance Group has become a participant of the United Nations (UN) Global Compact (UNGC), a cooperative framework between the UN and corporations to realize sustainable growth advocated by the UN.

The UNGC proposes ten principles applying to the four areas of the protection of human rights, the elimination of unfair labor practices, the protection of the environment and the prevention of corruption, and encourages companies to act in a responsible manner. The T&D Insurance Group endorses the UNGC's philosophy, and T&D Holdings, representing the Group, has signed a memorandum declaring its support for the ten principles.

WE SUPPORT


《UNGC's Ten Principles》

| | | |
|-----------------|--------------|--|
| Human rights | Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights. |
| | Principle 2 | Businesses should make sure that they are not complicit in human rights abuses. |
| Labor | Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. |
| | Principle 4 | Businesses should uphold the elimination of all forms of forced and compulsory labour. |
| | Principle 5 | Businesses should uphold the effective abolition of child labour. |
| | Principle 6 | Businesses should uphold the elimination of discrimination in respect of employment and occupation. |
| Environment | Principle 7 | Businesses should support a precautionary approach to environmental challenges. |
| | Principle 8 | Businesses should undertake initiatives to promote greater environmental responsibility. |
| | Principle 9 | Businesses should encourage the development and diffusion of environmentally friendly technologies. |
| Anti-Corruption | Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery. |

● Principles for Responsible Investment (PRI)

In the T&D Insurance Group, Taiyo Life, Daido Life and T&D Asset Management have endorsed and signed the Principles for Responsible Investment (PRI)*. PRI are guidelines that encourage global financial institutions and institutional investors to promote investment activities in consideration of Environmental, Social and Governance (ESG) issues.

Signatory of:



* The UN Principles for Responsible Investment (PRI) were formulated by the UNEP Finance Initiative and the UN Global Compact as a set of principles that would facilitate the reflection of the ESG viewpoint in the decision-making processes of financial investors.

《The Six Principles of the PRI》

- Principle 1: We will incorporate ESG issues into our investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG problems into our ownership policies for stocks and practices.
- Principle 3: We will seek adequate disclosure on ESG problems by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

● Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management, and Pet & Family Insurance endorse the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)*, and have become signatories to this voluntary initiative organized by Japanese financial institutions.

* Principles for Financial Action for the 21st Century were formulated as guidelines for financial institutions that wish to fulfill their social responsibilities and play a role in the formation of a sustainable society. The principles were formulated by the Ministry of the Environment's Drafting Committee for Environmental Finance Principles, in which financial institutions from wide-ranging areas within the sector voluntarily participated.



《Principles for Financial Action for the 21st Century》

1. We will recognize our roles and responsibilities, taking into account the precautionary approach, and promote those actions that contribute towards shaping a sustainable society.
2. We will contribute to the formation of a sustainable global society through the development and provision of financial products and services leading to the development and increased competitiveness of "industries contributing to a sustainable society" as represented by the environmental technologies and services sector.
3. From the perspective of regional development and improvement in sustainability performance, we assist the environmental programmes of small and medium enterprises. We will also back activities that will raise environmental awareness amongst citizens and support disaster readiness and community activities.
4. In the formation of a sustainable society we will recognize the importance of cooperation with diverse stakeholders and will not only participate in its activities but will endeavor to take a proactive role.
5. We will not be limited to complying with environmental laws and regulations but will take active steps to reduce our own environmental footprint through resource and energy savings as well as encouraging our suppliers to do likewise.
6. We will recognize activities that will further profile sustainability as a business issue and will endeavor to disclose information on our activities.
7. In order to implement the above actions we will aim to raise the awareness of environmental and social issues of our own board and support them to take an active role through their normal duties.



11. External evaluation

Inclusion in ESG Indexes

Evaluation by ESG assessment organizations


The Group makes efforts to disclose understandable and transparent information on its initiatives for addressing sustainability and ESG issues. The Group is included in major ESG indexes after being highly evaluated by ESG assessment organizations and index builders in and outside Japan.

* ESG (environment, social, and governance) investment is an approach to select targets not only on the basis of financial data, but also on initiatives for environmental and social issues, governance, and other considerations.

| International | |
|---|--|
|  FTSE4Good | <p>The FTSE4Good Index Series is an internationally trusted major ESG investment index launched in 2001 by FTSE International, a wholly owned subsidiary of the London Stock Exchange Group. Our Group was added to the index in 2009.</p> |
|  | <p>The MSCI ESG Leaders Indexes is an international stock index built and calculated by a financial services company headquartered in New York, and constituted by companies with excellent ESG performance. Our Group was added to the indexes in 2014.</p> |

MSCI ESG Research logo disclaimer:

THE INCLUSION OF T&D Holdings, IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF T&D Holdings, Inc. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES

| Japan | |
|--|---|
|  FTSE Blossom Japan | <p>It is an index newly developed by FTSE in 2017 that consists of selected Japanese companies with excellent environmental, social, and governance (ESG) performance. Our Group has been included in the index since it was first developed.</p> |
| 2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX | <p>It is an index newly developed by MSCI in 2017 that consists of selected stocks with relatively high environmental, social, and governance (ESG) ratings. Our Group has been included in the index since it was first developed.</p> |
| 2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) | <p>It is an index newly developed by MSCI in 2017 that consists of selected stocks with excellent gender diversity in their industries. Our Group has been included in the index since it was first developed.</p> |

As of July 1, 2020

Major Awards, Commendations

The Group's efforts for addressing CSR and ESG issues have been highly evaluated by society, and the Group has received various awards and commendations.

| FY2019 | | |
|--|---|--|
| <p>Sponsored by TOYO KEIZAI INC. Supported by Cabinet Secretariat and Ministry of Health, Labour and Welfare</p> <p>Excellence Award at the 1st Platinum Career Award</p> | <p>"Japan HR Challenge Awards" Executive Committee Supported by Ministry of Health, Labour and Welfare and others</p> <p>Innovation Award at Japan HR Challenge Awards</p> | <p>Ministry of Health, Labour and Welfare Commendation from the Minister of Health, Labour and Welfare for companies promoting telework</p> <p>Excellence Award at Kagayaku Telework Awards</p> |
| <p>Ministry of Economy, Trade and Industry</p> <p>Certified Health and Productivity Management Organization White 500</p> | <p>HDI-Japan</p> <p>Help Desk, Web Support, and Monitoring categories Top rating of "3 stars"</p> | <p>Japan Forest Recreation Association</p> <p>Encouragement Prize at the 31st Forest Recreation Area Beautiful Forest Development Activity Contest</p> |

Establishment of T&D Insurance Group Human Rights Policy



The T&D Insurance Group CSR Charter calls for “Respect for Human Rights,” and the Group promotes business activities that respect the human rights of all executives and employees of the Group and all stakeholders.

We have established the “T&D Insurance Group Human Rights Policy,” which expresses the Group’s views on respect for human rights. The Policy was formulated in accordance with the Guiding Principles on Business and Human Rights, a standard of conduct for all nations and companies set forth by the United Nations Human Rights Council.

T&D Insurance Group Human Rights Policy

The T&D Insurance Group has established this Human Rights Policy (the Policy) as a set of standards applicable to all executives and employees*, based on the Group’s Corporate Philosophy and the T&D Insurance Group CSR Charter. We recognize that our business activities could potentially have human rights impacts. We are committed to conducting our business activities with respect for the human rights of all stakeholders in line with this Policy.

We expect all our business partners to understand and adhere to this Policy. We also strive to use our leverage to contribute to a society where all people’s human rights are respected.

1. Our Position on Respect for Human Rights

We aim to be a group that contributes to all people and societies through creating value, and fulfill our responsibility to respect human rights of all stakeholders related to our business activities. We commit to respecting internationally recognized human rights as set out in the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. We support the United Nations Guiding Principles on Business and Human Rights, and as a signatory to the United Nations Global Compact, we also commit to implement their Ten Principles.

Where national laws and international human rights standards differ, we will follow the higher standard. Where they are in conflict, we will seek ways to respect internationally recognized human rights while still complying with applicable local laws.

2. Implementation of Human Rights Due Diligence

We commit to implement human rights due diligence to identify, prevent and mitigate adverse human rights impacts associated with our business activities. We strive to deliver appropriate remedial measures when we discover that we have caused or contributed to adverse human rights impacts.

We strive to engage and consult with relevant stakeholders to appropriately understand and address our business activities’ impact on human rights.

3. Training and Raising Awareness

We will provide training on respect for human rights to all executives and employees to raise awareness and to build capacity to effectively implement this Policy.

4. Grievance Mechanisms

We have whistle blowing channels through which concerns and grievances related to human rights can be raised, which are accessible to all our executives and employees. We also have mechanisms through which human rights concerns and grievances associated with our business can be raised by external stakeholders, such as customer desks of the head offices and branch offices, call centers (customer service centers) and online reporting channels. We continue to optimize our grievance procedures in order to respond to internal and external concerns and grievances associated with our human rights impacts.

5. Reporting on Our Progress to Respect Human Rights

We will continuously report progress on our efforts to respect human rights through our website, Sustainability Report and other communication channels.

* The term “all executives and employees” includes employees across all employment forms, including contract employees, fixed-term employees, part-time employees, in addition to full-time employees.

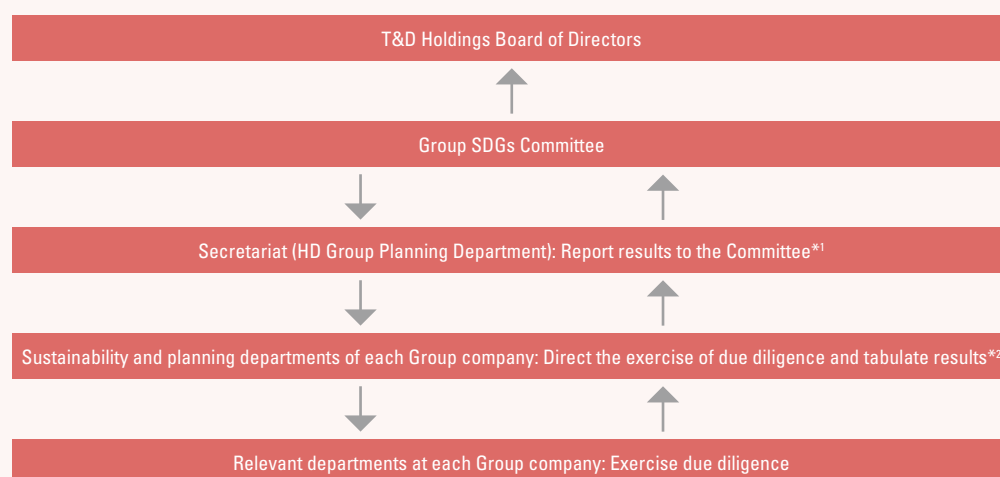
Established July 1, 2020

Exercising human rights due diligence

Prior to the establishment of T&D Insurance Group Human Rights Policy, we exercised human rights due diligence at the Company and its directly owned subsidiaries. As a result of this human rights due diligence, no human rights issues requiring correction were identified in the Group's business activities.

Going forward, we will continue to exercise human rights due diligence to verify the status of the Group's response to human rights issues in its business activities and to confirm whether or not there are any issues, and report the results to the Group SDGs Committee on an annual basis. The contents of the report to the Committee will be reported to the Board of Directors of T&D Holdings as well as to the Group Compliance Committee. If human rights issues are identified during human rights due diligence, we will take measures to resolve them.

[Human rights management system] (human rights due diligence)



*1 Due diligence results are also reported to the Group Compliance Committee

*2 The results of each company's due diligence are reported to the board of directors of each company as appropriate

Special sponsorship of the Nikkei Social Business Contest —Contributing to social business—

The T&D Insurance Group is a special sponsor of the Nikkei Social Business Contest held by Nikkei Inc. The contest aims to promote the healthy growth and greater awareness of social business and to increase the number of players who are willing to engage in it. Through our sponsorship of this contest, we hope to support the next generation of leaders who are willing to take on social issues and create value for society in order to contribute to the development of a sustainable society together.



For more information on the Company's initiatives, please refer to our website.

WEB <https://www.td-holdings.co.jp/group/brand/index.html>

III Priority Theme 1

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Promote healthy and abundant lives for all people



1. Basic Concept

1-1 Basic Concept

With the main business of the T&D Insurance Group being the life insurance business, contributing to promote healthy and abundant lives for all people is one of our most basic responsibility to society. We have positioned “Providing Better Products and Services” as the first principle of the T&D Insurance Group CSR Charter. The Group clearly states its commitment to fulfilling its responsibilities to society through the insurance business by offering well-suited, high-quality products and services that meet customer needs. The provision of products and services that contribute to solving various risks faced by our customers, which occur due to societal changes such as the acceleration of Japan’s declining birthrate and aging population, is both the Group’s mission and an opportunity for growth.

2. Offering Products and Services That Address Social Needs

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2-1 Initiatives by Taiyo Life

《Initiatives in Taiyo’s GENKI Project》

Looking ahead to era of the 100-year life, Taiyo Life has engaged in Taiyo’s GENKI Project, which is an effort that began in June 2016 to make employees, customers, and society healthy. The aim is to address the social issue of longer healthy life spans, that is, living a long healthy life. As for specific approaches, the company has worked to introduce an employment system in which employees can work until 70 years of age, provides dementia prevention services, and sponsors dementia seminars throughout Japan. These activities have been highly recognized by external institutions. For instance, for four consecutive years the company has earned “White 500” health management excellence certification under the Certified Health and Productivity Management Organization Recognition Program sponsored by the Japanese Ministry of Economy, Trade and Industry.



《Product Development which Preempts the Changes of the Times》

Taiyo Life is striving to provide high-quality products and services so that customers in the senior market can enjoy greater peace of mind. Taiyo Life is striving to provide high-quality products and services that provide greater peace of mind to customers in the senior market. One of our core products is *Himawari Dementia Prevention Insurance*, which has been well-received mainly by senior customers since its launch. In addition to providing security in the event of dementia, it offers support against dementia starting from the prevention stage. Starting from October 2019, one year after its launch, we began paying a “preventive benefit,” which is paid out every two years starting one year after the policy begins under a special added provision. Customers who become eligible for payments are also provided with information on dementia prevention services that utilize these “preventive benefits.” Furthermore, in response to shorter hospital stays due to advances in medical care, in November 2019 we increased the limit for hospitalization lump-sum payment insurance under *Hoken Kumikyoku Best*, our insurance product that allows customers to freely combine the coverage they need. As a result, a maximum payment of ¥200,000 is now possible even for a one-day hospitalization, and a lump-sum hospitalization payment of up to ¥400,000* is now possible for certain lifestyle-related diseases. Unlike the conventional daily payout type of medical benefit, patients can receive a lump sum payment of up to ¥400,000* even if hospitalized for a short period of time. This makes it possible to prepare for various medical, hospital visit, and rehabilitation expenses incurred before and after hospitalization.



In the corporate sales agent sector, in April 2020 we launched *My Kaigo Best Plus*, a yen-denominated flat-rate product that meets the needs of customers who want to prepare for the risk of an emergency or the risk of nursing care and dementia in old age.

In the corporate insurance sector, inspired by the vision of a society where long-lived people can enjoy their longevity together with their families without money worries, we partnered with Benesse Style Care Co., Ltd. to develop a new group annuity “monthly fee support plan” that offers lifetime annuity support for the fees charged by homes for the elderly operated by Benesse. The system, which launched in April 2019, is a response to the problem of people having to leave homes for the elderly due to financial problems.

* In the case of two hospitalization lump-sum payments of 200,000 yen each when the patient is hospitalized due to a lifestyle-related disease or women’s health issue, comprising one hospitalization lump-sum payment insurance plus one specific to the lifestyle-related disease or women’s health issue.

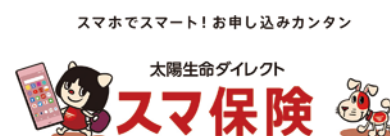
《To Deliver Peace of Mind to Families》

Since April 2016, Taiyo Life has offered the *Kaketsuke-Tai* Service. Administrative personnel with specialized knowledge make visits to customers and their families, and provide support for procedures such as benefits claims. This service uses a new mobile terminal, *Taiyo Life Concierge* that was introduced in August 2018. The *Taiyo Life Concierge* is equipped with a camera function that allows the instant transmission of data to the head office, after taking pictures of the forms required for benefits claims. It is possible for customers to check the content of their claims entered by the administrative personnel and complete the procedure by merely signing on the terminal. As of the end of March 2020, more than 100,000 customers had utilized this service since its launch. In addition, the *Taiyo Life Concierge* video telephone function has made it possible for our in-house sales representatives to provide payment services that are equivalent to those of administrative personnel with specialized knowledge. Seizing this opportunity, the company is expanding the scope of its paperless system for requesting benefits, from the current senior customers to all customers. Furthermore, the company proactively recommends the family members of a senior customer to be present when he or she concludes a contract to prevent misunderstanding. In addition, the Family Registration Program has been adopted in case it is impossible to contact a customer due to reasons such as dementia and hospitalization. The system encourages prior registration of contact information of customers' family members. As of March 2020, we are able to accept claims for inpatient, surgical, and other benefits on Taiyo Life My Page, a dedicated Web portal for customers through which benefits can be paid in as little as 10 minutes depending on the claim.



《Establishment of New Sales Channel [Launch of *Sma-Hoken*]》

In October 2019, we launched "*Sma-Hoken*," which enables customers to apply for insurance over the Internet. "*Sma-Hoken*," our completely new Internet-based insurance system with extensive after-sales follow-up, combines a convenient on-line insurance quoting and application process with attentive service from our highly trained staff.



Benefits of *Sma-Hoken* (1)

Integration of Internet-based insurance application with full-service human support

We have prepared a dedicated website with an easy-to-understand interface to make the online application process easy even for first-time users. In the unlikely event the customer is unsure how to complete the process online, a call to the *Sma-Hoken* hotline connects to a live operator who can provide assistance while viewing the same screen as the customer. In terms of services, we also offer "*Sma-Hoken*" customers the full range of services provided by our *Kaketsuke-Tai* Service, which until now was offered mainly to senior customers.

Benefits of *Sma-Hoken* (2)

A lineup of products to meet a wide range of needs

"*Sma-Hoken*" is available starting at a monthly premium of 1,000 yen. We offer a lineup of products that are easy to enroll in even for those who are new to insurance or who are considering enhancing their current coverage.

《Development of the Life Insurance Business in Myanmar》

Taiyo Life is expanding its overseas business, particularly in Myanmar, which is attracting attention for its rapid economic development. In August 2019, we invested in Capital Life Insurance Limited, an insurance company in Myanmar, and made it an affiliated company. On November 28, 2019, the joint venture acquired final approval from the government of Myanmar and commenced operations under its new name, Capital Taiyo Life Insurance Limited (CTL).

Going forward, we will continue to leverage the expertise we have cultivated in the Japanese life insurance business to expand our business in Myanmar through CTL and contribute to the further development of the Myanmar insurance industry.



《Establishment of the Taiyo Life Aging Society Institute》

As part of our efforts to address the extension of healthy life expectancy, which has become an important social issue in Japan, we founded the Taiyo Life Aging Society Institute in April 2020. The Institute conducts big data-driven research in collaboration with academic institutions and other organizations, mainly from the perspective of preventing, detecting, and treating diseases at an early stage. The Institute will contribute to society by publishing its joint research results widely and incorporating its research into the development of insurance products and services that help our customers enjoy longer, more vigorous lives.

2-2 Initiatives by Daido Life

《Initiatives to Disseminate Health-oriented Management*—DAIDO KENCO ACTION》

Daido Life assists SMEs in implementing health-oriented management. The aims are to contribute to creating a society where SMEs and their employees can actively perform and to solving issues faced by Japan's rapidly aging society.

* Health-oriented management means that companies consider health management of employees from a business-management perspective and strategically practice management and the establishment of employees' health.

Health-oriented management is a registered trademark of the Workshop for the Management of Health on Company and Employee, a specified non-profit organization.



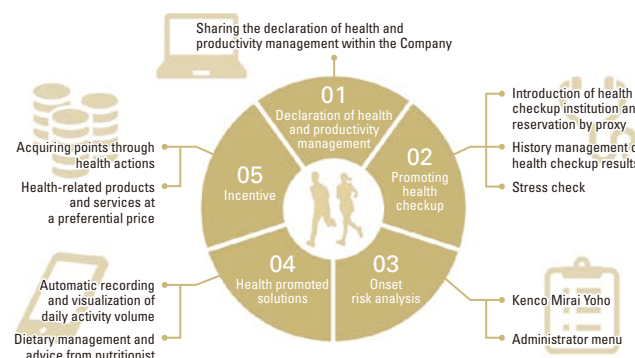
—Collaboration with Companies and Organizations Promoting the Dissemination of Health-oriented Management—

Daido Life will endeavor to establish a system through which health-oriented management can become prevalent and take root in as many SMEs as possible all across Japan. For that, it will widen the circle of collaboration with companies and organizations that assist SMEs in implementing health-oriented management.

—Providing the Daido Life KENCO SUPPORT PROGRAM, a Tool for Implementing Health-oriented Management—

Daido Life has developed and provides 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.

The Daido Life KENCO SUPPORT PROGRAM is a comprehensive program targeted at SMEs. This program consistently supports implementation of the PDCA cycle necessary for health-oriented management. This includes assistance in encouraging employees to go through medical examinations for companies, risk analysis of development of lifestyle disease, etc. for individual SME owners and employees, and provision of health promotion solutions and incentives that promote continuous health improvement efforts.



《Launch of Kaigo Relief α (April 2019)》

As a result of the aging society, there has been an increase in the number of people requiring long-term care in the public long-term care insurance system, as well as the number of elderly people with dementia. Accordingly, the needs for nursing-care benefits of SME owners and individual business owners are also on the rise. To satisfy these needs, Daido Life launched *Kaigo Relief α* [non-participating whole life nursing care insurance (no surrender value type during premium payment period)] to provide wide coverage when long-term care is required, such as for dementia. This product ensures substantial coverage for times when long-term care is required, while realizing inexpensive insurance premiums by eliminating the surrender value during the premium payment period. By offering this product and the ancillary *Kaigo Concierge* service integrally, Daido Life is providing comprehensive support to relieve the financial burdens as well as the psychological burdens associated with nursing care.

Comprehensive support through *Kaigo Relief α* + *Kaigo Concierge*

Product

Kaigo Relief α (For financial burdens)

- Lifelong nursing-care benefits with inexpensive insurance premiums
- Coverage from the public long-term care insurance system "Care Level 1"
- High level of benefits of up to 100 million yen
- Multiple persons can be designated as beneficiaries, in accordance with needs



Service

Kaigo Concierge (For psychological burdens)

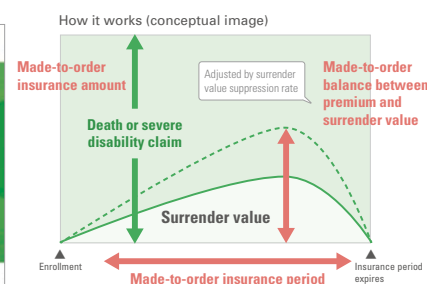
- Care manager referrals
- Nursing-care facility referrals and visit arrangements
- Provision of dementia-related services and information through *Dementia Plus +*
- Proxy applications for certification for long-term care certifications

* In addition to *Kaigo Relief α*, the company also provides *Shunyu Relief* [non-participating nursing care income protection insurance (no surrender value type)] to protect against loss of income when long-term care is required.



《Launch of L-type α , J-type α , and T-type α Products (July 2019)》

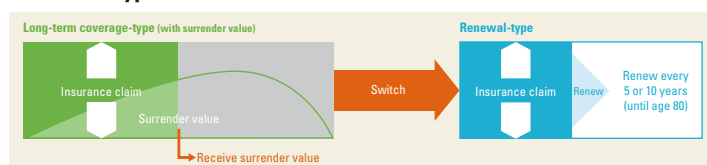
With the arrival of the era of the 100-year life and facing a serious shortage of successors, the owners of SMEs are aging and remaining in the workforce longer. Meanwhile, structural changes in society and industry are presenting SMEs with more diverse management challenges and risks. These changes in the environment have brought changes in the insurance needs of SMEs, in particular a growing need for products with coverage that can be flexibly configured according to business conditions and other factors. In response to this situation, we launched the industry's first "made-to-order" insurance products to provide SME owners with long-term coverage against death, critical illness (cancer, acute myocardial infarction, and stroke), and severe physical disability. Specifically, we offer the *L-type α* product [non-participating age-specific maturity term life insurance (specified surrender value suppression rate type)], *J-type α* product [non-participating critical illness insurance (specified surrender value suppression rate type)], and *T-type α* product [non-participating disability protection insurance (physical disability certificate-linked / specified surrender value suppression rate type)]. These products cater to the diverse needs of customers by allowing them to freely configure not only the insurance amount and period but even the balance between premium and surrender value.



《Expansion of the Policy Conversion System (Switch) (April 2020)》

To respond more flexibly to changes in needs after enrollment, we have introduced a policy conversion system (switch) that allows products in the same benefit field with different coverage periods to be switched (converted) to each other. The system applies not only to the traditional death benefit but also disability benefit (*J-type* and *T-type*) insurance. This has further improved the flexibility of policies, allowing them to be revised in response to changes in business conditions and other factors.

Example of switch (conversion) from "long-term coverage-type" to "renewal-type"



Launch of HALFIT service

Since April 2020, free access to the Neuro HALFIT exercise program, which promotes the functional improvement of the nervous and muscular system using the wearable Hybrid Assistive Limb (HAL)[®] of CYBERDYNE, Inc., has been offered up to a fixed number of sessions. This service, delivered as an exclusive ancillary service for our nursing-care insurance products, is intended to help prevent disease advancement and increase the independence of people who require relatively light levels of care while insuring them against financial risk in the event long-term care is needed.

About Neuro HALFIT

The Neuro HALFIT program uses the wearable Hybrid Assistive Limb (HAL)[®] to activate the activity loop of your brain-nerve system by repeatedly performing actions synchronized with your intentions, thereby inducing improvement in your brain-nerve-musculoskeletal systems even if you have difficulty moving your lower limbs on your own.

A look at the different types of HAL[®] programs



(HAL lower limb type)



(HAL lumbar type)

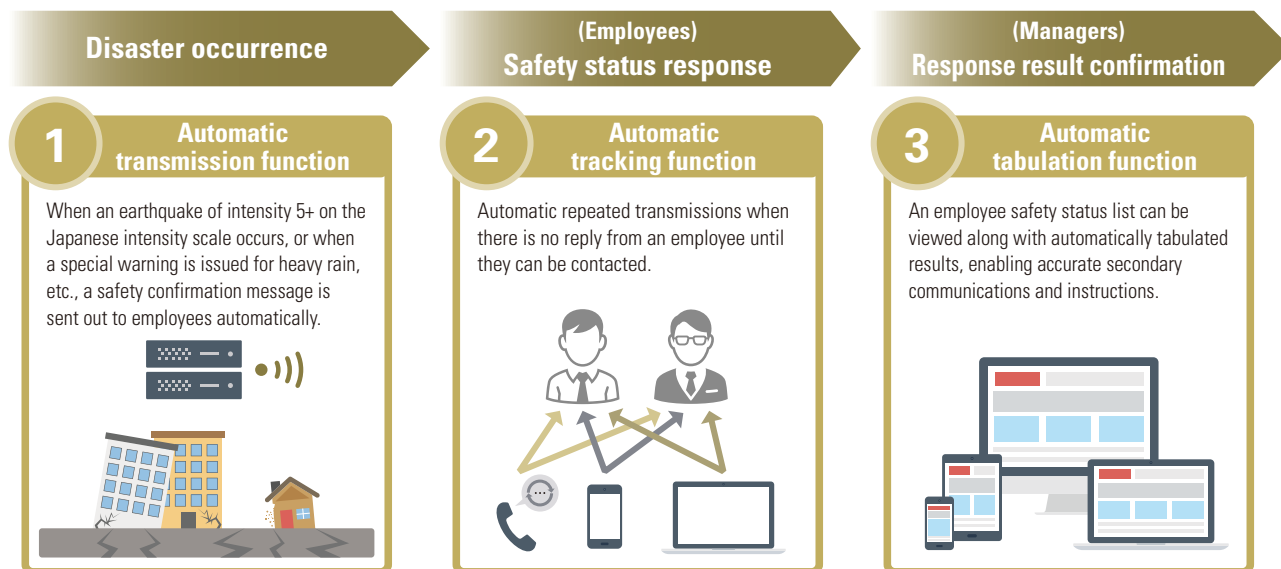


(HAL single joint type)

Courtesy of CYBERDYNE, Inc. All rights reserved.

《Safety Confirmation System》

In order to respond to the wishes of SME owners to confirm the safety status of employees accurately and promptly in the event of large-scale disasters, in April 2019, Daido Life introduced a safety confirmation system. This service is equipped with all of the functions necessary for safety confirmations at SMEs in the event of a disaster, and is provided free of charge to policyholders who meet the requirements prescribed by Daido Life.



《Expansion of Services for Foreign Employees》

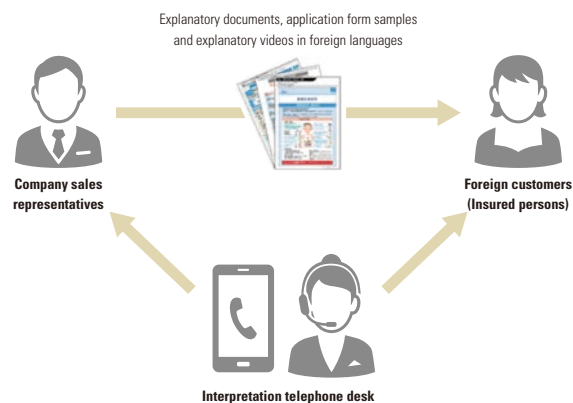
Insurance needs are expected to increase due to further increases in the number of foreign workers. However, life insurance policies could not previously be purchased in cases where the application details could not be understood in Japanese. In order to respond to the wishes of SME owners to care for all employees regardless of nationality, from June 2019, Daido Life has implemented services for foreign employees (insured members) who have difficulty understanding Japanese.

By developing frameworks such as the preparation of explanatory materials in foreign languages and establishing multilingual contact points with interpreters, Daido Life has enabled applications from foreign employees for life insurance as welfare benefits.

Target languages

Eight languages: Chinese, Vietnamese, Filipino, Portuguese, Nepalese, Korean, English, and Spanish

(Languages of the top eight countries, in terms of the number of foreign workers)



VOICE

Sales representatives reflect on expanding our handling of foreign employee policies

Below are some thoughts from sales representatives who have actually handled policies for foreign employees.

I often see foreign employees working at the companies I visit, and I always felt bad that they couldn't purchase insurance policies because they didn't understand Japanese.

When I told the president of one company that we're expanding insurance for foreign employees, he said "I want you to enroll them immediately!" He had been frustrated that his foreign employees, who worked so diligently, weren't able to purchase insurance policies due to their lack of Japanese language skills.

It was a pleasure to be able to meet the needs of customers, and I have been even more enthusiastic about providing peace of mind to more customers, regardless of nationality.



Osaka Kita Branch Office
Umeda No. 2 Sales Office
Tomohiro Minami

One company with foreign employees signed up for full-range of protection for its employees, including foreign nationals.

The president said, "I want to take good care of my employees regardless of their nationality, and that means providing them with company benefits that bring peace of mind."

His desire to take care of his employees instilled a sense of mission in me to make sure everyone who works there is protected.

Going forward, I will continue to deliver information to agents and encourage coverage of everyone regardless of nationality or language under our new approach to corporate coverage!



Chiba Tax Accountant
Mutual Aid Branch
Tokatsu Promotion Division
Haruko Hirokawa
(Affiliation at the time)

2-3 Initiatives by T&D Financial Life

《Products Responding to the Diversifying Needs of Customers》

To respond to diversifying customer needs, T&D Financial Life enriches its product lineup and provides products in a timely manner through banks and other financial institutions as well as insurance shops. For senior customers, it provides asset formation products to support a comfortable retirement life by preparing for post-retirement expenditures and the need for protection for bereaved families. For the working and childrearing generation, it offers protection-oriented products at an affordable price.

In July 2019, we launched *Shogai Premium World 5*. This product is the latest renewal of our *Shogai Premium World* series of single-premium whole life insurance, which takes advantage of overseas interest rates and exchange rates to let you leave money for your family members while receiving money to use for yourself. While inheriting the features of previous products in the series, which allowed customers to enroll without having to pay foreign exchange fees, the product has also been updated to meet the needs of a wider range of customers. For example, the product no longer requires an initial fee, and a feature has been added that guarantees a minimum death benefit equivalent to the single premium in yen for a certain period of time. In October 2019, we launched *Fivetenworld 2*. This product is a renewal of *Fivetenworld*, a single-premium individual annuity that takes advantage of overseas interest rates and exchange rates. We also established a new “nursing care dementia benefit plan” to prepare for nursing care and dementia. Customers can now choose from two different plans that expand our previous coverage: the “target plan” and the “nursing care dementia benefit plan.” In February 2020, we launched *Choju Premium 2*. This product, which is intended to prepare customers for longevity, is a renewal of *Choju Premium*, a single-premium individual annuity insurance that increases future annuity resources by reducing the death benefit and surrender value during the grace period. In order to meet the needs of customers who want to prepare for longevity while receiving payments, we updated the product to allow them to begin to receive regular payments as soon as they enroll. The product is available in three distinct courses to meet diverse customer needs, including the course designed to prepare for nursing care and dementia.



《Initiatives for Improving Customer Service Quality》

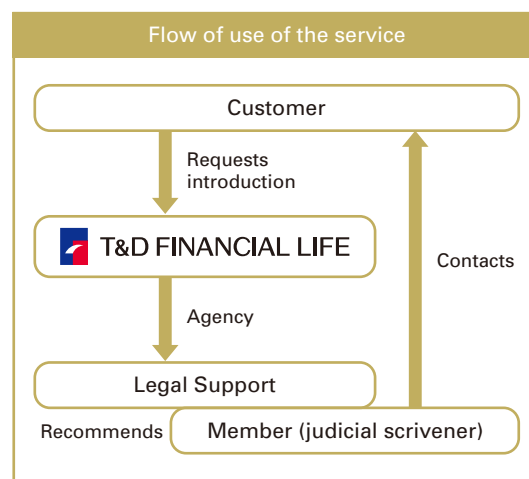
T&D Financial Life is pushing ahead with various efforts to further improve customer satisfaction. In July 2019, we started offering the M3 Patient Support Program, a medical support service provided by M3, Inc. The program is a comprehensive suite of four medical support services, including Ask Doctors, which enables customers to consult a doctor from their smartphone or PC 24 hours a day, 365 days a year. In addition, in April 2020 we introduced *Kaigo Concierge*, a nursing care and dementia support service provided by internet infinity INC. for customers with insurance policies that cover nursing care and dementia. The service provides care and dementia support services tailored to the customer's individual circumstances, including referrals to care managers and dementia prevention tools.

《Initiatives for Improvement in Response to Customer Feedback》

T&D Financial Life is working to make administration and system improvements that contribute to customer-oriented business operations. Such measures include collecting customer feedback, conducting interviews with sales agents, and studying the market environment, including various financial products, legal aspects, and industry trends. In FY2019, we signed an agreement with the Legal-Support Adult Guardian Center (“Legal Support”) and launched an adult guardianship system introduction service to introduce customers who wish to consult about the adult guardianship system or use the system to judicial scriveners recommended by Legal Support.

In addition, T&D Financial Life has added lump sum annuity payments to the covered insurance payments in the designated proxy application rider. This rider enables a pre-registered proxy who has been designated in advance to file a claim, in cases where the insured is the beneficiary of an insurance claim and is under special circumstances in which they are unable to file the insurance claim themselves.

Overview of the adult guardianship system introduction service



2-4 Initiatives by 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 (environmental, social and governance) factors. In particular, we are contributing to solving social issues, such as maintaining health and supporting the elderly, through active investment (supply of risk money) in companies that contribute to improving people's health. Examples include our "Japanese Equity ESG Research Fund" that makes selective investments in companies that excel from an ESG viewpoint, and our "Health-related Social Contribution Fund" that invests in health-related and health-management stocks.

2-5 Initiatives with Pet & Family Insurance

《Insurance Protection for Precious Family Members》

As more pet owners recognize their pets as family members, interest in pet healthcare and its associated costs is increasing. This is attributable to social issues, such as the advancement in the declining birthrate and aging population and the increase in one-person households. Pet & Family Insurance took these circumstances into consideration and has made efforts to address the needs for pet healthcare costs. Thus, the company provides *Genki Number One* and *Genki Number One Slim*, products that compensate for a portion of the costs of treatments for pets at veterinary clinics due to illness or injury. These products help to ensure that pet owners can obtain veterinary treatment for their pets with peace of mind.

《Providing Information on Pets' Lives》

Pet & Family Insurance has posted on its website information for enriching pets' lives. The website also features special contents titled "Pet News Storage" that introduce questions closely related to pets' lives in an easily understandable fashion. It is regularly conveying information on various subjects related to pets in an attempt to deepen understanding of pets, which are precious family members.



2-6 Best Senior Service

103-2

103-3

Based on the social situation that the aging of society is progressing, we are carrying out Group-wide efforts to improve the convenience and satisfaction of our elderly customers. At Taiyo Life and Daido Life, this initiative was named the Best Senior Service, and through this initiative, we are developing a variety of service improvements.

《Main Initiatives of Taiyo Life》

① Home Visit Service

Taiyo Life launched the *Senior Anshin Support Activities* in July 2014 as a visiting service activity designed for customers who are seniors. Its staff visit them at least once a year. Confirmation of insurance contract coverage, and examination of whether claims have been fully submitted, are carried out in a careful and easily understandable manner. This service enables each of the senior customers to live with peace of mind.

② Initiatives for Securing Peace of Mind at the Time of Contract Conclusion and during the Insurance Period

Taiyo Life proactively recommends the family members of a senior customer to be present when he or she enters into a contract. In addition, the person in charge at the headquarters reconfirms the intention of the contract and declaration (for some products) by using the videophone function of the terminal that each sales representative carries. Furthermore, Taiyo Life has adopted the Family Registration Program in the event contact with policyholders become impossible when large-scale disasters occur. The system is to register the contact information of the family members of customers in advance, and registration is recommended. The family members whose contact information has been registered are entitled to inquire about coverage and the procedure for putting in claims on behalf of the policyholder.

③ Kaketsuke-Tai Service

The *Kaketsuke-Tai Service* is provided by Taiyo Life's administrative personnel with specialized knowledge. They visit customers and their families to lighten the burdens of dealing with benefits claims and to provide meticulous support unique to administrative personnel. This service is very popular among many customers including senior customers. More than 101,000 customers had utilized this service (as of the end of March 2020) since its launch in April 2016. In addition, the company introduced a paperless procedure to claim benefits, making it possible for customers to check the content of their claims and complete the procedure by merely signing on the *Taiyo Life Concierge*.

《Major Initiatives by Daido Life》

① Initiatives for Enhancing Sense of Ease during and after Enrollment

<Recommendation on Presence of Family Members>

Daido Life recommends that family members of customers 70 years of age or older be present during the enrollment process. This is to ensure a full understanding of the content of insurance policies that customers are going to enroll in with a sense of ease. The company explains the content of the insurance coverage and important items that need extra attention in detail both to the customers and their families. It also carries forward the procedures by ensuring that the content is in line with the customers' intentions.

<Designated Proxy Application Rider>

The Designated Proxy Application Rider is introduced to customers for insurance policies in which the insured is the beneficiary of insurance claims, etc. In cases where it becomes difficult for the insured to file an insurance claim due to sickness, accidents, or other reasons, a representative who is designated in advance (a preregistered proxy) can file a claim.

<Family Registration Program>

We propose that our individual customers register their family members in the Family Registration Program, under which a family member registered in advance may make an inquiry about policy details on behalf of the policyholder. We also send out a copy of the Daido Life Guide to the registered family members if the policyholders request it.

② Initiatives for Receiving Insurance Claims, etc. Reliably and Promptly

Daido Life regularly checks if there are no unclaimed insurance claims, etc. for individual customers who are over a certain age so they can receive insurance claims reliably and promptly.

③ Improvement of Treatment of Customers and Hospitality

In order to provide courteous and careful service in response to customers' situations, we formulated and use a service manual taking into account the general characteristics of our senior customers, such as changes in physical abilities and psychological aspects, as well as visual aides. Through these means, we are striving to provide an environment in which our customers can complete necessary procedures with peace of mind.

《Major Initiatives by T&D Financial Life》

① Measures at the Time of Enrollment

During the enrollment process for customers who are 70 years of age or older, the company takes measures to confirm they have the intention of buying the insurance policy. These measures include recommending the customers' family members be present at the time of application and setting a period for customers to fully examine the policy. In addition, the company has employed universal color designs in the solicitation materials for customers with partial color-blindness, and universal design fonts that reduce reading mistakes. This provides support to assist customers to accurately understand the contents, mechanisms, and important matters regarding the recommended products. In April 2020, our *Shogai Premium World 5* pamphlet earned the "easy-to-read design" certification from UCDA. Furthermore, the company has prepared auxiliary solicitation materials that complement our pamphlets to clearly describe the risks and actual yields of foreign currency-linked single-premium whole life insurance with foreign exchange risks, as well as videos to introduce and explain our single-premium products, which are posted on our website.

② Measures during Enrollment

T&D Financial Life recommends the registration of the Secondary Contact to deal with cases where information concerning various procedures does not reach a contractor or where it becomes difficult to communicate with policyholders due to disasters and other circumstances. The contract can thus reach policyholders promptly by contacting registered family members. In addition, the company implements the policy inspection system via telephone for policyholders of a certain age and older, in order to identify changes in contact information and unnoticed cases of eligibility for benefit claims, among others. Furthermore, the company does not use automatic voice guidance at the call center, which is the point of contact with customers. Instead, customers are directly connected to the operators. This way, they can contact us with peace of mind.

③ Measures during Procedures

T&D Financial Life is working to improve convenience for customers to enable them to easily go through the procedures. It revises claim documents and uses colors for them as well as omitting the submission of an insurance certificate and a seal registration certificate.

3. Providing Wholehearted Reassurance

102-43

3-1 Fairness in Offering Insurance Products to the Broader Public

Life insurance is a mutual aid system in which insurance premiums collected from a large number of policyholders are used to fund insurance payments and benefits in the event of someone's death or hospitalization. Life insurance companies use the law of large numbers to calculate fair premiums based on statistical data such as mortality rates and insurance accident rates presented in life insurance tables, which are calculated separately for each age and gender. Life insurance companies maintain the fairness of the life insurance system by adding some conditions such as additional premiums, or in the worst cases by not offering coverage, for those who do not meet the companies' predetermined standards due to health conditions or other factors. The Group's three life insurance companies and other Group members respect customers' human rights, and develop and offer many unique insurance products which meet a wide variety of customer needs, health conditions, gender, enrollment age and other specific circumstances at a fair premium.

3-2 Establishment of Solicitation Policies

The Group's three life insurance companies have established individual solicitation policies for offering life insurance and other products. Under these policies, each Group company strives to develop and offer applicable products that meet customers' needs and circumstances.

《Solicitation Policy (In the Case of Taiyo Life)》

The following are Taiyo Life's basic solicitation policies for offering financial products, including life insurance, to customers. We always endeavor to develop and offer products in a proper and appropriate manner in due consideration of customers' desires, circumstances and privacy in order to provide customers with proper services through consultation.

- | | |
|---|---|
| <ul style="list-style-type: none"> • We will comply with the applicable laws, rules and regulations in solicitation activities. • We will endeavor to carry out adequate solicitation activities in consideration of the customer's circumstances. • We will give due consideration to the time and the place for solicitation activities. • We will explain the important issues properly. | <ul style="list-style-type: none"> • We will make efforts to enhance employee education and our training program. • We will safeguard customer information strictly in confidence. • We will make continuous efforts to establish an internal structure ensuring adequate solicitation activities. |
|---|---|

3-3 Efforts to Offer Customer-oriented Services

From contract procedures and after-sales service to payment of insurance claims and benefits, the three life insurance companies endeavor to provide services with an emphasis on understandability as an approach to earn trust from customers.

● Awards for Customer Service

《Taiyo Life》

《Received the 2019 UCDA "10th Anniversary Special Award"》

In FY2014, we launched the *Best Senior Service (BSS)* with the aim of reforming and improving every aspect of our services, products, systems, forms, and hospitality from the perspective of our senior customers in order to enhance their convenience. In recognition of our efforts to date, we were awarded the "10th Anniversary Special Award" at the 2019 UCDA Awards.

《Obtained the Highest Rank of "3 Star" for HDI-Japan's "Help Desk/Web Support Ratings"》

The company's Customer Service Center was highly evaluated by HDI-Japan in its 2019 "Help Desk Rating" for its customer-centric support with polite explanations and advice, receiving the highest rank of "3 Star" for the third consecutive year. In addition, the company received a "3 Star" ranking in its "Web Support Rating" for the second consecutive year. The website was recognized for displaying the features of each product in an easy-to-understand manner from the customer's point of view, for giving proactive guidance of the use of the site, and for effective coordination with the Customer Service Center.

《Daido Life》

《Received the 2018 Best Customer Support of The Year Excellence Award》

Daido Life was awarded the “Excellence Award” at the 2018 Best Customer Support of The Year, held by the Japan Institute of Information Technology. Daido Life was highly recognized for its contribution to efficient sales support, and for realizing improved customer satisfaction through enhanced convenience, accuracy, and speed, by centralizing customer after-sales services at its Customer Service Center.

《Received the 2019 UCDA “10th Anniversary Special Award”》

We were awarded the “10th Anniversary Special Award” at the 2019 UCDA Awards for our customer-focused efforts over the past 10 years to improve our customer-facing brochures and procedure screens as well as our efforts to meet the requirements for UCDA certifications.

● Initiatives by the Three Life Insurance Companies

《At the Time of Making a Contract》

We work to enhance the understandability of various documents regarding policy procedures.

[Major Documents (including Electronic Forms)]

- Clearly worded “Product Pamphlet”
- “Contract Summary” and “Proposals” describing insurance plans tailored to individual needs of customers
- “Warning Information (notifications of important matters when making a contract)” for calling the customer’s attention to particularly important points
- “Policy Leaflet and Policy Provisions” describing the various procedures when making a contract, and the structure of the product
- “Understanding/Confirmation of Intent” as a final step to ensure that the customer’s needs are met by the insurance product offered
- “Overview Materials” and “Auxiliary Materials” which provide a concise overview of the product as well as information about fees and other matters

《After-sales Services》

We work to ensure customer satisfaction by providing various kinds of information after contracts.

We also work to enhance our services so that the policyholders can make insurance and benefit claims more easily.

[Major Information Provision Services]

- Notification of policy details (from the three life insurance companies)
- Distribution of service guidebooks (Taiyo Life) (T&D Financial Life)
- Distribution of Security Guide (Taiyo Life)
- Notification of account transfer payment (from the three life insurance companies)
- Accounting method guidance service for corporate clients (Daido Life)
- Confirming policy details by visiting customers (Taiyo Life) (Daido Life)

[Examples of Measures to Facilitate Making Insurance and Benefit Claims]

- Handling of Direct Payment Service to Medical Institutions of advanced medical care benefits (Daido Life) (T&D Financial Life)
 - * Through this service, the insurance company pays benefits directly to medical institutions for expensive and advanced medical treatment such as proton-beam therapy and heavy-particle radiotherapy to ease the temporary burden on its customers. These benefits help customers receive treatment with ease of mind.
- Distribution of booklets and leaflets that comprehensively describe insurance and benefit claims procedures as well as payable case examples (Taiyo Life) (Daido Life)
- Reimbursement of expenses for obtaining a medical certificate in the event that the related insurance claim is completely rejected despite that insurance and benefit claims (from the three life insurance companies)
- If a claim satisfies certain requirements, submission of medical certificate can be omitted or a copy of a medical certificate can be accepted (from the three life insurance companies)
- Improvement of explanation and advice at Customer Service Center (call center) and branch offices (from the three life insurance companies)
- Introduction of designated proxy application option to allow the pre-registered proxy to file insurance claims in the event that the policyholder is unable to file the claim for a certain reason (from the three life insurance companies)
- Periodic follow-up of customers who take a long time to submit claim documents despite having declared an intention to make insurance claims (from the three life insurance companies)
- Services include confirmation of customer intent to file a claim, after which office staff may fill out claim forms on behalf of the customer, as well as obtaining medical certificates needed for benefit claims (from the three life insurance companies)
- Made it possible to designate a signing proxy other than a family member in the event that a customer has physical difficulty in signing, filling out or affixing their seal to claim forms due to illness or suchlike (from the three life insurance companies)

3-4 Working toward Better After-sales Service

The Group's three life insurance companies have each set up various systems aiming at providing quality after-sales services. At Customer Service Centers, professionally trained staff handles inquiries and insurance claims from customers nationwide over the telephone in a considerate, polite, prompt, and accurate manner. Also, all our branch office staff and sales representatives, fully aware of the importance of post-contract support, attend to individual customers, offering the best possible service to each of them. At Taiyo Life, employees visit homes of senior customers at least once a year and check the coverage and missing claims. Some senior customers are difficult for sales representatives to visit regularly due to geographical factors such as a lack of local branches and sales locations. In this case, Taiyo Life conducts confirmation activities that combine outbound calls with face-to-face distribution of brochures created for the purpose of checking unclaimed cases by a courier. Daido Life is conducting activities to confirm policy details where sales representatives and insurance agents visit customers to confirm the current policy details and necessary amount of benefits. In addition, the company is making efforts to provide detailed services such as suggesting customers to also take measures against a range of risks (risk management).

3-5 Other Services

As shown below, the Group's three life insurance companies offer diverse services to meet the requests of customers.

● T&D Club Off

T&D Club Off offers a range of services for daily lives and enhancing off-time activities to the policyholders of the three life insurance companies and Pet & Family Insurance. T&D Club Off members can use over 200,000 facilities and services such as hotels inside and outside Japan, leisure facilities, sports clubs, medical check-ups, and car rental at special discount rates.

《Example》

- Domestic hotels, Japanese inns, and overseas hotels/ about 22,000 locations
- Amusement and theme parks/ About 1,000 locations
- Housework services, pet sitting, and phone consultations on health and legal issue

* For more details about these services, please visit each company's website.

● Other Services

We offer a wide range of services. Our private nursing-home referral service (from Taiyo Life) introduces over 320 facilities nationwide in collaboration with other industries. The "best doctors service" (from Taiyo Life) introduces good and reliable doctors and hospitals for when policyholders have serious illnesses. The adult guardianship system introduction service (from Taiyo Life) (from T&D Financial Life) introduces experts in the adult guardianship system that supports people whose judgment has deteriorated.

● Customer Service Center Open for Inquiries on Saturdays and Sundays

In order to provide services to customers who are busy on weekdays but would like to use such services, Taiyo Life's Customer Service Center, or call center, is open and handles inquiries on Saturdays and Sundays from 9:00 to 17:00 as well.

● Services Useful for SMEs

Daido Life provides various services to help policyholders with business support and health support.

《Examples of Services》

[Business Support]

- Services that comprehensively support the practice of health-oriented management at SMEs
- Services that provide the implementation of systems to accurately and promptly confirm the safety of employees in times of disaster
- Specialist support for use of M&A by SMEs
- Services that calculate corporate value as a basis for judging the future direction of corporate management
- Services to help customers select the best alternative electric power provider through competitive bidding on multiple companies
- Services to meet the overseas expansion needs of SMEs
- Support for an employee stress check system, from initial preparation to post-deployment follow-up
- Providing reports on management strategy, industry trends, and other useful business information
- Providing a standard form of company regulations
- Complimentary assessment of employment regulation
- Complimentary assessment for receiving public subsidies
- Providing information on public support

[Health Support]

- Nursing care professionals provide one-stop support in resolving a variety of concerns and problems regarding nursing care
- Services to help prevent disease advancement and increase the independence of people who require relatively light levels of care
- Health counseling and second opinion service
- Health screening referral service

* For more details, please contact the Customer Service Center of Daido Life.

● Service on the Internet

The Group firms, including the three life insurance companies provide various kinds of information on their websites. As part of our efforts to improve customers' convenience, we also offer online services for payment procedures, inquiries and change of registered information. At Pet & Family Insurance, customers can also purchase pet insurance on the company's website.

《Examples of Internet Services》

Taiyo Life

- Inquiries about insurance policy details, *Himawari Tsushin* (general notice of policy terms), and life insurance premium deduction certificates (inquiries, downloads)
- Claims for hospitalization benefits, etc., and cancellation of foreign currency denominated products (handled by financial institution agents)
- Use and withdrawal of funds (loans to policyholders, accumulated dividends, various types of deferred funds, etc.)
- Change of information related to contract, such as change of address, request for adding designated proxy application option, change of password
- Request for application forms for change of account, change of first/family name, loan repayment
- Reissue of insurance certificates, annuity payment certificates and deferred fund payment certificates

Daido Life

- Change in contract and insurance claim such as change of address, account, etc.
- Web-ATM for making loans to policyholders, withdrawal of accumulated dividends, etc.
- Inquiries about insurance policy details, inquiries about accounts for automatic withdrawal of insurance premiums, various inquiries about guidance (guidance on insurance premiums accounting method, etc.)

T&D Financial Life

- Inquiries about summary and details of policies such as coverage details and change in accumulated funds
- Change of information related to insurance contracts and claim procedures (change of address, reissue of certificates for life insurance premium deduction and other matters)
- Sending out various forms for procedures (transfer of ownership, change of first/family name, reissue of insurance policy, etc.)
- Transfer of accumulated funds, set up transfer ratio in case of contracts with periodic increase of amount

* For more details, please contact the respective Customer Service Centers of the Group's three life insurance companies.

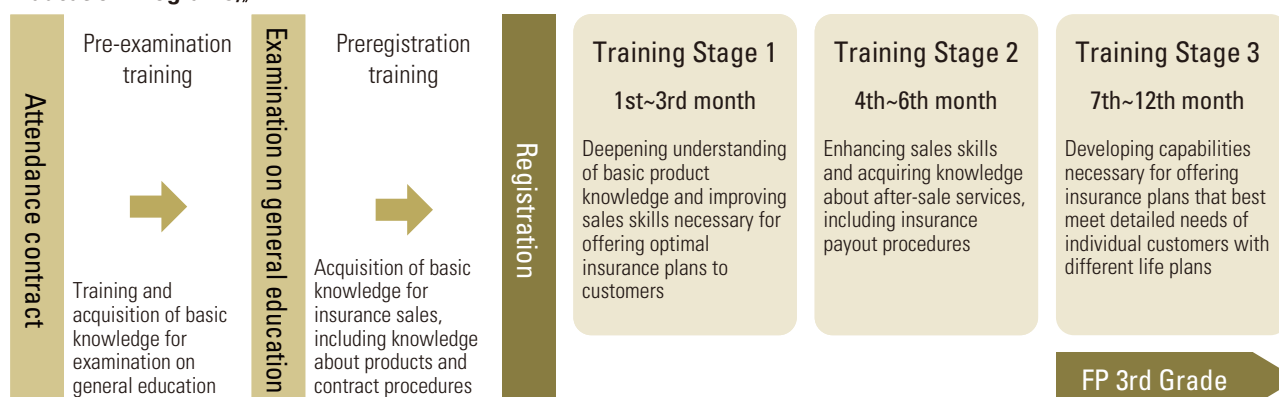
3-6 In Order to Provide Better Services

The Group's three life insurance companies are working to enhance the skills of their customer service staff based on a basic knowledge of life insurance, specialist knowledge and compliance essential to increase customer satisfaction. The three life insurance companies have diverse staff members such as sales representatives, customer service staff, agents and wholesalers who are engaged in duties to provide the most suitable services to customers depending upon each individual business model. We have developed human capital training programs for such diverse staff, and always work to provide them with the best educational and training opportunities.

[Education Program for New Employees (Taiyo Life)]

Taiyo Life has a system in place to train sales representatives to develop their capabilities to design and offer optimal insurance plans that meet each customer's needs depending on a variety of factors, including family structure, occupation, income, plan for children's education, insurance already purchased and so on, aiming to increase each customer's satisfaction. Our sales personnel undertake internal training programs and work to obtain external qualifications to gain specialist knowledge on insurance products as well as tax affairs and financial planning expertise.

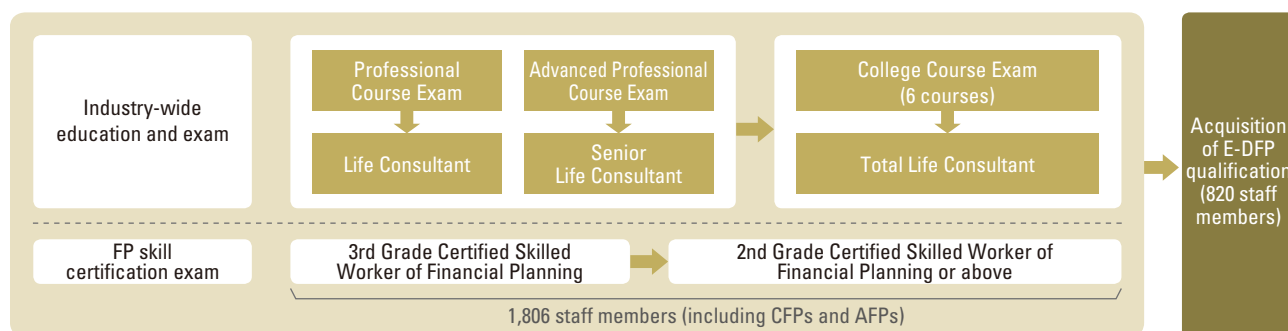
《Education Programs for New Sales Representatives (New-employee Education Programs and Financial Planner Education Programs)》



[E-DFP Program (Daido Life)]

Sales representatives must get a firm grasp of customer needs, which are diversifying and becoming more sophisticated, and practice high-quality, consulting-oriented sales. For this reason, Daido Life has set up its own E-DFP (Executive Daido Financial Planner) program with the purpose of enabling its sales representatives to obtain a wide range of professional knowledge including taxation, finance, and financial products. The E-DFP qualification is awarded to those who have passed all six life insurance college course examinations and are ranked as a 2nd Grade Certified Skilled Worker of Financial Planning or above, including AFPs and CFPs.

《E-DFP Program (As of March 2020)》



3-7 Cooperation with Sales Agents and Cooperating Organizations

[Sales Agent Training Program]

At Daido Life, the head office and branches work together closely to provide high-quality support for sales agents by assisting them in responding to customers' diversified needs. As a part of these efforts, the company develops programs to offer practical training, using its own e-learning materials and practical guides to help sales agents acquire broad knowledge on the compliance and insurance business.

[Business Partner Meetings]

Daido Life has entered into partnerships with SME industry associations as well as the professional organizations of tax accountants, and has built a sales structure aimed at offering applicable life insurance products tailored to the needs of various member companies and the clients of those member tax accountants. Because these partner organizations and agents are key stakeholders of Daido Life, the company holds regular meetings with its partners to report the latest business developments and to hear their views on Daido Life's business operations.

[Wholesaler Activities]

T&D Financial Life carries out elaborate support activities for its sales agents, such as financial institutions, through its sales staff assigned to assist sales agents in order to enable them to make the best proposals to customers. In addition, to win the trust of customers and sales agents, T&D Financial Life provides practical training to sales staff, to deepen knowledge about insurance and other financial products and enhance sales skills, overall asset management, related laws and regulations as well as improve presentation skills for accurately explaining features of our products to customers and sales agents.

[Proposal of Welfare Systems for Companies and Organizations]

Taiyo Life proposes group insurance policies to companies and organizations in order to enhance their welfare systems. With the advent of the era of the 100-year life and advances in work style reforms, the needs of corporate welfare systems are also diversifying. In this context, Taiyo Life sells products that reduce the burden of long-term care, including our group life nursing-care insurance, which initiates payments when employees or their parents enter long-term care. Furthermore, in response to the problem of people having to leave homes for the elderly due to financial problems, and inspired by the vision of a society where long-lived people can enjoy their longevity together with their families without money worries, we developed and have started selling group annuities that offer lifetime annuity support for the fees charged by homes for the elderly.

4. Improving Customer Satisfaction

102-44

4-1 Initiatives to Respond to Customer Feedback

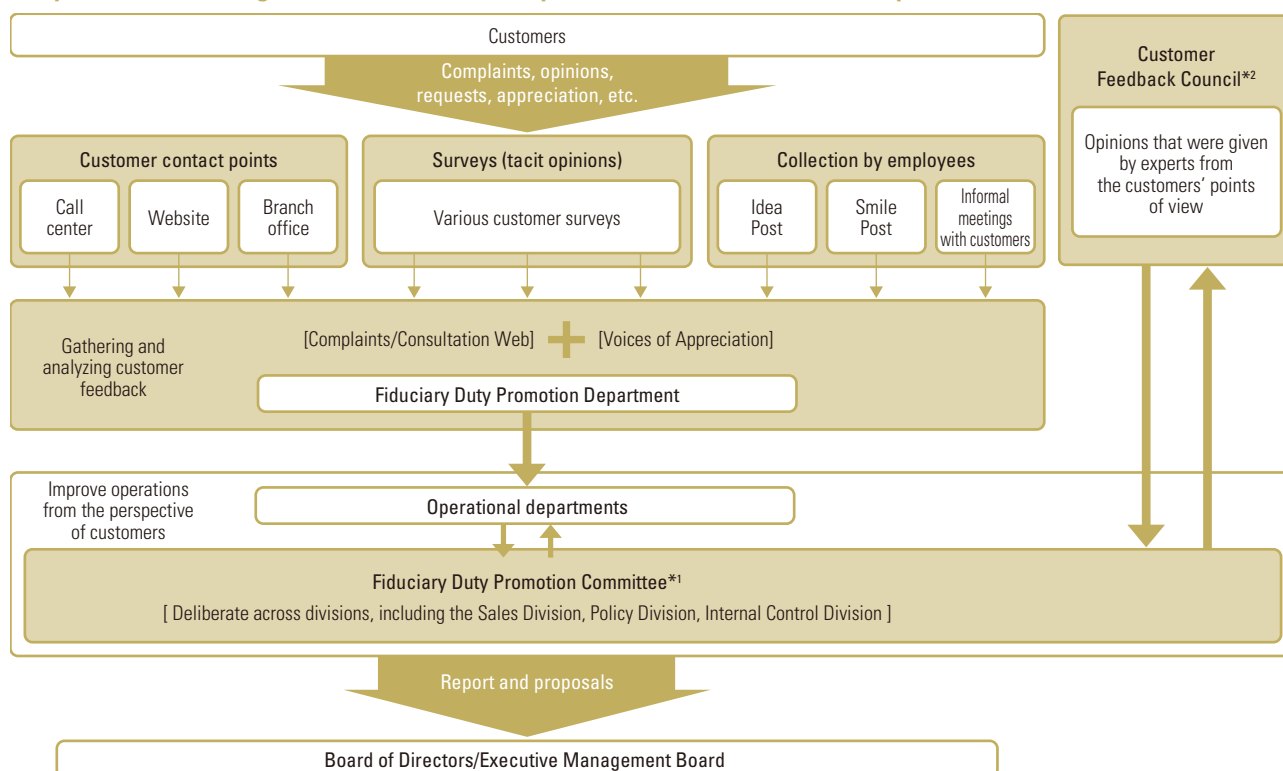
● Customer Feedback Collected from Daily Sales Activities

To respond to the changing needs of society through the provision of better products and services, our three life insurance companies have set up a number of points of contact with customers, such as sales representatives, sales agents, call centers (customer service centers), and the Internet to collect as much customer feedback as possible. In addition, the company is conducting customer satisfaction surveys to inquire about the level of satisfaction provided by our products, services and after-sale services.

● System to Reflect Customer Feedback in Operations

The Group's three life insurance companies have set up dedicated departments and committees that include external members to oversee our customer-oriented business operations. We have built a comprehensive system ensuring customer satisfaction at all stages of interaction with customers, from making contracts to payment of insurance claims and benefits, based on our customer-oriented business operation policy and specific guidelines for the amelioration of customer complaints. All the feedback collected from customers is input into a centrally managed database and shared by the relevant units for the development and quality improvement of products and services, as well as for the improvement of business practices.

● System for Reflecting Customer Feedback in Operations (Illustration is an example from Daido Life)



*1 Fiduciary Duty Promotion Committee

We established the Fiduciary Duty Promotion Committee to further promote our corporate motto of "customer-oriented corporate activities". In addition to continuously reviewing all processes from insurance solicitation to payments from the perspective of customers, the Fiduciary Duty Promotion Committee makes reports and proposals for improvements to the Board of Directors and the Executive Management Board.

*2 Customer Feedback Council

The company has established the "Customer Feedback Council" in order to utilize the insights of outside experts in sound business operations from the perspective of customers. The Customer Feedback Council monitors the situation with business operations related to improving customer service and reviews the adequacy and effectiveness of the content of deliberations by the Fiduciary Duty Promotion Committee.

《Examples of Reflecting Customer Feedback in Operations》

[Taiyo Life]

● Customer Information Meetings

Taiyo Life holds regular meetings with policyholders called the "Customer Information Meetings" in order to help them gain a deeper understanding about Taiyo Life and life insurance, as well as to ask them for their opinions and requests regarding our products and services. In fiscal 2019, meetings were held at 138 venues in September. 1,163 customers attended, and Taiyo Life made presentations on its management policy, results for fiscal 2018, "Taiyo's GENKI Project," *Kaketsuke-Tai* Service, and new products. 556 opinions were received from the participants concerning a broad range of its business operations. The feedback from policyholders was shared within the Group as valuable information and utilized to achieve improvements in various business practices.

● Acquiring a Third-party Opinion on ISO 10002 Compliance

In March 2008, Taiyo Life declared the introduction of ISO 10002, an international standard for handling complaints as regards quality management, customer satisfaction and guidelines for complaints handling in organizations, and since then has been committed to continually enhancing customer-oriented service and operations by utilizing customer feedback (including complaints). In March 2020, following on from March 2019, we obtained a third-party opinion on ISO 10002 compliance that recognized our complaint management system as complying with ISO 10002 and functioning effectively. We have been working to improve our business processes based on ISO 10002 and educate employees through training programs.

● Customer Complaints by Type

(Units: no. of complaints received; proportion: %)

| Type of feedback | FY2016 | | FY2017 | | FY2018 | | FY2019 | |
|-------------------------------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|
| | No. received | % | No. received | % | No. received | % | No. received | % |
| New contracts | 1,784 | 28.2 | 1,448 | 30.7 | 1,719 | 30.4 | 2,052 | 31.3 |
| Payment of premiums | 436 | 6.9 | 312 | 6.6 | 380 | 6.7 | 406 | 6.2 |
| Conservation work | 988 | 15.6 | 906 | 19.2 | 1,032 | 18.2 | 1,211 | 18.5 |
| Insurance claims and benefits | 1,641 | 26.0 | 950 | 20.1 | 1,127 | 19.9 | 1,272 | 19.4 |
| Others | 1,469 | 23.3 | 1,104 | 23.4 | 1,399 | 24.7 | 1,616 | 24.6 |
| Total | 6,318 | 100.0 | 4,720 | 100.0 | 5,657 | 100.0 | 6,557 | 100.0 |

* "Complaints" refers to an expression of dissatisfaction by customers.

[Daido Life]

● Customer Satisfaction Surveys

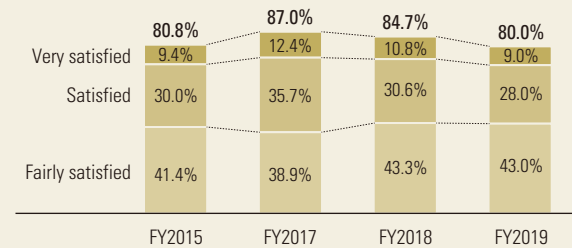
Conducting surveys is useful in identifying hidden issues related to Daido Life's business that are difficult to uncover by passively receiving customer opinions and requests.

Major examples include the new policy procedures survey filled out by new policyholders after the completion of the contract procedures, with a focus on the attitudes of sales representatives and the understandability of application forms and other documents, as well as customer satisfaction surveys filled out by business owners/managers that inquire about the level of satisfaction provided by our products, services and after-sale services.

● Response to Customer Complaints

We define "complaint" as an expression of dissatisfaction by a customer regarding the company's operations. Upon receiving complaints, we immediately respond in a sincere manner, setting out to resolve such issues. At the same time we take these complaints as valuable information to be used for improving our business processes.

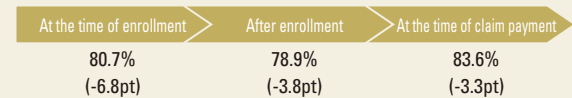
Customer Satisfaction Level (Corporate and Individual Business Owners)



* The customer satisfaction level is a total of the top three items (Very satisfied, Satisfied, Fairly satisfied) out of seven levels: Very satisfied, Satisfied, Fairly satisfied, Cannot decide, Somewhat dissatisfied, Dissatisfied, and Very dissatisfied.

* Surveys are conducted each year since FY2017 (every other year until FY2015).

Satisfaction Level for Each Case



* The figures in the brackets is the comparison with fiscal 2018

● Customer Complaints by Type

(Units: no. of complaints received; proportion: %)

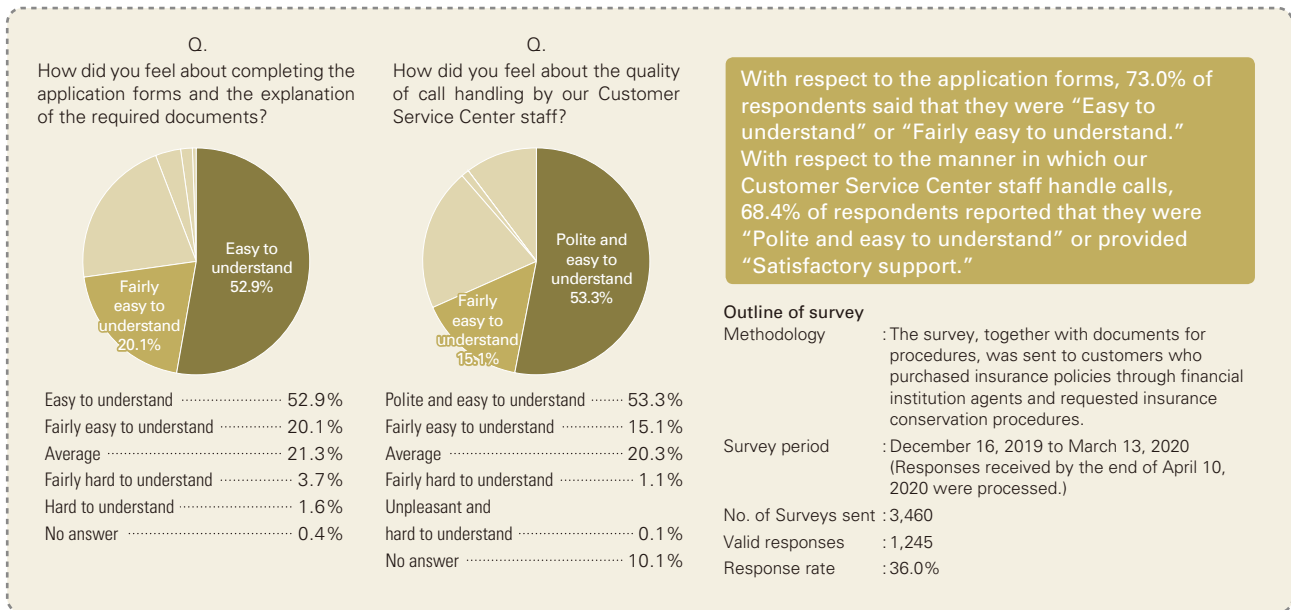
| Type of feedback | FY2016 | | FY2017 | | FY2018 | | FY2019 | |
|--|--------------|-------|--------------|-------|--------------|-------|--------------|-------|
| | No. received | % | No. received | % | No. received | % | No. received | % |
| Purchase of life insurance policy | 1,414 | 12.9 | 1,385 | 13.1 | 1,203 | 11.8 | 919 | 11.8 |
| Payment of premiums | 856 | 7.8 | 847 | 8.0 | 736 | 7.2 | 639 | 8.2 |
| Procedures after making a contract | 4,100 | 37.3 | 4,023 | 37.9 | 3,816 | 37.5 | 2,685 | 34.4 |
| Payment of insurance claims and benefits | 2,644 | 24.0 | 2,255 | 21.3 | 2,169 | 21.3 | 1,475 | 18.9 |
| Other | 1,985 | 18.0 | 2,094 | 19.7 | 2,240 | 22.0 | 2,091 | 26.8 |
| Total | 10,999 | 100.0 | 10,604 | 100.0 | 10,164 | 100.0 | 7,809 | 100.0 |

* As percentages are rounded to the second decimal place, totals will not necessarily add to 100.

[T&D Financial Life]

● Customer Survey

T&D Financial Life conducts a customer satisfaction survey to proactively reflect customer feedback in customer service and operational quality improvements. This survey includes questions about the quality of T&D Financial Life's customer support such as the understandability of application forms and documents involved in various procedures and the quality of call handling by the Customer Service Center staff. Results of customer surveys are available on our website.



● Provision of Information on the Internet

T&D Financial Life discloses a summary of information regarding customer feedback, such as frequently made complaints, comments and requests, on its website.

● Customer Complaints by Type

(Units: no. of complaints received; proportion: %)

| Type of feedback | FY2016 | | FY2017 | | FY2018 | | FY2019 | |
|------------------------------------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|
| | No. received | % | No. received | % | No. received | % | No. received | % |
| New contracts | 152 | 11.5 | 159 | 13.0 | 205 | 17.6 | 295 | 24.0 |
| Payment of premiums | 61 | 4.6 | 75 | 6.2 | 80 | 6.9 | 95 | 7.7 |
| Procedures after making a contract | 441 | 33.4 | 481 | 39.5 | 506 | 43.5 | 500 | 40.6 |
| Insurance claims and benefits | 426 | 32.2 | 275 | 22.6 | 176 | 15.1 | 156 | 12.7 |
| Others | 242 | 18.3 | 229 | 18.8 | 195 | 16.8 | 185 | 15.0 |
| Total | 1,322 | 100.0 | 1,219 | 100.0 | 1,162 | 100.0 | 1,231 | 100.0 |

* "Complaints" refers to customers' complaints and dissatisfaction about products and services, and expressions of dissatisfaction.

IV Priority Theme 2 Provide workplace environments that enable all people to participate actively



1. Basic Concept

1-1 Basic Concept

We believe that in order to provide workplace environments that enable all people to participate actively, it is necessary to respect the individuality and diversity of all people, while realizing a healthy and safe work environment. In the T&D Insurance Group's CSR Charter and Human Rights Policy, we clearly state our respect for the human rights of all people and the individuality and diversity of all employees, as well as our commitment to nurturing human resources and creating a workplace environment that guarantees health and safety for all.

Inadequate actions regarding respect for human rights in relation to business may result in the risk of losing the trust of society. We believe that in order to realize a sustainable society, it is necessary to support and show respect for the protection of human rights, and to promote the creation of a healthy and safe working environment where employees are able to respond to the needs of society. We also believe that such measures will serve as opportunities to further vitalize the Company, and are promoting various initiatives accordingly.

2. Utilization and Development of Human Resources

103-2

103-3

404-2

2-1 Human Resources Development Policy

Since its foundation, the T&D Insurance Group has been promoting the nurturing of a corporate culture where diverse human resources can feel job satisfaction and reach their potential. Under our Group policy, in which each affiliate aims to improve its corporate value by leveraging the uniqueness and specialization of its respective business strategy, each of the Group's affiliates formulates its own education and training plan and strives to develop and enhance the skills of its employees.

2-2 Initiatives to Provide Opportunities for Growth

The three life insurance companies conduct education and training, primarily through OJT (on-the-job training), group training, and support for personal development. These companies encourage autonomous career development by each employee, by actively helping them to acquire qualifications and offering a diverse curriculum, including correspondence education and e-learning.

In addition, systematic rotation is implemented to provide employees with a variety of business experience, allowing them to be more capable of carrying out work from a broad, company-wide perspective. 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 in to positions such as branch general managers, while branch managerial staff are assigned to the head office, with the aim of improving their managerial capabilities.

Taiyo Life, Daido Life, T&D Financial Life

The three life insurance companies support employee career formation, by providing opportunities to actively pursue skill development.

● Received the Excellence Award at the 2nd "Platinum Career Award"

In recognition of the initiatives undertaken by the Group's three life insurance companies, T&D Holdings—as the holding company of the three life insurance companies—took home the Excellence Award for the second year running in the 2nd Platinum Career Award hosted in June 2020 by Toyo Keizai Inc. and supported by the Ministry of Health, Labour and Welfare (MHLW) and the Tokyo Stock Exchange.



● In-house Recruiting

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

● Personnel Exchange within the Group

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

Phase I (2008–2012): Temporary transfer or transfer to other Group company for 1 to 2 years

Phase II (2013–): Short-term training program for a maximum period of 1 month was introduced

- Number of participants in fiscal 2017 (including long-term) 42 employees (15 men, 27 women)
- Number of participants in fiscal 2018 (including long-term) 37 employees (13 men, 24 women)
- Number of participants in fiscal 2019 (including long-term) 42 employees (15 men, 27 women)

● Overseas Job Assignments and Overseas MBA

Taiyo Life

Taiyo Life looking ahead to future overseas business strategies, we are dispatching young employees to a number of companies for approximately three months 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 offers all employees the opportunity to build their careers as the Career Challenge System through internships at overseas companies and MBA studies overseas.

Daido Life

● Challenge Navi

Challenge Navi is Daido Life's intranet portal for all things related to human resources development. The site has a company-wide feature, My Profile function, where any employee can publish their personal profile so other employees can read about their past experiences, strengths, and professional skills. In doing so, the careers of individual employees can be visualized. The portal site also provides a system (known as D-Career) that lets employees seek career advice from staff in other divisions.

Daido Life's initiatives on supporting employees' self-determined career formation were recognized in the 2017 Good Career Company Awards as the winner of the Grand Prize (MHLW Minister's Award). This owed mainly to the visualization of individual careers using Challenge Navi, the aforementioned D-Career scheme, and the meticulous collection of broad-ranging career information via one-on-one meetings and its use in HR placement and development.



● D-Career Project

In fiscal 2020, Daido Life launched the D-Career Project, an initiative through which employees visualize what they want to become based on their own experiences and values and accordingly develop a career plan. Each employee can then engage in personal development and work towards achieving their goal. The company and its managers offer assistance to employees taking up the challenge of realizing their vision.

2-3 Promoting the Active Participation of the Elderly

103-2

103-3

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 older people the opportunity to actively participate, and each Group company has introduced various systems according to its particular situation.

Also, Taiyo Life and Daido Life hold 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.

Taiyo Life

In responding to changing lifestyles and other factors, on April 1, 2017, Taiyo Life introduced a mandatory retirement age of 65 for administrative personnel, as well as a continuing employment system that extends employment up to the age of 70. At the same time, it abolished the mandatory retirement age of 57 for managerial personnel and rolled out a scheme under which company-approved employees can be appointed to the position of manager until the age of 65.

In April 2020, Taiyo Life overhauled its performance evaluation standards so that it could better manage the mandatory retirement plan (65 years of age), let employees of all ages, including senior employees, demonstrate their capabilities more than ever before, and establish an environment in which employees can thrive in managerial positions. It also introduced a performance-based personnel system with the aim of developing an environment in which employees can work with a competitive spirit and be highly motivated regardless of age. The company also provides educational opportunities by inviting external lecturers so senior employees might become more motivated at work.

Daido Life

Effective April 1, 2017, the system was revised to employ all applicants up to a maximum age 65.

To put in place a work environment in which employees can more easily achieve their life plans, Daido Life has introduced a Home Base system for personnel employed on a nationwide basis who are 55 or older that encourages assignment to positions at offices in the same location as their homes.

3. Diversity Promotion Initiatives

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3-1 Employment of Persons with Disabilities

As of the end of March 2020, a total of 366 employees with disabilities, including 28 new recruits for fiscal 2019, worked at the three life insurance companies, which account for 2.52% 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.

We will continue working to create a workplace environment that encourages and supports persons with disabilities in working comfortably, and to expand employment opportunities for persons with various disabilities.

● Employment of People with Disabilities at the Three Life Insurance Companies

| | FY2017 | FY2018 | FY2019 |
|---|--------|--------|--------|
| Employment rate of people with disabilities (%) | 2.42 | 2.56 | 2.52 |

Daido Life

With the aim of creating workplaces in which a highly diverse workforce can thrive, Daido Life continues to establish safe and comfortable working environments for people with disabilities. As part of this initiative, in February 2018 the Company set up ACT* at its head office. This administrative services team of employees with disabilities currently has 13 members (as of March 2020).

* ACT is both an acronym for Advance Challenged Team, and a reference to persons with disabilities acting, or taking part, in society.

The company has distributed communication boards and tablets installed with "UDTalk," an app that converts voice to text in real time, to the head office and branches where employees with hearing disabilities work.

3-2 Human Rights Education

412-2

The T&D Insurance Group holds human rights education sessions for all employees more than twice a year on various issues, such as discrimination due to social class or disability, harassment and LGBT orientation, to deepen employees' understanding of the importance of respecting human rights.

Taiyo Life

With the aim of deepening an understanding of human rights issues and cultivating a spirit of respect for human rights, the company has created a Human Rights Education Program, which holds courses for all employees on the topic of human rights.

In fiscal 2019, the company held four in-house study sessions for administrative personnel on various human rights issues, such as international human rights standards and harassment. Worksite study sessions for branch employees were conducted by outside instructors.

Training was also held for persons in management positions on the themes such as cultivation of a harassment-free workplace.

Ahead of revisions to Japan's anti-harassment laws, which took effect on June 1, 2020, Taiyo Life amended its policy on dealing with power harassment and regulations concerning employee awareness and training about this subject matter. It also implemented an e-learning training on harassment to be completed by all administrative personnel.



Daido Life

With the aim of raising awareness about human rights issues, Daido Life has all employees attend workplace training on human rights. In fiscal 2019, training sessions were held ahead of revisions to Japan's anti-harassment laws. The sessions focused on two key topics: (1) preventing harassment, and (2) workstyle reforms and creating workplace environments in which a diverse workforce can thrive.

As a harassment countermeasure, Daido Life organizes e-learning, teleconference-based group training, and DVD viewings for all managers, branch sales managers, and newly appointed managers to make sure that if one of their subordinates reports an incident of harassment, they seriously listen to what happened and report the matter without fail to the Human Resources & General Affairs Department.

T&D Financial Life

The company holds human rights training to allow all employees to deepen their knowledge and understanding of human rights, and to proactively confront human rights issues. This training also seeks to assist each and every employee in maintaining mental health, and to cultivate a healthy, harassment-free workplace environment by providing employees with a better understanding of mental health and harassment (sexual harassment and power harassment).

In fiscal 2019, the company held human rights training for all employees on topics such as responding to LGBT issues in the workplace and harassment. Training on cultivating a harassment-free workplace environment was also conducted for all personnel promoted to management positions, as part of the training for newly appointed managers.

3-3 Initiatives to Support Active Participation of Women

The T&D Insurance Group has promoted efforts to create a corporate culture that diverse human resources will find engaging to work in and that enables them to reach their full potential. Particularly given that women represent the majority of the Group's employees, enabling them to further reach their potential is an important driver of sustainable growth in corporate value, and the T&D Insurance Group recognizes that their active participation is a crucial management priority. 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 the work-life balance.

By fostering Group-wide collaboration to reduce total working hours and encourage male employees to take childcare leave, we are promoting the creation of workplace environments where everybody is motivated to play an active role.

To steadily advance these measures to promote the active participation of female employees, the Group's three life insurance companies formulated their action plans based on their respective business models.

● Action Plan: Promote Active Roles for Women at the Three Life Insurance Companies

T&D Insurance Group has disclosed action plans for promoting the active participation of women and targets for promoting female employees to management positions. The ratio of female managers has been steadily increasing.

Action Plan

[Initiatives]

- ➔ Implement systematic cultivation and promotion of female employees to management positions
- ➔ Enhance career development and work-life balance support measures
- ➔ Transform the mindset of managers

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

Ratio of female managers ➔

TAIYO-LIFE

Systematically cultivate and promote motivated and talented female employees

More than
20%
(target achieved)

DAIDO DAIDO LIFE

Promote diverse work styles and support new challenges

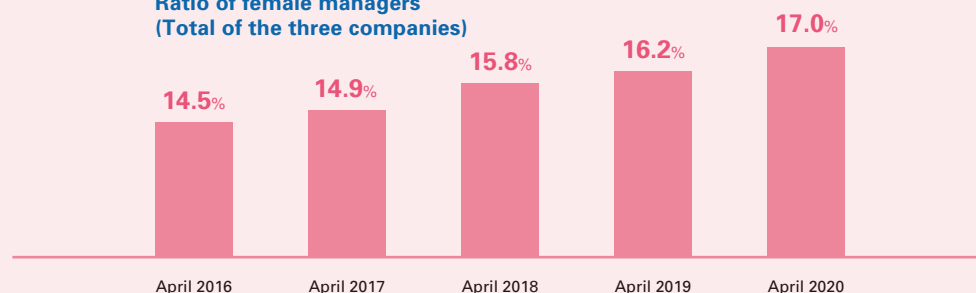
Maintained
above **15%**
(March 2022)

T&D FINANCIAL LIFE

Become a company where female workers can work free from anxiety and reach their full potential

More than
15%
(April 2022)

Ratio of female managers (Total of the three companies)



Taiyo Life**• Appointment of A Female Director**

The company's first female executive officer appointed in April 2017 has been appointed as a director in June 2018.

• Education for Managers

Management training is conducted when employees are promoted to management positions, as well as regularly thereafter, so that managers will be able to smoothly carry out their duties.

• Nurturing Candidates for Management Positions

The company systematically nurtures potential management personnel by providing group training in management skills for outstanding mid-career employees across the country, regardless of job category or gender. Employees can also acquire a variety of work experience, through opportunities such as exchanges between Group companies.

• Preparing an Environment to Enable Flexible Work Styles

In June 2017, the company expanded its flextime system to include employees on short working hours. It is working to create an environment where employees whose time is limited by childcare or nursing care can choose more flexible work styles and develop their careers. Accordingly, in April 2018, the company extended the eligible scope of the system for short working hours from "until the April immediately after a child enters elementary school" to "until the child graduates from elementary school." In addition, the company has formulated a support program for employees who resume work after childcare leave, and is developing a framework that enables a smooth return from childcare leave.

Daido Life**• Greater Opportunities**

Daido Life is working to support the career formation of female employees and raise awareness among management staff. For example, it has put in place a comfortable workplace environment by implementing numerous support measures that aim to boost career mindsets and expand horizons. Also, in April 2018 Daido Life appointed its first female executive officer.

• Career Challenge System

The company provides opportunities for growth by enabling employees to gain a wide range of business experience, beyond the work they have previously engaged. These include in-house internships that allow locally based employees who have few transfer opportunities to leave their workplace for short periods to try a different job, free-agent style applications for in-house jobs, and work assignments at outside companies in Japan.

• Development of Female Managers

For the purpose of nurturing female managers and enhancing awareness about furthering their careers, Daido Life is endeavoring to improve the managerial capabilities of female managers with the use of a mentor system whereby officers or general managers offer their support to newly appointed female managers, in addition to dispatching female managers to universities and other institutions.

And in an effort to expand opportunities for female employees to take on new responsibilities and bigger roles, the company has an all-star program that runs over a number of years, which aims to systematically nurture candidates for general/branch manager positions.

T&D Financial Life**• Training to Support Women's Active Participation**

Group training is held regularly on topics such as Communicating with the People around You, Demonstrating Leadership, and Guiding and Nurturing Subordinates and Juniors, with the aim of allowing female employees to envision the type of leader they should become, and to acquire the skills necessary to do so.

[Ranked 8th in the Nikkei DUAL Survey of Companies that Facilitate Childcare by Working Couples in 2017]

Daido Life was ranked 8th out of 7,800 companies in the Survey of Companies that Facilitate Childcare by Working Couples in 2017 conducted by the Nikkei DUAL website, which provides useful information for working mothers and fathers. This high ranking recognizes the company's efforts to promote work-life balance, including various support systems such as a childcare leave system that exceeds legal requirements, introduction of a home-based work system, and encouragement to use paid leave.

3-4 LGBT-friendly

[Welcomed by the Group]

Underpinned by its basic approach to respecting human rights expressed in the T&D Insurance Group's Human Rights Policy, the Group strives to develop a workplace environment in which each and every employee can fully realize their own potential. From the viewpoint of diversity, each Group company is addressing LGBT (sexual minorities) issues by running training sessions and setting up consultation desks.

In addition, from December 2016 to January 2017, the Group held seminars regarding LGBT issues for executives, department general managers, and managerial staff. Approximately 1,700 people attended a lecture on the topic of LGBT compliance in companies by an outside lecturer, and attendees became more aware of the importance of engaging in LGBT initiatives as a company. In addition, working-level training sessions primarily targeting Group company human resources division managers and other human resources staff were held.

Daido Life

In April 2018, Daido Life began treating same-sex partners as spouses under the company's leave and benefit program.

<Major Applicable Systems>

- Leave, short working hours • Recreation facilities • Family transfer system • Company housing/transfer allowance
- Daido Life Mutual Aid Fund (congratulations and condolence allowance system)

[Customer-oriented]

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.

Example of Daido Life

Daido Life is expanding the areas in which same-sex partners living together are accorded the same treatment as spouses, including procedures for new policies, payments, and policy changes.

| Response | Date |
|---|---------------|
| Possible to designate as beneficiary for death benefits | November 2015 |
| Possible to designate as registered family in the Family Registration Program | |
| Possible to sign on behalf of a partner for procedures such as new policies, payments when the partner is unable to do so for him/herself | December 2016 |
| Possible to designate as a preregistered proxy | April 2018 |

4. Worker-friendly Work Environment

103-2

103-3

4-1 Work-Life Balance Initiatives

401-1

401-2

401-3

405-1

The T&D Insurance Group companies are strengthening various initiatives, including enhancement of childcare leave and other systems, as well as reduction of total working hours. 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. Furthermore, we believe that in order to promote the active participation of women, it is essential to create a workplace where women can continue working long term, while experiencing life events such as marriage and childbirth. As part of these efforts, 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.

Taiyo Life

Taiyo Life is taking steps to reduce overall working hours and encourage its employees to take paid leave. A number of flexible working options are on offer; for example, the company rolled out a system that allows workers to take half a day off to look after their child if they have fallen ill or for nursing care, while the scope of Taiyo Life's shorter working hours system was expanded to include employees with children up until the end of elementary school. Also, Taiyo Life's flextime system can now be utilized by employees working shorter hours. The company also has other systems in place that go above and beyond what is required by law. For instance, a nursing care leave system that can be utilized for up to three years, a child-care leave system available to employees with children no older than three years, and paternity leave for male employees of one month or more.

Also, in April 2020 Taiyo Life introduced a new system that lets employees work only three or four days a week if they need to take time off to provide nursing care or undergo cancer treatment. Support for employees balancing work with nursing care or medical treatment is also being expanded with cancer treatment being added to the scope of hospital leave, which was previously limited to pregnant employees, employees that had recently given birth, or employees undergoing infertility treatment.

Daido Life

Efforts are being made that are aimed at reducing working hours, such as the implementation of automatic computer shut down. In addition, the company is promoting work styles that allow employees to balance their job and life at home, such as promoting the use of paid leave and home-based work system. In 2017, the company received the Minister for Internal Affairs and Communications Award as one of the Top 100 Telework Pioneers for initiatives such as its home-based work system. In addition, in February 2019, the company was awarded the Excellence Award at the Telework Promotion Awards held by the Japan Telework Association. In November 2019, Daido Life also collected the Excellence Award in the Shiny Telework Prize implemented and selected by the Ministry of Health, Labour and Welfare.

T&D Financial Life

The company continues to implement measures to reduce overtime work hours, such as introducing a short working hour system, encouraging use of the flextime system, establishing a "No Overtime Day" and a "Go Home Early Day," and automatically shutting down computers used for work. Through these efforts, the company seeks to create a workplace where employees can achieve work-life balance, with the aim of fostering a corporate culture where employees feel job satisfaction.

● Acquisition of Maternity and Childcare Leave

| | FY2016 | FY2017 | FY2018 | FY2019 |
|--|--------|--------|--------|--------|
| No. of employees taking maternity leave | 328 | 333 | 383 | 386 |
| Number of employees eligible to take childcare leave | 462 | 455 | 483 | 499 |
| Men | 134 | 122 | 100 | 113 |
| Women | 328 | 333 | 383 | 386 |
| No. of employees taking childcare leave | 450 | 444 | 465 | 484 |
| Men | 133 | 121 | 100 | 113 |
| Women | 317 | 323 | 365 | 371 |

* The acquisition of maternity and childcare leave at the three life insurance companies.

* The number of administrative personnel at the three life insurance companies who have returned to work after taking childcare leave is as follows.

Fiscal 2016 221 (98.7%) (Men 129 (100%), Women 92 (96.8%))

Fiscal 2017 196 (98.0%) (Men 126 (100%), Women 70 (94.6%))

Fiscal 2018 202 (95.3%) (Men 118 (100%), Women 84 (89.4%))

Fiscal 2019 196 (96.1%) (Men 108 (100%), Women 88 (91.7%))

● Acquisition of Nursing-Care Leave

| | FY2016 | FY2017 | FY2018 | FY2019 |
|--|--------|--------|--------|--------|
| No. of employees taking nursing care leave | 12 | 20 | 6 | 1 |
| Men | 0 | 1 | 0 | 0 |
| Women | 12 | 19 | 6 | 1 |

● Number of Administrative Personnel Taking Paid Leave

| | FY2016 | FY2017 | FY2018 | FY2019 |
|---|--------|--------|--------|--------|
| Average number of paid leave days taken | 12.4 | 13.2 | 14.0 | 15.4 |

* Number of administrative personnel of the three life insurance companies taking paid leave

● Number of Employees Hired/Number of Employee Turnover

| Number of administrative personnel hired /turnover | | Number hired | | | | | | Number Turnover | | | | | |
|--|----------|-------------------|---|-------------------|---|-------------------|---|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | | FY2017 | | FY2018 | | FY2019* | | FY2017 | | FY2018 | | FY2019* | |
| | | Number of persons | Percentage compared to number of employees at fiscal year end | Number of persons | Percentage compared to number of employees at fiscal year end | Number of persons | Percentage compared to number of employees at fiscal year end | Number of persons | Turnover rate | Number of persons | Turnover rate | Number of persons | Turnover rate |
| Total (men and women) | Total | 242 | 4.22% | 305 | 5.30% | 277 | 4.85% | 271 | 4.72% | 295 | 5.13% | 315 | 5.52% |
| | Under 30 | 186 | 3.24% | 271 | 4.71% | 247 | 4.33% | 67 | 9.82% | 62 | 7.90% | 97 | 11.29% |
| | 30-50 | 36 | 0.63% | 30 | 0.52% | 23 | 0.40% | 72 | 2.01% | 101 | 2.98% | 100 | 3.16% |
| | Over 50 | 20 | 0.35% | 4 | 0.07% | 7 | 0.12% | 132 | 8.97% | 132 | 8.37% | 118 | 7.00% |
| Men | Total | 116 | 2.02% | 110 | 1.91% | 103 | 1.81% | 125 | 3.88% | 160 | 5.04% | 144 | 4.60% |
| | Under 30 | 84 | 1.46% | 92 | 1.60% | 86 | 1.51% | 20 | 6.08% | 26 | 7.65% | 35 | 9.49% |
| | 30-50 | 17 | 0.30% | 15 | 0.26% | 11 | 0.19% | 32 | 1.56% | 53 | 2.76% | 46 | 2.58% |
| | Over 50 | 15 | 0.26% | 3 | 0.05% | 6 | 0.11% | 73 | 8.65% | 81 | 8.87% | 63 | 6.43% |
| Women | Total | 126 | 2.20% | 195 | 3.39% | 174 | 3.05% | 146 | 5.80% | 135 | 5.23% | 171 | 6.64% |
| | Under 30 | 102 | 1.78% | 179 | 3.11% | 161 | 2.82% | 47 | 13.31% | 36 | 8.09% | 62 | 12.65% |
| | 30-50 | 19 | 0.33% | 15 | 0.26% | 12 | 0.21% | 40 | 2.60% | 48 | 3.27% | 54 | 3.92% |
| | Over 50 | 5 | 0.09% | 1 | 0.02% | 1 | 0.02% | 59 | 9.41% | 51 | 7.67% | 55 | 7.79% |

* The number of administrative personnel hired and leaving employment at the three life insurance companies. All percentages are based on the number of employees at the end of fiscal 2019.

* The number of persons leaving employment includes those who have reached mandatory retirement age, those who have left to assume posts as officers, and those who have died.

* Over 50 includes Fixed-term contract (shokutaku) employees.

● Measures to Support Raising the Next Generation

Since the enforcement of the Act on Advancement of Measures to Support Raising Next-Generation Children in April 2005, the Group has formulated a unified action plan every two years to enhance the childcare support system and promote work-life balance. Regarding support for the development of young people, 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. T&D Asset Management has obtained the Kurumin certification for four consecutive biennial periods starting from the fourth period from April 1, 2011 to March 31, 2013. Additionally, in April 2008, T&D Information System became the first company with 300 or fewer employees in the information services sector in Saitama Prefecture to acquire the same certification. The company received certification under the same initiative for four consecutive periods. Moreover, the Platinum Kurumin System was initiated on April 1, 2015. This certification is awarded only to Kurumin-certified companies that have satisfied certain requirements by undertaking even more advanced activities. All three of the Group's life insurance companies obtained the "Platinum Kurumin" mark in recognition of their proactive initiatives as enterprises that support child raising activities. T&D Information System and T&D Asset Management also obtained the "Platinum Kurumin" in August 2018 and June 2019, respectively.

T&D Insurance Group companies have been certified as being companies that support the raising of children



 TAIYO-LIFE



 DAIDO LIFE



 T&D FINANCIAL LIFE



T&D Asset Management

● Workforce Composition

[Information Regarding Employees and Other Workers]

| Category | | Social insurance | Welfare system | Paid leave | Salary |
|----------------------------|--------------------------------|------------------|----------------|------------|-----------------------|
| Employment type/ contract | | | | | |
| Full-time, indefinite-term | Administrative personnel | ○ | ○ | ○ | Fixed |
| | In-house sales representatives | ○ | △ | ○ | Fixed + proportionate |
| | Contract employees | ○ | △ | ○ | Fixed |
| Full-time, fixed-term | Fixed-term contract | ○ | △ | ○ | Fixed |
| Part-time, fixed-term | Part-time | ○ | △ | ○ | Fixed |

* Exceptions are marked with a △.

[Employee Composition by Age Group]

| Number of employees | | Number of employees | | |
|--------------------------|----------|---------------------|----------------|----------------|
| | | March 31, 2018 | March 31, 2019 | March 31, 2020 |
| Total (men and women) | Total | 18,394 | 17,979 | 17,457 |
| | Under 30 | 2,442 | 2,473 | 2,420 |
| | 30-50 | 8,871 | 8,455 | 7,900 |
| | Over 50 | 7,081 | 7,051 | 7,137 |
| Men | Total | 3,539 | 3,514 | 3,380 |
| | Under 30 | 347 | 371 | 397 |
| | 30-50 | 2,146 | 2,026 | 1,784 |
| | Over 50 | 1,046 | 1,117 | 1,199 |
| Women | Total | 14,855 | 14,465 | 14,077 |
| | Under 30 | 2,095 | 2,102 | 2,023 |
| | 30-50 | 6,725 | 6,429 | 6,116 |
| | Over 50 | 6,035 | 5,934 | 5,938 |

* Number of employees at the three life insurance companies (including in-house sales representatives)

[Officer Composition by Age Group] (as of July , 2020)

| | | Under 30 | 30-50 | Over 50 | Total |
|-------|------------------|----------|-------|---------|-------|
| Men | | 0 | 4 | 65 | 69 |
| | Outside officers | 0 | 3 | 11 | 14 |
| Women | | 0 | 0 | 4 | 4 |
| | Outside officers | 0 | 0 | 2 | 2 |

* Outside officers refers to outside Audit & Supervisory Board members and outside directors

* Number of officers including executive officers at T&D Holdings and the three life insurance companies

4-2 Initiatives Reflecting Employee Feedback

102-43

The Group's three life insurance companies conduct employee awareness surveys addressing issues like job satisfaction, working conditions and the personnel evaluation system, and have implemented various measures based on the survey results. We obtain views from employees as reference information for management, which include opinions about the current personnel system and its operation, as well as employee satisfaction, a critical element leading to greater customer satisfaction.

[Employee Awareness Surveys]

Daido Life

The company regularly conducts an employee awareness surveys to clarify conditions and problems regarding jobs, workplaces, supervisors, the company, and other matters, with the aim of utilizing the results in future human resources strategies for creating a positive cycle of improving employee satisfaction and enhancing corporate competitiveness.

This survey, which originally included only administrative personnel, was expanded in fiscal 2017 to include contract employees and re-employed personnel, with a view toward becoming a company where diverse human resources can play even more active roles.

4-3 Employee Questionnaire on Sustainability and CSR

102-43

T&D Holdings stresses the importance of communication within the Group and hopes to be able to grow with every employee—the key stakeholders of the Group—to fulfil the Group's public mission and social responsibilities. The T&D Insurance Group Sustainability Report helps raise awareness about sustainability and CSR throughout the Group as a mirror for self-reflection. Also, with the objective of enhancing the Group's initiatives on sustainability and CSR, the Group's corporate officers and employees were requested to answer a questionnaire after they had finished reading the report.

[Questionnaire Respondents]

T&D Insurance Group corporate officers and employees

* Questionnaires are completed anonymously.

● About the Entire Report

《Commendable Sections》

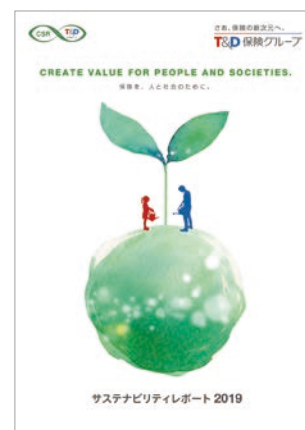
| | |
|---|-------|
| (1) Promote healthy and abundant lives for all people | 22.7% |
| (2) How We Define CSR | 13.7% |
| (3) Provide workplace environments that enable all people to participate actively | 13.5% |
| (4) Message from the President | 11.3% |
| (5) Social Activities | 9.1% |
| (6) Help mitigate and adapt to climate change | 8.2% |
| (7) Organizational Profile | 5.9% |
| (8) Invest to help build a sustainable society | 4.0% |

《Opinions and Requests Received》

Questionnaire respondents rated the report's comprehensibility, amount of information, and understanding of the Group's sustainability and CSR initiatives to be roughly the same as the previous year. They would like to see the following topics further enhanced going forward: initiatives toward employees (those aimed at improving HR systems and workplace environments, etc.); overall Group management (business overview and future vision for each Group company, etc.); and the soundness of Group management (compliance and risk management, etc.). In response to the comments and requests, the Group will make an effort to enhance the content of those topics going forward.

《Reflecting Opinions and Requests》

To further raise the awareness of corporate officers and employees regarding sustainability and CSR issues, we made an effort to clearly demonstrate the Group's approach and policies on implementing initiatives and edited the report to make it easier to read so that readers could become more familiar with sustainability and CSR.



5. Health Promotion for Employees

103-2

103-3

5-1 Health and Productivity Management Initiatives (1)

T&D Insurance Group companies aim to realize workplaces where all employees can work enthusiastically with a sound mind and body under the principles of health and productivity management.

Taiyo Life

The company promotes Taiyo's GENKI Project*, an initiative aimed at energizing and promoting the health of employees, customers and society. This project provides various forms of support to encourage employees to be healthy, with the aim of preventing lifestyle diseases. In addition to conducting in-house anti-smoking campaigns, the company also cooperates with Kaminoyama City in Yamagata Prefecture to offer Kurort Health Walking and Smart Life Stay, accommodation packages that incorporate the government's specified health guidance, through the Kaminoyama Onsen Kurort (health resorts) Program. The company's health and productivity management initiatives have also included an increase in the subsidy for cancer screening since 2017, and MCI screening is performed along with regular health checkups to diagnose the risk of future dementia.

In February 2020, Taiyo Life signed a cooperative agreement on health promotion with Gifu City (the capital of Gifu Prefecture). It will aim to generate well-being in regional communities by utilizing Kurort Health Walking, buoyed by the active participation of Taiyo Life employees.

* Taiyo's GENKI Project is being promoted with the President as its leader and all executive officers as members.

Daido Life

The company introduced the KENCO SUPPORT PROGRAM for executives and employees in an effort to promote employee health and improve health literacy. The program provides wearable devices that measure personal status during everyday activities, such as heart rate and number of steps taken, and organizes talks on the company-wide non-smoking policy and other health topics. The company is strengthening its existing efforts to reduce working hours, prevent disease, and promote mental health. In addition, by expanding these initiatives on a company-wide basis, under the title, "DAIDO KOKO-KARA," the company fosters a corporate culture as a company that practices health and productivity management.

T&D Financial Life

T&D Financial Life has implemented initiatives to promote employee health, with a management initiative of creating a workplace where employees can feel job satisfaction. These include initiatives to reduce working hours, such as establishing a "No Overtime Day" and a "Go Home Early Day," as well as automatically shutting down computers used for work, fully implementing regular health checkups, conducting stress checks aimed at preventing mental health problems, abolishing in-house smoking areas and prohibiting smoking during working hours, and subsidizing the costs of engaging in sports through in-house club and other activities. In addition, the company is also engaged in specified medical check-ups and provision of health guidance based on Data Health Plans, in collaboration with the Health Insurance Association.

For four years straight, Taiyo Life and Daido Life have been listed in the White 500 as organizations having outstanding health and productivity management, based on the Certified Health and Productivity Management Organization Recognition Program set up by Ministry of Economy, Trade and Industry for the purpose of increasing the uptake of health and productivity management and encouraging health promotion among employees.

[Certified Health and Productivity Management Organization – White 500]

Both Taiyo Life and Daido Life were recognized, for a fourth consecutive year, as Certified Health and Productivity Management Organizations "White 500" in the large enterprise category under the Ministry of Economy, Trade and Industry's (METI) Certified Health and Productivity Management Organization Recognition Program, which METI established with the aim of honoring organizations that engage in initiatives to improve the health of their employees.

The two initiatives of "Taiyo's GENKI Project" at Taiyo Life and "DAIDO KOKO-KARA" at Daido Life are being carried out to improve the health of employees, and both aim to realize workplaces where all employees can be both physically and mentally healthy and work in a spirited manner.



5-2 Health and Productivity Management Initiatives (2)

● Initiatives by the Human Resources Department

The T&D Insurance 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. The Group companies also take care of the mental health of their employees and, by contracting external physicians, provide a system for consultation and medical service that employees can utilize free from anxiety.

● Stress Check Program

All employees at T&D Insurance Group companies were invited to undergo a stress check as part of the program's goal of preventing mental health disorders. The Group encourages self-care among its employees, and has also put in place a system for employees under particularly high stress to receive in-person advice from a physician, and when necessary, to introduce such employees to specialists the Group has contracted with on a part-time basis. Each company also conducts group analysis, which is beneficial in improving the workplace environment.

● In-House Non-Smoking Initiatives

In the interests of strengthening measures to prevent second-hand smoke and promoting mental and physical health, in July 2018, the T&D Insurance Group implemented an in-house non-smoking policy (eliminating smoking areas on company premises and prohibiting smoking during work hours) at all Group companies.

● Health Insurance Association

The three life insurance companies have their own independent health insurance association, which work to prevent lifestyle diseases and otherwise promote the health of association members. In addition to covering medical costs, such as due to illness or injury in members and their dependents, the societies conduct campaigns to raise awareness regarding the use of health insurance, subsidize the cost of health check-ups including annual physical examinations, and promote cancer screening. Since fiscal 2008, the societies have also carried out specified medical check-ups and healthcare guidance aimed at preventing lifestyle diseases. In fiscal 2015, the health insurance societies began activities such as providing health guidance to insured members as part of their Data Health Plans. A Data Health Plan is an efficient and effective approach to health maintenance based on the PDCA cycle and analysis of data such as medical information (receipts for health insurance claims) and information about health examination results.

V | Priority Theme 3 Help mitigate and adapt to climate change



1. Basic Concept

103-2

103-3

1-1 Basic Concept

The T&D Insurance Group formulated the T&D Insurance Group Environmental Policy* to clarify the Group's stance on the environment. The Policy is to carry out business activities with full awareness of the importance of environmental concerns, and to ensure that executives and employees understand that they must act in consideration of the protection of the global environment. The Group will achieve sustainable growth along with society while fulfilling the public mission of life insurance and other businesses, and undertaking its corporate social responsibilities. In addition, based on the above Policy, the Group has set out its Green Purchasing Standards and Detailed Rules and gives priority to the purchase of products and services that help reduce its environmental impact when procuring a diverse group of goods ranging from office furniture, equipment and consumable supplies to real estate facilities and system equipment as well as in printing product brochures and policy documents. While climate change on a global scale is a risk for the continuity of the Group's business activities, the Group considers it an opportunity to undertake new activities.

* The T&D Insurance Group Environmental Policy is available on our website.

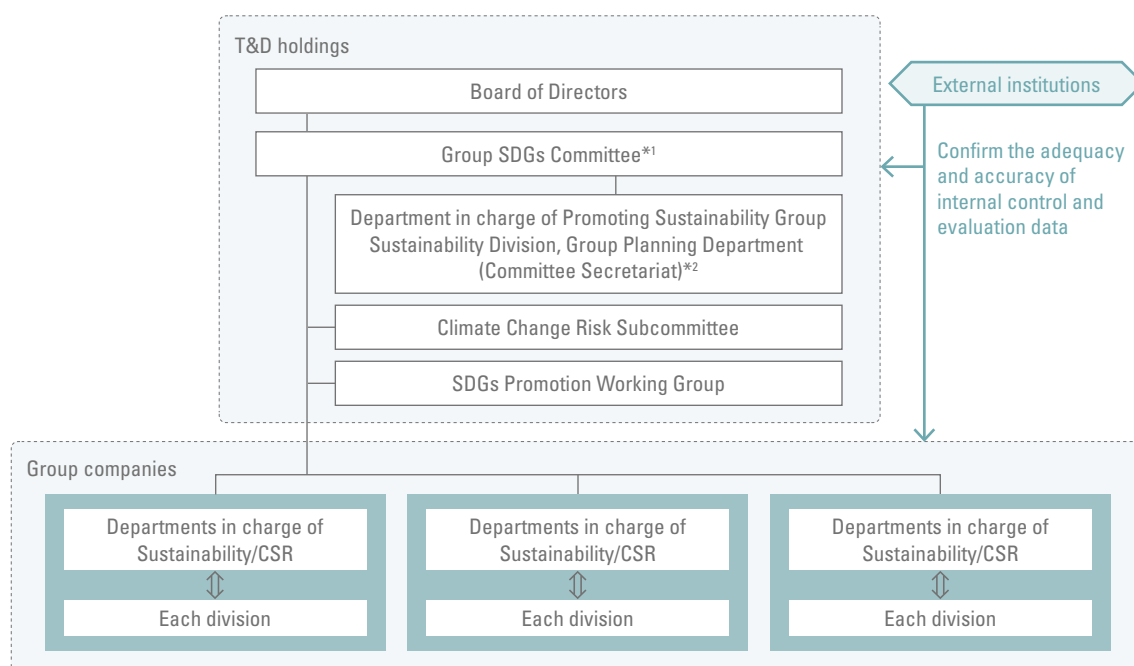
WEB <https://www.td-holdings.co.jp/en/csr/csr-policy/environment.html>

2. Promotion Framework

103-2

103-3

2-1 Promotion Framework (Environmental Management)



*1 The Group SDGs Committee is chaired by the Representative Director and President, and vice-chaired by the Representative Director and Executive Vice President (Executive Officer in charge of Sustainability)

*2 Secretariat = Group SDGs Committee Secretariat

3. Environmental Impact-reduction Initiatives

301-1

302-1

302-3

303-1

303-3

305-1

305-2

305-3

306-2

3-1 Environmental Initiatives

● Reduction of CO₂ Emissions

As more than 90% of the CO₂ emissions (Scope 1 + 2) derive from electricity use at the T&D Insurance Group, we have set targets for electricity use and CO₂ emissions, and are taking actions to cut our energy consumption.

● Power-saving Efforts

Each year the T&D Insurance Group participates in a "Cool Biz" campaign from May to October (setting thermostats of air conditioners at 28°C) and a "Warm Biz" campaign from November to March (setting a room temperature at 20°C). In addition, as a power-saving measure to prevent global warming, the Group turns off or reduces the lighting in offices, meeting rooms, hallways and other areas when they are not in use.

● “Lights Down” Campaign

As an initiative to raise the environmental awareness of each of the Group’s executives and employees, the T&D Insurance Group has been conducting a campaign in which it calls for a simultaneous switch-off of all the lights in offices twice a year. In fiscal 2019, this initiative was conducted in July and December. We will continue our initiative of a simultaneous switch-off of all the lights twice a year, in order to contribute to the prevention of global warming.

● Efforts for Achieving Group-wide Targets

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

The Group’s three targets are to reduce electricity consumption, reduce office paper consumption and improve the green purchasing ratio.

《Electricity Consumption》Targets and Results ▶ Page 61

In addition to the power-saving activities, we implement a multitude of measures to reduce electricity consumption. These efforts range from introducing a power demand monitoring system for controlling peaktime use in each building and setting a no overtime day, encouraging 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.

《Office Paper Consumption》Targets and Results ▶ Page 61

We are striving to reduce the paper consumption in offices by promoting paperless meetings, two-sided and 2-in-1 printing, test printing and confirmations before printing a large quantity and rigorously insisting on printing only after confirming printing settings.

《Green Purchasing Ratio》Targets and Results ▶ Page 61

When procuring office supplies and stationery, we promote green purchasing by giving priority to products that are compliant with the Act on Promoting Green Purchasing and to Eco Mark products. In addition to establishing Green Purchasing Standards and working to prioritize purchasing of products that meet those standards, initiatives include setting up a system that requires approval when ordering office supplies online that are not environmentally compliant.

● Promotion of Paperless Operations

At our head office in Nihonbashi, Tokyo, we have established an efficient and effective office environment by distributing mobile computers, installing wireless LANs, and providing displays on meeting room tables. In principle, meetings are now paperless, including the meetings of the Board of Directors and the Executive Management Board.

● Green Procurement Initiatives (Total Costs and Quantities of Procurement Intended for Environmental Protection)

In addition to green purchasing initiatives, which mainly target office supplies and other consumables, Green Procurement Standards that reduce environmental impact have been established for the printing of product brochures, policy documents and riders; procurement of lighting, air conditioning and other equipment for real estate; and for system equipment and office automation equipment. The Group gives priority to procurement of items that meet these standards. The results of these efforts to promote environmentally friendly procurement are not only collated in terms of amounts spent and quantities, but specific measures are also studied, shared among the Group companies and used to benefit environmental protection initiatives.

《Green Procurement Results》

| | Portion known to apply/ not apply to standard, in figures | | | | Portion for which applicability/ non-applicability is unknown | | Total | |
|--|---|----------------------|-------------------------|----------------------|---|----------------------|--------------|----------------------------|
| | Standard applicable | | Standard non-applicable | | Quantity or number of orders | Amount (million yen) | Total number | Total amount (million yen) |
| | Number | Amount (million yen) | Number | Amount (million yen) | | | | |
| Printing of product brochures, riders | | | | | | | | |
| FY2017 | 271 | 314 | 550 | 89 | 337 | 0.6 | 1,158 | 404 |
| FY2018 | 313 | 325 | 542 | 86 | 345 | 0.1 | 1,200 | 411 |
| FY2019 | 241 | 561 | 602 | 97 | 303 | 0.1 | 1,146 | 658 |
| System equipment and office automation equipment | | | | | | | | |
| FY2017 | 3,125 | 116 | 9,433 | 283 | 31 | 0.9 | 12,589 | 401 |
| FY2018 | 14,015 | 1,797 | 24,083 | 176 | 6 | 0.3 | 38,104 | 1,973 |
| FY2019 | 10,929 | 19,171 | 10,914 | 251 | 1 | 0.2 | 21,844 | 19,422 |
| Real estate equipment | | | | | | | | |
| FY2017 | 36 | 1,265 | 0 | 0 | 5,146 | 2,876 | 5,182 | 4,142 |
| FY2018 | 50 | 1,078 | 0 | 0 | 5,041 | 3,730 | 5,091 | 4,808 |
| FY2019 | 41 | 1,848 | 0 | 0 | 3,230 | 12,685 | 3,271 | 14,533 |

The total of T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, and T&D Asset Management.

3-2 Environmental Performance Data

The T&D Insurance Group discloses its measurements of CO₂ emissions, electricity consumption, water consumption, and waste generated and recycling rate. (The applicable scope and calculation methods of this data are described on page 62 in “3-4 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results.”)

CO₂ Emissions

★ indicates limited verification has been carried out by a third party. (page 64 “3-5 Independent Assurance Report”)

| | FY2017 | FY2018 | FY2019 |
|--|----------|------------------------|--------------------------|
| Scope 1 (Direct emissions) | 1,893 t | 1,816 t (1,816 t) | 1,746 t ★ (1,746 t) |
| Scope 2 (Indirect emissions) | 48,453 t | 47,553 t (47,381 t) | 44,501 t ★ (44,336 t) |
| Scope 3 (Others) | 6,477 t | 24,997 t (6,539 t) | 48,856 t ★ (6,425 t) |
| Category 1 (Purchased goods and services) | — | 239 t | 237 t ★ |
| Category 2 (Capital goods) | — | 11,363 t | 35,316 t ★ |
| Category 3 (Fuel- and energy-related activities) | 3,853 t | 4,021 t (4,006 t) | 3,967 t ★ (3,954 t) |
| Category 5 (Waste generated in operations) | 56 t | 46 t | 40 t ★ |
| Category 6 (Business travel) | 2,568 t | 2,486 t | 2,478 t ★ |
| Category 7 (Employee commuting) | — | 6,843 t | 6,818 t ★ |
| Total | 56,823 t | 74,365 t (55,735 t) | 95,103 t ★ (52,507 t) |

- From FY2018, the scope of calculation has been expanded to the T&D Group. As a reference, figures for FY2019 include the value calculated according to the scope of the previous year in parentheses.
- Starting in FY2018, categories 1, 2, and 7 were added to Scope 3.
- Data coverage: fraction of Group employees included in the target employee set 100% (98.05% in FY2017)

Electricity Consumption

★ indicates limited verification has been carried out by a third party. (page 64 “3-5 Independent Assurance Report”)

| | FY2017 | FY2018 | FY2019 |
|--|------------------------|---|---|
| Electricity consumption | 96,486 MWh | 98,929 MWh (98,532 MWh) | 96,191 MWh ★ (95,815 MWh) |
| Total floor space (including portion for tenant use) | 878,751 m ² | 935,830 m ² (932,685 m ²) | 940,708 m ² (937,567 m ²) |

- From FY2018, the scope of calculation has been expanded to the T&D Group. As a reference, figures for FY2019 include the value calculated according to the scope of the previous year in parentheses.
- Data coverage: fraction of Group employees included in the target employee set 100% (98.05% in FY2017)

Water Consumption

★ indicates limited verification has been carried out by a third party. (page 64 “3-5 Independent Assurance Report”)

| | FY2017 | FY2018 | FY2019 ★ |
|---|-----------------------|-----------------------|-----------------------|
| Water consumption (Utility + reclaimed water) | 31,800 m ³ | 48,300 m ³ | 49,900 m ³ |
| Reclaimed water usage rate | 2.5% | 1.6% | 1.4% |

Data coverage: fraction of Group employees included in the target employee set (45.50%)

Waste Generated & Recycling Rate

★ indicates limited verification has been carried out by a third party. (page 64 “3-5 Independent Assurance Report”)

| ① Paper waste | FY2017 | FY2018 | FY2019 ★ |
|-------------------|--------|--------|----------|
| Total amount | 421 t | 346 t | 301 t |
| Recycling rate | 80.7% | 75.4% | 71.8% |
| ② Non-paper waste | FY2017 | FY2018 | FY2019 ★ |
| Total amount | 102 t | 101 t | 81 t |
| Recycling rate | 64.5% | 57.1% | 62.6% |

- Data coverage: fraction of Group employees included in the target employee set (45.50%)
- Daido Life Insurance Company, which is our directly owned subsidiary, added applicable offices and amended its figures for ② Non-paper waste. Accordingly, ② Non-paper waste has increased by 5t in fiscal 2018.

3-3 Group-wide Targets and Results

The T&D Insurance Group has set Group-wide targets for electricity consumption, office paper consumption, and the green purchasing ratio, and is working to mitigate its environmental impact. (The applicable scope and calculation methods of this data are described on page 62 in “3-4 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results.”)

● Electricity Consumption (new standard)

Baseline: Electricity consumption in FY2016 (value per unit of floor space) =111kWh/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.

★ indicates limited verification has been carried out by a third party. (page 64 “3-5 Independent Assurance Report”)

| | Baseline (FY2016) | FY2018 | FY2019 |
|-------------------------|--------------------------|--------------------------|--------------------------|
| Electricity consumption | 97,223,000 kWh | 97,998,000 kWh | 95,360,000 kWh ★ |
| Total floor space | 875,682 m ² | 932,685 m ² | 937,567 m ² |
| Per unit of floor space | 111.0 kWh/m ² | 105.1 kWh/m ² | 101.7 kWh/m ² |
| Compared to baseline | — | 94.7% | 91.6%(-8.4%) |

* As nearly all of the Group's CO₂ emissions (Scope 1 + 2) are derived from the usage of purchased electricity, we have set targets for reducing electricity use and controlling energy consumption, with the aim of reducing our CO₂ emissions.

* Achieving our target reduction in electricity consumption will reduce CO₂ emissions by more than 10% by fiscal 2027, relative to Group-specific consumption level in fiscal 2016. Moreover, if the CO₂ reduction target (emissions coefficient) of the Federation of Electric Power Companies of Japan is achieved, the total combined reduction will amount to 33% or more (based on the Company's calculations).

* The reduction target is based on the premise that the CO₂ reduction target of the Federation of Electric Power Companies of Japan is achieved. It is equivalent to the reduction target (services/commercial buildings sectors) based on the scientific ground, combined with the relevant portion.

* Starting from FY2019, the figures include Pet & Family Insurance Co., Ltd.

Data coverage: fraction of Group employees included in the target employee set (100%)

● Office Paper Consumption

Baseline: Five-year average from FY2014 to FY2018 (142.20 t)

Target: Cut five-year average from FY2019 to FY2023 by 12% compared to the baseline value.

★ indicates limited verification has been carried out by a third party. (page 64 “3-5 Independent Assurance Report”)

| Reference: Change over the last three years under old standard | | | First fiscal year status under current standard | |
|--|---------|---------|---|------------------------------------|
| FY2016 | FY2017 | FY2018 | FY2019 ★ | Progress made |
| 123.1 t | 127.2 t | 130.4 t | 129.43 t | Approx. 9% reduction from baseline |

Starting from FY2019, the figures include Pet & Family Insurance Co., Ltd.

Total amount of office paper purchased

Data coverage: fraction of Group employees included in the target employee set (88.23%)

● Green Purchasing Ratio

Target: Keep the green purchasing ratio for office stationery and supplies at a minimum of 80%.

| FY2017 | FY2018 | FY2019 |
|--------|--------|----------------------------------|
| 95.7% | 94.5% | 94.2% (Target exceeded by 14.2%) |

Applies to purchases through online purchasing systems.

Data coverage: fraction of Group employees included in the target employee set (88.07%)

3-4 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results

● Scope of Environmental Performance Data and Group-wide Targets and Results

| Disclosure item | | | Scope |
|--------------------------------|---------------------------|--|---|
| Environmental performance data | CO ₂ emissions | Scope 1 (Direct emissions) | T&D Group (since FY2018); major Group companies (FY2017 and earlier) |
| | | Scope 2 (Indirect emissions) | T&D Group (since FY2018); major Group companies (FY2017 and earlier) |
| | Scope 3 (Others) | Category 1 (Purchased goods and services) | Major Group business sites and Pet & Family Insurance, excluding sales offices and branches of Taiyo Life and Daido Life (added FY2018) |
| | | Category 2 (Capital goods) | T&D Group (added FY2018) |
| | | Category 3 (Fuel- and energy-related activities) | T&D Group (since FY2018); major Group companies (FY2017 and earlier) |
| | | Category 5 (Waste generated in operations) | Major Group buildings |
| | | Category 6 (Business travel) | T&D Group |
| | | Category 7 (Employee commuting) | T&D Group (added FY2018) |
| | | Electricity consumption (Total floor space) | T&D Group (since FY2018); major Group companies (FY2017 and earlier) |
| | | Water Consumption | Major Group buildings |
| | | Waste Generated & Recycling Rate | Major Group buildings |
| Group-wide targets and results | Electricity consumption | | T&D Holdings, core Group companies, and Pet & Family Insurance |
| | Office paper use | | Major Group business sites and Pet & Family Insurance, excluding sales offices and branches of Taiyo Life and Daido Life |
| | Green Purchasing Ratio | | Major Group buildings |

| Calculation scope | Group companies, business sites, and buildings included in the calculation scope |
|----------------------------|---|
| T&D Group | <ul style="list-style-type: none"> T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management, T&D Information System Buildings owned by Taiyo Life and Daido Life (including tenant leases) Pet & Family Insurance, T&D Confirm, Toyo Insurance Agency, Daido Management Service, T&D Lease, Taiyo Credit Guarantee, T&D Customer Services, T&D Information System, Nihon System Shuno, Zenkoku Business Center |
| Major Group companies | <ul style="list-style-type: none"> T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management, T&D Information System Buildings owned by Taiyo Life and Daido Life (including tenant leases) |
| Core Group companies | <ul style="list-style-type: none"> Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management |
| Major Group business sites | <ul style="list-style-type: none"> Each business site of T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life and T&D Asset Management (excluding tenant leases of buildings owned by Taiyo Life and Daido Life) |
| Major Group buildings | <ul style="list-style-type: none"> Tokyo Nihombashi Tower, Daido Life Osaka Head Office Building, Taiyo Life Nihonbashi Building, Taiyo Life Urawa Building, Hamamatsucho Building, Mita Bellju Building |

● Calculation Methods of Environmental Performance Data and Group-wide Targets and Results

| Disclosure item | | Calculation method |
|----------------------------------|--|---|
| Environmental performance data | | |
| CO ₂ emissions | Scope 1 (Direct emissions) | The figures were calculated by multiplying the measured energy input by the predetermined coefficient in accordance with the Greenhouse Gas Emission Volume Calculation, Reporting, and Disclosing System. (The measured energy input comprises the measured gas, heavy oil, and kerosene.) |
| | Scope 2 (Indirect emissions) | As above. (The measured energy input comprises the measured electric power, steam, and hot and cold water.) |
| | Group-wide | Basic Guidelines Ver. 2.3 regarding the measurement of greenhouse gas emissions generated by the supply chain. They are measured on the basis of directives from the Ministry of the Environment and the Ministry of Economy, Trade and Industry. |
| | Category 1 (Purchased goods and services) | Calculated by multiplying the office paper use by the predetermined coefficient. |
| | Category 2 (Capital goods) | Calculated by multiplying the expenditure for purchased capital goods, excluding land, by the predetermined coefficient. |
| | Scope 3 (Others) | |
| | Category 3 (Fuel- and energy-related activities) | The figures were calculated by multiplying the measured input of electric power, steam, and hot and cold water by the predetermined coefficient. |
| | Category 5 (Waste generated in operations) | Calculated by multiplying the waste generated by the predetermined coefficient. |
| | Category 6 (Business travel) | Calculated by multiplying the number of Group personnel at the end of the fiscal year by the predetermined coefficient. |
| | Category 7 (Employee commuting) | Calculated by multiplying the number of Group personnel by employment type and urban development level at the end of the fiscal year, by the predetermined coefficient. |
| Total | | The total emissions from the sum of Scope 1 (Direct emissions), Scope 2 (Indirect emissions), and Scope 3 (Others). |
| Electricity consumption | | The annual amount of office-use electricity purchased from each energy-supplying company is calculated in accordance with the law on the rationalization of energy consumption. |
| Water consumption | | The reportable item according to the environmental reporting guidelines of the Ministry of the Environment comprises the amount used on the invoices received from the water supply authorities. |
| Waste generated & recycling rate | Group-wide | Measured based on the Waste Disposal & Public Cleansing Law and other laws concerned with waste disposal and cleaning. |
| | Waste generated | Calculated according to the invoices received from waste disposal companies. |
| | Recycling rate | The recycled amount is calculated according to the invoices received from waste disposal companies, and the recycling rate is calculated by dividing the recycled amount by the waste generated. |
| Group-wide targets and results | | |
| Electricity consumption | | Calculated by using the annual amount of office-use electricity purchased, in accordance with the relevant energy-saving laws. |
| Office paper use | | A reportable item according to the environmental reporting guidelines of the Ministry of the Environment, and is calculated from the purchasing system data. |

3-5 Independent Assurance Report

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The T&D Insurance Group obtained third-party assurance from Ernst & Young ShinNihon LLC for fiscal 2019 data presented in section "3-2 Environmental Performance Data" on page 60 and section "3-3 Group-wide Targets and Results" on page 61 in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and 3410 (International Auditing and Assurance Standards Board).



Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

Independent Assurance Report

September 23, 2020

TO:

Mr. Hirohisa Uehara
Representative Director and President
T&D Holdings, Inc.

Kenji Sawami
Engagement Partner
Ernst & Young ShinNihon LLC

We, Ernst & Young ShinNihon LLC., have been commissioned by T&D Holdings, Inc. (hereafter the "Company") and have carried out a limited assurance engagement on the Key Environmental Performance Indicators (hereafter the "Indicators") of the Company and its major subsidiaries for the year ended March 31, 2020 as included in the Environmental Performance Data and Group-wide Targets and Results of the Company's Sustainability Report 2020 (hereafter the "Report"). The scope of our assurance procedures was limited to the Indicators marked with the symbol "★" in the Report.

1. The Company's Responsibilities

The Company is responsible for preparing the Indicators in accordance with the Company's own criteria, which it determined with consideration of Japanese environmental regulations as presented in the Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results of the Report.

Greenhouse gas (GHG) emissions are estimated using emissions factors, which are subject to scientific and estimation uncertainties given instruments for measuring GHG emissions may vary in characteristics, in terms of functions and assumed parameters.

2. Our Independence and Quality Control

We have met the independence requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior.

In addition, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board.

3. Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") (Revised) and, with respect to GHG emissions, the International Standard on Assurance Engagements: Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board.

The procedures, which we have performed according to our professional judgment, include inquiries, document inspection, analytical procedures, reconciliation between source documents and Indicators in the Report, and the following:

- Making inquiries regarding the Company's own criteria that it determined with consideration of Japanese environmental regulations, and evaluating the appropriateness thereof;
- Inspecting relevant documents with regard to the design of the Company's internal controls related to the Indicators, and inquiring of personnel responsible thereof at the headquarter and one major subsidiary;
- Performing analytical procedures concerning the Indicators at the headquarter and one major subsidiary;
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the headquarter and one major subsidiary (1 office);
- Re-calculating CO₂ emissions intensity from the construction stage, as set out in the Report, with reference to source documents.

The procedures performed in a limited assurance engagement are more limited in nature, timing and extent than a reasonable assurance engagement.

As a result, the level of assurance obtained in a limited assurance engagement is lower than would have been obtained if we had performed a reasonable assurance engagement.

4. Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators included in the Report have not been measured and reported in accordance with the Company's own criteria that it determined with consideration of Japanese environmental regulations.

4. Forest Conservation Activities

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4-1 Forest Conservation Activities Taiyo Life

● Forest Conservation Activities

Life insurance companies use vast amounts of paper including office paper, life insurance pamphlets, policy provisions, and other documents in the course of business operations. To restore forest resources and preserve greenery, Taiyo Life conducts afforestation projects. It has established “*Taiyo Seimei no Mori*” (the Forests of Taiyo Life) in Nasushiobara City (Tochigi Prefecture) and Takashima City (Shiga Prefecture).

The first “*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 invited members of the Japan Down Syndrome Society and their families to take part in a forest studies class experience in May 2019, and conducted forest maintenance activities such as thinning and maintenance of walking trails in November (total number of participants for the year: 142). The second corporate forest “*Taiyo Seimei Kutsuki no Mori*” (Kutsuki Forest of Taiyo Life) was established in Takashima City, Shiga Prefecture in November 2007. In the forest, we collaborated with the Asosatoyama Center, a local NPO, in conducting forest improvement activities, including the improvement of forest roads and the clearing out of fallen leaves in red pine forests, in April and December 2019. We also hosted the “*Dongri Project*” (Acorn Project) in October and December 2019, wherein local elementary students grew broad-leaf seedlings from acorns and then planted them in the forest at the time of graduation (total number of participants for the year: 242).



| 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 | 19 t (Estimate by the Forestry Agency) | 81 t (Estimate by Takashima City) |

● Forest Conservation Initiative: Use of Timber from Forest Thinning

As an initiative for reducing waste of resources while promoting sustainable forest conservation, Taiyo Life is conducting the following activities to achieve the “use it wisely” component of the “plant it, raise it, harvest it, use it wisely” cycle for forests.

“Chopsticks Project” launched to promote the use of disposable chopsticks made from domestic timber derived from forest thinning and wood scraps

Our employees and executives made use of 472,785 pairs of chopsticks in aggregate from September 2006 to March 2019. To promote forest development by encouraging use of timber from forest thinning, Taiyo Life has created its own disposable chopsticks from Yoshino Japanese cedar derived from forest thinning. The chopsticks are distributed for a charge to those who request them, and efforts are made to use them at meals during internal meetings and so on.

Active Use of “3.9 Paper”*

Another initiative designed to promote use of timber from forest thinning is the use of “3.9 Paper” in paper wrappers for “Wood Thoughtfulness Chopsticks.”

* “3.9 Paper” is a project launched to promote the use of domestic timber from forest thinning. Under this project, the costs of the transportation of timber from the forest to the wood chip mill are borne by the users of the paper in printing.

5. Environmental Communications and Educational Activities

5-1 Environmental Communications and Educational Activities

T&D Holdings endorses the activities of the Japan UNEP Association which produces the Japanese edition of *UNEP FORUM — Environmental Magazine Tying UNEP to Enterprises* — published by the United Nations Environment Programme (UNEP). This publication is distributed to all companies in the T&D Insurance Group as well as to local elementary and junior and senior high schools, public libraries, and other parties to raise awareness of environmental issues.



6. Disclosure of Climate-related Financial Information Based on the TCFD Recommendations

201-2

The Task Force on Climate-related Financial Disclosure (TCFD), established by the Financial Stability Board (FSB), formulated its recommendations for clarified, comparable, and consistent information disclosure regarding the risks and opportunities posed by climate change. These recommendations were announced in June 2017. 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.

Disclosure of climate-related financial information

Governance

[Oversight by the Board of Directors]

- The Board of Directors has established the Group SDGs Committee as its subsidiary body, with the task of reviewing and deliberating its policies related to SDGs and CSR, along with measures concerning the global environment and social issues.
- The Group SDGs Committee is chaired by the Representative Director and President, who concurrently serves as chairperson of the Board of Directors, and consists of the directors and general managers in charge of Sustainability/CSR and investment management departments at Group companies. The Committee formulates basic policies and measures regarding the global environment and social issues such as SDGs, while periodically monitoring the progress of such initiatives, and reporting to the Board of Directors thereon.
- The Board of Directors established the Climate Change Risk Subcommittee as a subordinate body of the Group SDGs Committee. The purpose of the Subcommittee is to support the SDGs Committee in formulating policies and considering actions related to climate change by investigating and reviewing the status of climate change risks and the necessary responses and then reporting these to the SDGs Committee and offering proposals. The Subcommittee consists of the persons in charge (section managers) of the planning, risk management, and asset management departments at Group companies.

[Role of Management]

- The Company has established the Executive Management Board, comprising the Chairman, the President, and executive officers in charge of specified areas of operations, for the purpose of deliberating important matters related to management of the Group. The Executive Management Board receives detailed reports on all policies and measures regarding the global environment and social issues that are deliberated at the Group SDGs Committee. Important matters are also deliberated at the Executive Management Board, and the results thereof are reported to the Board of Directors.

Strategies

[Risks]

- The following scenario analysis was carried out in order to assess the impact (physical risks*¹ and transition risks*²) of climate change 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 behavior of governments, corporations, and consumers in the process of carrying out the transition to a low carbon society (through a significant reduction of greenhouse gas emissions)

【Scenario analysis: what the world looks like under each scenario】

Assumptions:

2°C scenario: Strict measures are taken against climate change. By the end of the century, the average annual temperature will increase by between 0.3°C and 1.7°C.

4°C scenario: No measures are taken against climate change beyond the current status quo. By the end of the century, the average annual temperature will increase by between 2.6°C and 4.8°C.

* RCP 2.6 and RCP 8.5 scenarios, respectively. The annual average temperature is a comparison between the 2080-2100 average and the 1986-2005 average.

| The world under the 2°C scenario | The world under the 4°C scenario |
|--|---|
| ■ Overview <ul style="list-style-type: none"> Due to the rise in average temperatures, natural disasters become more frequent and intense. (However, the impact is kept below a certain level.) Strict measures to combat global warming increase business costs for each company. Technological innovation progresses (and new players emerge) in support of low or net-zero carbon emissions. Reallocation of investment away from companies that are unable to support low or net-zero carbon emissions. | ■ Overview <ul style="list-style-type: none"> Due to the large rise in average temperatures, the impact of frequent and intense natural disasters becomes significant. Sea level rise, storm surge, flooding, and heavy rainfall have a significant impact on coastal areas. (A review of lifestyle and BCP is also necessary. The companies face increased business costs.) Reallocation of investment away from companies that are vulnerable to natural disasters. |



Physical effects caused by a rise in average temperature (2°C scenario < 4°C scenario)

【Impact on the environment】

- Frequent and intense natural disasters such as typhoons and floods.
- Changes in rainfall and weather patterns, rising average temperatures, and rising sea levels.

【Impact on health】

- Increasing average temperatures lead to an increase in the number of heat stress deaths and heat stroke patients.
- The number of injuries and fatalities due to natural disasters increases due to an increase in extreme weather events such as typhoons and floods.
- The risk of contracting an infectious disease increases due to the expansion of the habitats of disease vectors.

Impact of the transition to a society with low or net-zero carbon emissions (2°C scenario)

【Policies, laws, and regulations】

- Tighter regulations on greenhouse gas (GHG) emissions and the introduction of a carbon tax. Expanded disclosure requirements (increased business costs for companies).

【Technology development】

- Progress in reducing the carbon footprint of existing technologies and the introduction of new technologies such as renewable energy, storage batteries, and electric vehicles.
- While some companies emerge and grow by seizing new business opportunities, others have been unable to respond to low or net-zero carbon emissions measures and fail.

【Changes in investor behavior】

- Reduced investment and lending to companies that cannot comply with regulations, companies that cannot exit from existing GHG emissions businesses, and companies that have recorded fossil fuels as stranded assets. Expanded investment and financing to companies that contribute to low or net-zero carbon emissions.

【Scenario analysis: impact on the Group】

| | | 2°C scenario (RCP 2.6) | 4°C scenario (RCP 8.5) |
|------------------|--------------------------------------|---|--|
| Physical risks | Impact on underwriting profitability | <ul style="list-style-type: none"> Significant increases in the number of heat stress deaths and heat stroke patients. Both of these increases will be gradual over a long period of time, which will limit their impact on underwriting profitability. This will be addressed by conducting an appropriate review of premium rates. | <ul style="list-style-type: none"> Significantly higher average temperatures will lead to larger increases in heat stress deaths and heat stroke patients than under the 2°C scenario. Both of these increases will be gradual over a long period of time, but will be larger than under the 2°C scenario. We will address this by conducting a more detailed review of premium rates to avoid a significant negative impact on underwriting profitability. |
| | BCP response | <ul style="list-style-type: none"> A business continuity plan has been established at another site in case a major disaster causes a disruption to the functions of critical sites. | <ul style="list-style-type: none"> To address the increasing intensity of natural disasters, we will use hazard maps and similar tools to assess the risk level of our business sites, relocate important sites, establish backup sites, and implement remote decentralization measures using IT as appropriate. |
| Transition risks | | <ul style="list-style-type: none"> In order to transition to a society with low or net-zero carbon emissions, regulations on GHG emissions will be tightened and a carbon tax will be introduced, making the use of fossil fuels more difficult. Expanded use of new technologies (renewable energy, etc.) in response to these environmental changes. Increased investment and financing (green finance) to companies, technologies, and projects that contribute to low or net-zero carbon emissions. In the medium-term, up to the middle of this century, some industries will be significantly affected by tighter regulations on GHG emissions, the introduction of a carbon tax, the replacement of old technologies with new low or net-zero carbon technologies, and changes in consumer values and behaviors. To avoid damage to asset management income from the impact on the investees and borrowers of the Group, we will work as appropriate in accordance with the Principles for Responsible Investment (PRI) through the promotion of investment and financing activities to businesses and companies that contribute to the transition to a society with low or net-zero carbon emissions, for example renewable energy businesses, and through engagement with existing investees. | <ul style="list-style-type: none"> The medium-term impact on the investees and borrowers of the Group will be smaller, since there will be no sudden changes in the environment expected in the 2°C scenario. However, in the long-term time horizon up to the end of the century, it is assumed that the increase in average temperatures and the intensification of natural disasters will have a significant negative physical impact on each company's business activities. In order to avoid damage to our asset management income, we will avoid or withdraw investment and financing to firms with significant physical risks. |

Physical risk reference data: Climate Change Adaptation Information Platform (A-PLAT)

【Opportunities】

- 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.
- As the reduction of GHG emissions progresses, the Group, as an institutional investor, has opportunities to enhance the value of investment assets and expand investment returns stably over the long term, by investing and lending to expanding clean energy development and energy conservation businesses, and by owning and managing real estate (such as office buildings) with superior environmental performance.
- The Group also has opportunities to expand its business domains and earnings as a business operator, rather than as an institutional investor, by developing or entering into new business domains related to the mitigation of and adaptation to climate change.

Risk management

[Risk identification and assessment process]

- 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. Risks are listed exhaustively by risk category. The Group then identifies and assesses these risks, and prioritizes initiatives by considering factors such as each risk's significance, potential impact, and current status of control, which are then reflected 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. Climate change-related risks are identified and assessed as insurance underwriting risk, asset management risk, operational risk, reputational risk, and risks that may have broad-based impacts on overall management.

[Risk management process]

- In order to identify and grasp newly emerging risks, as well as changes in risks that have already been identified, 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.
 - Management of climate change-related risks
 - 1) Physical risks
 - The Group considers to mitigate deterioration of underwriting profitability through reinsurance and other means, along with large-scale disaster risks (insurance underwriting risks).
 - The Group monitors existing products and implements countermeasures, including product revisions, as necessary.
 - 2) Transition risks
 - The Group engages in investments and borrowings, taking into account climate change-related risks based on the Principles for Responsible Investment (PRI).
 - The Group monitors trends in economic policies, laws, and regulations, and share the information across the Group, through the Group SDGs Committee and the Group Management Promotion Committee. Measures are taken to ensure that the Group responds to such trends in a sufficiently effective manner at the level expected of a listed company.

[Integration to the overall risk management]

- For the purpose of overall risk management activities, the Group integrally manages its capital, profit, and risk by using ERM (Enterprise Risk Management). ERM refers to a strategic method of corporate management that seeks to maximize corporate value and profits while ensuring the soundness of business through integrated management of capital, profit, and risk. As opposed to passive risk management, which considers risk something to be avoided, in ERM, risk is not something only to be eliminated or reduced, but rather, the risks that should be taken on to pursue growth in profitability are selected actively while limiting risk to a fixed scope of capital to maintain sound management of business operations.
- The T&D Insurance Group has specified an economic solvency ratio (ESR), which is a risk-management index based on economic value. These are concrete quantitative indicators of risk appetite and tolerance. ESR is calculated as net assets (surplus) based on economic value, divided by economic capital (EC), which is the risk level based on economic value, calculated using an internal model including insurance underwriting risk, asset management risk, and operational risk. We manage risk on the basis of economic value through such means as controlling EC to stay within a certain range of the surplus. ESR is managed on a monthly basis. The statutory solvency margin ratio is managed on a quarterly basis. As with other risk reviews, these are reported to the Group Risk Management Committee and 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 three targets are "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 semi-annually, and disclosed in various reports and websites.
- As for the target to reduce electricity consumption, targets for the five-year periods from FY2008 and FY2013 were both achieved. Efforts are underway to achieve the target for the next ten-year period from FY2018.
- As for the target to reduce office paper consumption, the target for the five-year period from FY2014 was achieved. Efforts are underway to achieve the target for the next five-year period from FY2019.
- As for CO₂ emissions, Scope 1 (direct emissions from the Company), Scope 2 (indirect emissions via the purchase of energy including electric power), and Scope 3 (indirect emissions via other corporate activities including procurement of materials, transport, and disposal) are measured and disclosed on a continuous basis.

VI | Priority Theme 4

Invest to help build a sustainable society

103-2

103-3



1. Basic Concept

1-1 Basic Concept

With the main business of the Group being life insurance business, contributing to realizing a sustainable society through investment is one of the most fundamental roles of the Group. The sustainable and stable growth of society is essential in securing long-term stable profit through investment. The Group focuses on the impact that the investment activities of the institutional investors who manage long-term funds have on efforts to realize a sustainable world. The Group will contribute to the realization of a sustainable society through investment activities undertaken in consideration of the environment, society and corporate governance.

2. Responsible Institutional Investor

2-1 Signing of the Principles for Responsible Investment (PRI)

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

Signatory of:



Taiyo Life Insurance Company

In order to further fulfill its social responsibility as an institutional investor, Taiyo Life determined that it was essential to exert its influence for the betterment of society and the global environment through investment and lending activities to a greater extent, and to contribute to the realization of a sustainable society.

In line with this thinking, in March 2007, Taiyo Life became the first Japanese life insurance company to sign the PRI.

Based on these principles, Taiyo Life gives due consideration to ESG issues, namely, environmental (E), social (S), and governance (G) issues, and promotes asset management to achieve a sustainable society.

Daido Life Insurance Company

Daido Life supports the objectives of the PRI and became a signatory institution to them in November 2016. Based on these objectives, Daido Life is contributing to the formation of a sustainable society through promoting investing and lending that considers environmental, social and governance (ESG) issues. Specifically, the company is promoting lending and investment that aims to supply funds to companies and businesses that contribute to solving climate change and the development of social infrastructure. The company is also carrying out initiatives regarding asset management that incorporates ESG factors such as company analyses of investment processes.

T&D Asset Management Co., Ltd.

T&D Asset Management, to fulfill its responsibilities of being entrusted as an institutional investor that manages investments, endorses the concept of the PRI, and signed them in March 2012. In accordance with these principles, T&D Asset Management tackles ESG issues in a manner consistent with meeting the long-term interests of customers, fully grasping the status of investee companies. Accordingly, the company is also committed to pursuing the sustained growth of these companies, particularly through holding constructive dialogues with them and through the exercise of voting rights, with the aim of increasing the medium- and long-term investment returns on the funds entrusted to it by customers.

The status of each Group company's PRI initiatives is reported in PRI Transparency Report. Enter the name of the company of interest into the search box at the following link:

WEB <https://www.unpri.org/searchresults?qkeyword=¶meters=WVSECTION%7cSignatories>

* The Principles for Responsible Investment (PRI) are a code of conduct for the global financial industry that was proclaimed by Kofi Annan, the secretary-general of the United Nations in 2006. A commitment to these principles has been signed by over 3,200 financial institutions worldwide, and by 83 in Japan (as of July 2020).

[Principles for Responsible Investment (PRI) Initiatives]

Example from Taiyo Life

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes

• **We reflect the PRI approach in our stance on asset management**

Taking ESG issues into account is one of Taiyo Life's stances on asset management, as is clearly stated in our rules for asset management.

<Our Stance on Asset Management>

1. Under the principle of self-responsibility in management, we will strive to enhance and strengthen such organizations as our internal control organization by utilizing the function of mutual checks, our risk management organization based on the financial environment, etc., and our asset management organization.
2. Based on the nature of the life insurance industry, we aim to promote the interests of policyholders and others, taking social and public aspects into greater account. Such aspects include strictly refraining from speculative trading, as well as unsound investments and loans.
3. When making investment and financing decisions, we also account for the impact of our actions on domestic and international financial and capital markets. In addition, when investing or financing overseas, we take the local financial and economic impacts into account, as well.
4. We also strive to instruct our subsidiaries and other entities with special relationships specified by the Cabinet Office Ordinance ("subsidiaries and others") to take social and public aspects into account in their asset management actions.
5. We strive to contribute to the continuous development of society and the financial markets, taking into account issues regarding the environment, social responsibility, and corporate governance.
6. As a responsible institutional investor, we strive to properly fulfill our duty of stewardship, through means such as constructive dialogue with investment targets.

Taiyo Life ESG Investment Criteria

Taiyo Life has specified the "ESG Investment Criteria," in order to promote asset management that considers ESG issues. The main investment and lending methods based on these criteria are as follows.

[ESG Theme Investments]

In consideration of environmental, social, and governance issues, Taiyo Life is working on investment and lending with themes that are capable of contributing to the realization of a sustainable society.

[ESG Integration]

When investing and financing stocks, bonds and other securities as well as real estate and loans, Taiyo Life incorporates corporate assessments related to non-financial information such as ESG into the financial information of the recipients of the investment and lending. In this manner, the company strives to improve the long-term outcomes of the investments, while at the same time fulfilling our mission based on PRI.

[Negative Screening]

Taiyo Life manages the insurance premiums collected from our customers, while taking into consideration social and public perspectives, as well as profitability and liquidity. We prohibit investment and financing, in principle, in cases such as when the recipients are judged to be involved in antisocial behavior, or when an involvement in inhumane weapons* has been confirmed. We also prohibit, in principle, new investment and financing for coal-fired power generation projects. Furthermore, when an ESG related scandal or a serious ESG issue occurs at a business partner or the recipient of investment and financing, we will consider whether or not to invest based on these Criteria, after confirming the situation through direct communication or other methods, as necessary.

* Weapons that are sanctioned by the Government of Japan and whose use is totally prohibited by the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Incorporating the Principles into our standards for exercising voting rights

We clearly state our approach to PRI in our standards for exercising voting rights by signing the PRI.

In this manner, we exercise voting rights based on social and public aspects, as well as our fiduciary responsibility to our customers, shareholders, and other stakeholders. In addition, we take the ESG perspective into greater account when exercising voting rights. In this process, we establish internal decision-making processes and a system for reporting to management, and disclose the status of exercising voting rights on the Company website.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Adequate disclosure of ESG issues

We strive to practice regular constructive purposeful dialogue (engagement) with our investment targets. In this regard, we also work to promote an understanding of our response to ESG issues, from the perspective of contributing to the realization of a sustainable society. At the same time, we seek adequate disclosure, while confirming the response to ESG issues by these companies.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Explanation of PRI activities to corporate pension plan and other contract partners

Taiyo Life includes information regarding PRI activities in its disclosure materials regarding corporate pension plans. In addition, as necessary, we explain details regarding our statement of accounts, asset management policy, PRI activity status, and the like to corporate pension plan and other contract partners.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.**Information exchange and collaboration with PRI signatory institutions**

We regularly participate in meetings with PRI signatory institutions and related entities, in order to improve acceptance and implementation of the PRI, and promote our PRI activities more effectively and concretely. We also share best practices and global trends regarding the responsibility to take ESG issues into account in the investment and financing decision-making process. Furthermore, we discuss specific measures to promote the acceptance and implementation of the PRI, while taking into consideration circumstances unique to Japan.

Principle 6: We will each report on our activities and progress towards implementing the Principles.**Reporting on the status of our PRI activities on our website and elsewhere**

We internally and externally disclose details regarding our PRI initiatives, including the history of our signing, on our website, in our disclosure materials, and elsewhere. In terms of the PRI framework, we also report on the status of our PRI activities for the fiscal year to the PRI Secretariat. This report includes the status regarding building an organization for PRI activities, as well as incorporating our ESG Investment Criteria in the investment stage.

Promoting an understanding of the PRI internally

Practicing asset management based on the PRI approach requires that everyone involved in asset management understand this approach. Accordingly, we use e-learning and other means to actively learn about the PRI approach, global trends, and the like.

2-2 The T&D Insurance Group's stance on Investment and Financing for Coal-fired Power Generation Projects

With regard to fossil fuel-related businesses such as coal-fired power generation, we recognize that the consumption of fossil fuels is one of the major factors driving environmental problems such as climate change and air pollution, and that the attitude of institutional investors in this sector is more important than ever before.

It is the Group's policy not to make any new investments or loans to coal-fired power generation projects. However, we may consider investments and loans in cases where the environmental impact of the project will be reduced, for example through the development and application of new technologies for carbon capture and storage (CCS) or carbon capture, utilization and storage (CCUS).

2-3 Examples of ESG Investment and Financing

Taiyo Life, Daido Life, and T&D Asset Management practice the following types of ESG investment and financing.

- **Investments in Environmental Problem Solving Green Bonds**

We invest in Green Bonds, which financially support various projects by local governments and incorporated administrative agencies. These projects include working on "Creating Smart Energy Cities" and "Adapting to the Effects of Climate Change," and promoting the convenience of urban rail, which is expected to be effective in improving the environment, including reducing CO₂ emissions.

- **Investment in and finance renewable energy projects and energy efficiency projects**

We have invested in funds for projects that are working to create domestic solar power generation to provide clean energy, and have financed energy efficiency businesses. Through these efforts, we are contributing to the promotion of global warming countermeasures and the enhancement of energy self-sufficiency ratios.

- **Finance of the "Seawater Desalinization Project," which can contribute to the resolution of water shortages in Australia**

We financed a seawater desalinization project aimed at supplying drinking water in a public-private initiative by a state government in Australia. This financing is an initiative to contribute to the creation of social infrastructure in a region suffering from water shortages.

- **Participation in project financing of "Qualified Project, etc., for Airport Operation of the Seven Airports in Hokkaido," which is intended to contribute to regional development and growth**

We participated in the joint financing of a project to integrate the operations of the seven airports in Hokkaido, which were previously operated by separate entities. This financing is an effort to maximize the role of the airports as a key transportation hub and contribute to Hokkaido's further development and growth.

- **Investment in "Social Bonds" which contribute to supporting infrastructure development and job creation, etc. in developing regions**

We invested in "Social Bonds" issued by JICA, a government agency that provides Official Development Assistance (ODA) such as funding for economic and social development in developing regions. The financing is used in projects such as infrastructure creation, job creation support, and the like, mainly in developing regions.

- **Infrastructure financing for the Government of Togo**

We provided financing to the Government of Togo with the aim of contributing to Togo's economic growth and improving its people's lives. In West African countries, including Togo, infrastructure development for economic and social development has become a social issue, and the funds to be raised through this project will be used to improve infrastructure such as ports and other facilities and to expand social welfare in Togo.

• **Investment in the “Fund Supporting Good Health,” “Japan Healthy Society Support Fund,” and “Healthy Society Contribution Fund,” which support projects that contribute to the promotion of human health**

We invested in the Fund Supporting Good Health and the Japan Healthy Society Support Fund, with the aim of responding to the social issue of extending healthy life span. The former is for listed corporations in Japan that conduct businesses such as pharmaceuticals, healthcare, sports clubs, and health foods that contribute to the promotion of human health, while the latter supports projects that contribute to the promotion of human health.

• **Investment in companies that contribute to the creation of a sustainable society**

Taiyo Life and Daido Life invest in the “T&D Japan Equities ESG Research Fund.” The fund selectively invests in companies with an outstanding ESG performance, through stock selection based on ESG research. T&D Asset Management established and manages the fund (management began in July 2015).

2-4 The Principles for Responsible Institutional Investors (Japan’s Stewardship Code)

Three of the Group’s companies, Taiyo Life, Daido Life, and T&D Asset Management endorsed and expressed their commitment to the Principles for Responsible Institutional Investors (Japan’s Stewardship Code) in May 2014.

Details regarding the policies of each company with respect to the Principles, policy on exercising voting rights, status of exercising voting rights, and self-evaluations are published on the companies’ respective websites (Japanese).

| | |
|--------------------------------|---|
| Taiyo Life Insurance Company | https://www.taiyo-seimei.co.jp/company/activity/ssc.html |
| Daido Life Insurance Company | https://www.daido-life.co.jp/company/csr/investor/ssc/ |
| T&D Asset Management Co., Ltd. | https://www.tdasst.co.jp/company/principles/stewardship/ |

* Since T&D Financial Life does not directly invest in listed stocks, the company does not express support for the Stewardship Code.

● Policy on 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). Based on this fundamental approach, they exercise their voting rights rigorously, in accordance with criteria (revised continuously in accordance with the economic environment and social conditions) established to ensure that voting rights are exercised properly. 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.

《Main Focal Points for Carefully Examining Proposals, Engaging in Dialogues and Making Voting Decisions》

- ▶ Are dividends to shareholders insufficient or excessive?
- ▶ Does the investee company face problems in connection with any activities against public order and common decency (willful tax evasion, collusion, bribery, etc.) and/or antisocial activities such as environmental destruction (actions deemed questionable in light of ESG problems)?
- ▶ From the standpoint of requesting investee companies to ensure corporate governance is functioning effectively in management, does the investee company present problems in terms of any of the following:
 - Level of ROE
 - Number and independence of outside directors
 - Attendance rate of corporate officers at meetings of the Board of Directors and the Audit & Supervisory Board
 - Length of service of Audit & Supervisory Board members
 - Eligible recipients of retirement benefit payments
 - Eligible recipients and levels of incentive compensation

T&D Asset Management

T&D Asset Management believes that exercising voting rights is an effective means for shareholders to increase the corporate value of investee companies by giving the shareholders a say in corporate governance, which has a pivotal impact on corporate management. Based on this belief, T&D Asset Management has clearly codified guidelines in its internal rules for expressing its voting intentions on proposals put forward to the Ordinary Shareholders’ Meeting. This is to fulfill the company’s fiduciary responsibility as an asset management institution by aiming to maximize shareholder returns. Moreover, T&D Asset Management carefully examines all proposals put forward based on the Guidelines for Exercising Voting Rights.

《Main Approaches to Individual Proposals》

[Selection of Directors and Audit & Supervisory Board Members] The re-appointment of a representative director shall be opposed if it is determined that the stock value is being continuously harmed from the perspective of performance or capital efficiency, and future improvement cannot be expected. As a rule, outside directors or Audit & Supervisory Board members shall be opposed in cases in which their independence in the exercise of the expected management oversight functions or audit functions cannot be ensured. Moreover, when a certain number of independent outside directors are not appointed, and the reason for such is deemed to be invalid, the re-appointment of the representative director shall be opposed. When trust in the company has been seriously damaged due to executive misconduct or illegal business activities, and corporate performance or stock prices have been impacted or may be impacted, the relevant directors shall be opposed.

[Compensation of Directors and the Audit & Supervisory Board Members/Retirement Benefits] Although we are generally in favor of introducing a performance-linked compensation system, it shall be opposed when it is deemed that payment to outside directors has a strong incentive factor. As a rule, payment of retirement benefits to outside directors or Audit & Supervisory Board members shall be opposed.

[Stock Options/Stock Compensation System] We have set the judgement criteria as whether or not it contributes to an improvement in corporate value as a long-term incentive.

[Capital Policies] Judgements shall be made regarding dividends and treasury stock acquisitions, in consideration of business performance trends and financial conditions.

[Anti-takeover Measures] As a rule, we oppose anti-takeover measures.

● Status of Exercising Voting Rights (Including Status of Dialogues)

Taiyo Life, Daido Life

Taiyo Life and Daido Life exercised their voting rights on proposals at Shareholders' Meetings held between July 2019 and June 2020. Such exercise was conducted after holding dialogues with investment targets as necessary, in accordance with the criteria for determining the exercise of voting rights.

《Status of Dialogue》

Taiyo Life and Daido Life emphasize dialogue with investee companies. Through proactive dialogue with investee companies, Taiyo Life and Daido Life work to verify the circumstances faced by management and share an awareness of issues while continuously taking steps to help increase shareholder value.

► Examples of companies with whom Taiyo Life and Daido Life engaged in dialogue

- Companies whose ROE fell below a certain threshold
- Companies issuing dividends despite having reported a net loss
- Companies not paying adequate shareholder dividends despite having adequate resources
- Companies with substantial doubts regarding the independence of candidates for independent outside director
- Companies that proposed the introduction/continuance of anti-takeover measures
- Companies whose audit & supervisory board members to be re-appointed had served long terms
- Companies paying retirement bonuses to outside directors and Audit & Supervisory Board members who should be monitoring the status of management
- Companies that introduced or increased executive compensation such as granting stock acquisition rights or restricted shares
- Companies paying incentive compensation to outside directors and Audit & Supervisory Board members who should be monitoring the status of management
- Companies that have been involved in misconduct or other such incidents

《Status of Exercising Voting Rights》

Taiyo Life and Daido Life reject proposals in cases where problems are not rectified despite constructive dialogue, cases where shareholder value is highly likely to be impaired and in certain other circumstances.

The results of voting rights of shares listed on domestic markets exercised at general meetings of shareholders held by domestically listed companies between July 2019 and June 2020 are as follows.

| Type | Taiyo Life | | | | | Daido Life | | | | |
|---|------------|--------|---------|---------------|--------------------|------------|--------|---------|---------------|--------------------|
| | Approve | Reject | Abstain | Carte blanche | Total agenda items | Approve | Reject | Abstain | Carte blanche | Total agenda items |
| Company proposals | 186 | 1 | 0 | 0 | 187 | 476 | 9 | 0 | 0 | 485 |
| Surplus appropriation | 39 | 0 | 0 | 0 | 39 | 107 | 0 | 0 | 0 | 107 |
| Director appointment*1 | 65 | 1 | 0 | 0 | 66 | 136 | 2 | 0 | 0 | 138 |
| Corporate auditor appointment*1 | 44 | 0 | 0 | 0 | 44 | 131 | 2 | 0 | 0 | 133 |
| Partial change to Articles of Incorporation | 15 | 0 | 0 | 0 | 15 | 29 | 0 | 0 | 0 | 29 |
| Payment of retirement bonus | 2 | 0 | 0 | 0 | 2 | 10 | 0 | 0 | 0 | 10 |
| Change to officer compensation | 7 | 0 | 0 | 0 | 7 | 22 | 0 | 0 | 0 | 22 |
| Issue of stock acquisition rights | 8 | 0 | 0 | 0 | 8 | 24 | 0 | 0 | 0 | 24 |
| Appointment of accounting auditors | 2 | 0 | 0 | 0 | 2 | 3 | 0 | 0 | 0 | 3 |
| Reconstruction related*2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other company proposals*3 | 4 | 0 | 0 | 0 | 4 | 14 | 5 | 0 | 0 | 19 |
| Of which, antitakeover measures | 1 | 0 | 0 | 0 | 1 | 2 | 5 | 0 | 0 | 7 |
| Shareholder proposals | 0 | 8 | 0 | 0 | 8 | 0 | 27 | 0 | 0 | 27 |
| Total | 186 | 9 | 0 | 0 | 195 | 476 | 36 | 0 | 0 | 512 |

*1 Regarding appointments of multiple candidates, if even one candidate was voted against, it is counted as "Reject."

*2 Includes mergers, business transfers, share exchanges, stock transfers, and company splits.

*3 Includes share buybacks, decrease in legal reserve, increase through third-party allotment, decrease in capital, reverse stock split, officer bonuses, antitakeover measures, and income statement approval.

● Self-evaluation

Between July 2019 and June 2020, Taiyo Life and Daido Life performed self-evaluations of the status of implementation of each of the Principles in this code. The evaluations of both companies determined that activities were carried out steadily, in accordance with the policies on the Principles.

T&D Asset Management

《Status of Dialogues》

T&D Asset Management uses opportunities such as individual and small meetings with companies to hold constructive dialogues that promote sustainable growth from such perspectives as business strategy, capital efficiency, shareholder return, and ESG. In the period between July 2019 and June 2020, meetings were held with 239 companies. Examples of the resulting dialogues are presented below.

- ① We asked a food manufacturer to present a concrete long-term vision, including capital policies. Despite its ample internal reserves, the company was less willing than its peers to return profits to shareholders and did not invest enough in long-term growth. We therefore thought it needed to provide a clear explanation of how it planned to use the funds. The company is currently drawing up a new medium-term management plan to be launched next year, and while it is not yet able to provide a clear strategy, it has responded that it would like to incorporate the opinions of investors as much as possible.
- ② We held a dialogue with an automotive-related service company about effective ways to disclose ESG-related data. During the meeting, the company said that it would be difficult to compile and disclose direct figures such as reductions in CO₂ emissions and car accidents through its core business. We asked them to proactively disclose numerical data that could be aggregated, such as the scale (number and amount) of the use of services linked to reductions in CO₂ and accidents. That would enable investors to estimate the extent to which the company contributed to solving the environmental and social problems of their business, even if definitive figures could not be released. Our proposal was agreed by the company.
- ③ We held a dialogue with an education-related company to discuss succession planning for its founding president. The company's president will retire at age 70 and become the chairman. When this happens, the company wants to transition to a system that clearly separates the management and day-to-day business (education) roles, with the chairman (CEO) in charge of management and the president (COO) in charge of the day-to-day business (education). In addition, the company's personnel capable of leading in the education role has been steadily growing. We communicated our belief that they needed to train not only education staff, but also successor personnel capable of leading in the management role, and they agreed with this.

《Status of Exercising Voting Rights》

T&D Asset Management deliberates and decides upon matters relating to stewardship activities, including the exercise of voting rights at the Stewardship Activity Committee. The committee is chaired by the Chief Investment Officer, and its membership consists of members in charge of the Investment Management Department and the Legal & Compliance Department, as well as external members. As for the exercise of voting rights, a representative draws up proposals based on the Guidelines for Exercising Voting Rights, and the chairman makes a determination after taking into account input from the Stewardship Activity Committee. Reform or abolition of the guidelines for exercising voting rights is discussed at the Stewardship Committee and reviewed as necessary. Under these procedures, T&D Asset Management voted against 695 proposals submitted by the companies (8.9% of the total) between July 2019 and June 2020. In addition, examples of the status of exercising voting rights are provided below.

- ① In proposals for the selection of directors, it opposed the re-appointment of a representative director if it determined that the stock value was continuously harmed from the perspective of performance or capital efficiency, and future improvement could not be expected.
- ② In proposals for selection of outside directors or outside audit & supervisory board members, it opposed candidates for whom it determined that independence could not be ensured. As a specific example, it opposed candidates from major shareholders and major business partners.
- ③ It generally opposed proposals relating to the continuation or introduction of anti-takeover measures.

VII Social Activities

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1. Basic Concept

1-1 Basic Concept

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. In addition, the Group supports the volunteer activities of its employees and gets involved in social programs by partnering with the foundations. 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, medical care and welfare” and “developing a sound society.”

2. Improving Health and Welfare (Health, Medical Care, Welfare, etc.)

2-1 Blood Donation Drives

The T&D Insurance Group cooperates with the Japanese Red Cross Tokyo Metropolitan Blood Center to sponsor blood donation drives. We hold biannual blood donation drives in the summer and the winter at our head office building, and executives and employees are encouraged to donate blood. In fiscal 2019, a total of 380 people in the Group donated blood during the drive.



2-2 Friends of Taiyo Life Goodwill Circles

The Friends of Taiyo Life Goodwill Circles (“Friends”), which was established in December 2005 and is composed of executives and employees from Taiyo Life and its affiliates, has 8,003 members as of March 31, 2020. In order to support social contribution activities on a monthly basis, the members contribute any fractions less than one hundred yen from their take-home salary. At present, the Friends mainly provides supports for local community-based social contribution activities driven by branches nationwide and head office departments, environmental conservation activities in cooperation with NPOs and the like, and educational support. Details of the activities are posted in Taiyo Life’s in-house journal, through which the company is calling for broader participation by executives and employees in the activities.

《Major Activities in FY2019》

- Support for the Japan Down Syndrome Society
- Environmental conservation activities in *Taiyo Seimei no Mori* (the Forests of Taiyo Life)
- Collected and donated plastic bottle caps, used postage stamps, and other items

2-3 Daido Life Employees’ Community Contribution Club

The Daido Life Employees’ Community Contribution Club, which was established in 1992 as an independent organization for corporate citizenship activities and is composed of Daido Life’s executives and employees, works to promote and support fundraising activities and volunteer activities. In addition, since 1994, the club has been implementing the One-day Outing Volunteer Activity for the Physically Disabled. Under this program, employees take volunteer work leave to help people with physical disabilities, who are rarely able to go outside in everyday life, so that they can take part in an outing. The program offers participants opportunities to deepen their understanding of disabilities by directly interacting with disabled people while talking and dining together, assisting wheelchair users, providing walking assistance and so forth.

《Major Activities in FY2019》

- Fundraising and donations: Proceeds from donations from executives and employees and revenues from the charity calendar exhibitions were used as funds to make contributions to organizations that support social charitable activities and facilities for the disabled affected by natural disasters such as the Reiwa 1 East Japan Typhoon.
- Volunteering: We provided operational and other support for the One-day Outing Volunteer Activity for the Physically Disabled and for a music concert by persons with disabilities.
- Collection of used postage stamps and other items: The items collected from headquarters divisions, branches nationwide, and affiliates benefit international medical cooperation through donations to organizations that support social contribution activities. We are also making donations to UNICEF through the collection of plastic bottle caps.



2-4 Supporting the Japan Down Syndrome Society Taiyo Life

Taiyo Life and members of Taiyo Life Goodwill Circles ("Friends") support the Japan Down Syndrome Society.

《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 and for meetings of its Board of Trustees and Board of Directors
- Participation of the corporate officers and employees of branches and head office departments as volunteers at association activities



2-5 The Daido Life Welfare Foundation

《Purpose of Establishment》

Daido Life established the foundation in 1974. The foundation aims to contribute to public health and welfare by providing grants to programs designed to address health problems arising from the deterioration of environmental living conditions, together with various issues associated with the sharp increase in the number of elderly people.

《Main Activities》

● Subsidies for Regional Health and Welfare Research and Volunteering

- Subsidy for regional health and welfare research: We subsidize research relating to community health, medical care, and welfare by public health and welfare professionals closely tied to local regions.
- Subsidy volunteer activities for seniors: We subsidize "volunteer activities for exchange that promote the welfare of seniors and persons with disabilities, and the sound psychological development of children" conducted by a group of volunteers aged 60 and older.
- Subsidy for volunteer activities by business people: We subsidize "volunteer activities for exchange that promote the welfare of seniors and persons with disabilities, and the sound psychological development of children." These activities are conducted by business people, who normally work in corporate or other settings, on their days off.



《Cumulative Grants from Establishment to FY2019》4,108 grants; 1,663.57 million yen

● Publication of the "Environment and Health" Series Brochures

Published the "Environment and Health" series brochures, which contain articles written by experts in a compact and reader-friendly style on various issues of particularly high public interest in areas of the environment, health and welfare. Since its launch in 1975, 74 brochures have been published. To ensure that these brochures are accessible to many people publications in recent years were digitized and made public on the foundation's website.

● Home Care/Nursing Consultation and Workshop

A video mostly depicting scenes from the home care/nursing consultation and workshop is available as a DVD and can be borrowed free of charge.

2-6 The Taiyo Life Welfare Foundation

《Purpose of Establishment》

Established in 1984 to commemorate the 90th anniversary of the founding of Taiyo Life. This foundation works to improve social welfare in Japan by sponsoring the projects to enhance welfare of the elderly and the disabled.

* In December 2009, when the foundation was authorized as a public interest corporation, the name of the foundation was changed from Taiyo Life Himawari Foundation to the Taiyo Life Welfare Foundation.

《Main Activities》

- Project grants: Grants to the projects by volunteer groups working to contribute to the welfare of the elderly, the disabled living at home, and those with dementia.
- Research grants: Grants for study and research regarding healthcare and medical care for the elderly and lifestyle diseases and welfare of the elderly.

《Cumulative Grants from Establishment to FY2019》2,184 grants; 1,276.79 million yen

● Main Activities in FY2019

In fiscal 2019, aiming to fulfill its key founding objective of contributing to improved social welfare, the foundation continued offering grants to projects undertaken by volunteer groups working resolutely to enhance the welfare of local communities. The foundation also awards research grants to study and research programs seeking to improve the welfare of the elderly and so on. In fiscal 2019, a total of 77 grants (worth 22.75 million yen) were offered to 71 volunteer/NPO projects (19.95 million yen) and 6 study/research projects (2.80 million yen).

3. Developing a Sound Society (Education, Sports, Local Community Contribution, etc.)

3-1 Nationwide Clean Campaign Taiyo Life

Taiyo Life is active in cleanup efforts nationwide, an activity that contributes to the local community. We have cleaned up the areas around our headquarters each year since 1982. Since 2004, we have conducted cleanups around our branches nationwide as part of the “Nationwide Clean Campaign,” from as far north as Hokkaido to as far south as Okinawa. In fiscal 2019, a total of 6,779 people (including employees’ family members) participated nationwide. Employees are united in their commitment to contribute to society, conducting the cleanups as a way to thank our local communities for their long-standing support.



3-2 Sponsorship of the Japan Junior High School Rugby Football Tournament Taiyo Life

Since fiscal 2011, Taiyo Life has been a special sponsor of the Japan Junior High School Rugby Football Tournament (Taiyo Life Cup) hosted by the Japan Rugby Football Union (JRFU). Taiyo Life chose this sponsorship in sympathy with the basic spirit of Rugby, “all for one, one for all” which is common to the basic principle of life insurance. At the same time, Taiyo Life agrees with the objective of the tournament, which can be summarized as “helping young rugby players and other youth to develop the quality and skills necessary for shaping a sound society.” Accordingly, we are extending our support for the sound development of young people through promoting junior high school rugby in cooperation with the JRFU.



3-3 Supporting Sports for People with Disabilities Daido Life

The first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in 1992, when Daido Life celebrated its 90th anniversary. Since then, Daido Life has been a special sponsor of the National Sports Festival for People with Disabilities every year. It is the largest sports event for people with disabilities in Japan, aiming at helping the disabled experience the joy of playing sports, raising public awareness about their lives, and promoting greater social participation. Every year, Daido Life sets up a company booth in the Fureai Hiroba (Get-Together Plaza), a venue for interacting with participating athletes. The executives and employees of Daido Life, Taiyo Life, and other affiliated organizations work as volunteers to support this event.

We have been official partners of the Japanese Para-Sports Association since January 2015 and of the Japan Para Archery Federation since January 2018. As a partner, we have worked to develop sports for persons with disabilities and to spread awareness.

* The National Sports Games for the Mentally Handicapped merged with the National Sports Games for the Physically Disabled in 2001, and has been held as the National Sports Festival for People with Disabilities since then.



3-4 Official Partner Agreement Concluded with Japan Deaf Football Association (JDFA) T&D Financial Life Insurance

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 will contribute to the development and spread of deaf soccer and futsal, by supporting the activities of the Japan national deaf soccer and futsal teams, and promoting sports for persons with disabilities.



3-5 Special Sponsorship of the Shiki Theatre Company's Kokoro no Gekijo Daido Life

Since fiscal 2018, the company has served as a special sponsor of Kokoro no Gekijo in order to deliver excitement to children, who will lead the future of Japan. Kokoro no Gekijo is a social contribution project organized by the Shiki Theatre Company and the BUTAIGEIJUTSU CENTER (sponsored by the Agency for Cultural Affairs). This project aims to realize a spiritually enriched society through theatrical performance, by conveying to children the most important things in life, such as the importance of life, a sense of caring for others, and the joy of believing in each other.

In fiscal 2019, volunteers from Daido Life helped to stage 17 performances of Kokoro no Gekijo across Japan.



Photo by Akihito Abe

3-6 The GDH Together Movement Daido Life

Starting in fiscal 2017, Daido Life has implemented the GDH Together Movement on a company-wide basis as part of its regional and social contribution activities.

For this movement, each division at the head office and branches throughout Japan expresses its creativity through various activities that contribute to the SDGs, such as community-based cleaning activities, support for persons with disabilities, and donations to developing countries.

* GDH (Gross Daido Happiness) indicates the satisfaction levels of all stakeholders related to Daido Life.



3-7 Endowed Open Courses at Universities Daido Life

Daido Life began annually endowing open courses at universities in fiscal 2002 as part of the company's centenary celebrations. These courses offer a lineup of topics that include a mixture of theory and practice, and provide managers of small- to medium-sized businesses (SMEs) with opportunities for acquiring knowledge and skills relevant to management and business. The courses have been very well received by those who have attended them, with over 15,000 people participating over the past 18 years. In fiscal 2019, courses were held at six universities: Fukushima University, Japan Women's University, Meiji University, Kwansei Gakuin University, Kansai University, and Fukuoka University. In addition, in order to make such opportunities accessible to an even greater number of people, the company also held courses at the *Hito wo Taisetsu ni Suru* (Taking good care of people) Institute of Business Administration.



3-8 The Daido Life Foundation

《Purpose of Establishment》

The Daido Life Foundation was established in 1985 in celebration of the company's 80th anniversary. The objective of the foundation is to promote international mutual understanding through cultural exchanges with or grants to other countries, thereby contributing to the internationalization of Japan.

《Main Activities》

● Presentation of Daido Life Foundation Awards for Area Studies

To encourage area studies globally, the foundation gives Daido Life Foundation Awards for Area Studies and Daido Life Foundation Encouragement Awards for Area Studies to researchers who have achieved superior results in area studies. Daido Life Foundation Area Studies Special Awards are presented to individuals who have made a distinguished contribution to deepening international mutual understanding.

● Translation and Publication Activities

The foundation aims to help Japanese people deepen their understanding of the history, cultures and customs of other Asian countries and facilitate friendship between them. The foundation undertakes translation of literature published in the region; 74 contemporary Asian works including novels, poems, and essays from 13 countries have been translated into Japanese and donated to universities and public libraries across Japan. With a view to increasing readers of and interest in these works, the foundation has digitized these publications since fiscal 2012 and has made them available for free in an electronic format on their website. On the other side, Japanese literature and biographies of Japanese figures are translated into various Asian languages in a bid to help people in the region to develop a better understanding of Japan and its culture. A total of 45 Japanese works have been translated into local languages for publication in 8 countries and donated to local universities and libraries.



● Educational Support Activities

The foundation offers support to improve educational environments in Southeast Asian countries by sponsoring school construction projects (20 schools constructed in 5 countries) and donating books and school supplies in the hope to raise awareness of the importance of school-based education in local communities. In commendation of its efforts and contributions to education over the years, the foundation was conferred a Third Order of Labor Merit by the government of Laos in February 2013.

3-9 Hosting Internship Program Daido Life

Daido Life provides college students with internship opportunities in order for them to understand the life insurance business, both for general business operations and specialized operations such as actuary, asset management, and the payment of insurance claims. Internship opportunities are provided at both the head office (Tokyo/Osaka) and branches (Sendai/Nagoya/Hiroshima/Fukuoka) of the company. The students can practice working experience in the workplace related to their university major and career interest, and utilize the experience to design a specific career plan and consider their aptitude. Through the program, they will be motivated to work and deepen their understanding of the required knowledge and skills and a typical workplace environment.



3-10 Support for Areas Affected by Disasters

When a major disaster occurs, the T&D Insurance Group and its Group companies provide support that includes making contributions to disaster relief funds and cooperating with recovery work.

Shortly after the Great East Japan Earthquake, the Group promptly dispatched its executives and employees to the affected areas. There, they participated in volunteer activities such as removing rubble, bringing in relief goods, and rebuilding individual homes and temples/shrines.

In subsequent years, the Group has been continuing to provide a broad range of support, including making donations. We also donated contributions for the relief of victims of the Reiwa 1 East Japan Typhoon that struck in October 2019.

3-11 Daido Life Survey Daido Life

Since October 2015, Daido Life has been conducting the Daido Life Survey, a monthly survey that collects the opinions of the managers of SMEs on such matters as business confidence and management issues, in order to help them by providing corporate management tips. Daido Life sales representatives have visited about 10,000 SMEs across the country to hear the unfiltered opinions of their business owners. The results of the survey are compiled into a report that is sent to customers across Japan and also made available to the general public. This nationwide survey reflects the realities of SMEs and helps their owners resolve the management challenges they face.



Daido Life website
[Daido Life Survey]



VIII Governance and Internal Control

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1. Corporate Governance

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1-1 Basic Concept of Corporate Governance

The basic concept of corporate governance at the T&D Insurance Group is to pursue an efficient and transparent business management structure capable of implementing flexible and united Group management. Based on this concept, T&D Holdings determines the Group's business strategies, adequately allocates management resources and sets capital policies. In addition, T&D Holdings properly identifies the business risks of its six direct subsidiaries centered on the three life insurance companies, together with T&D United Capital, T&D Asset Management, and Pet & Family Insurance, to create a system for supervising Group management by thoroughly managing revenues and risks for the entire Group. Meanwhile, the subsidiaries, which have their own business strategies, develop marketing strategies leveraging their strengths and conduct business operations autonomously, thereby increasing the Group's corporate value. In this way, the Group is committed to management that clarifies the respective roles and responsibilities of T&D Holdings and its direct subsidiaries.

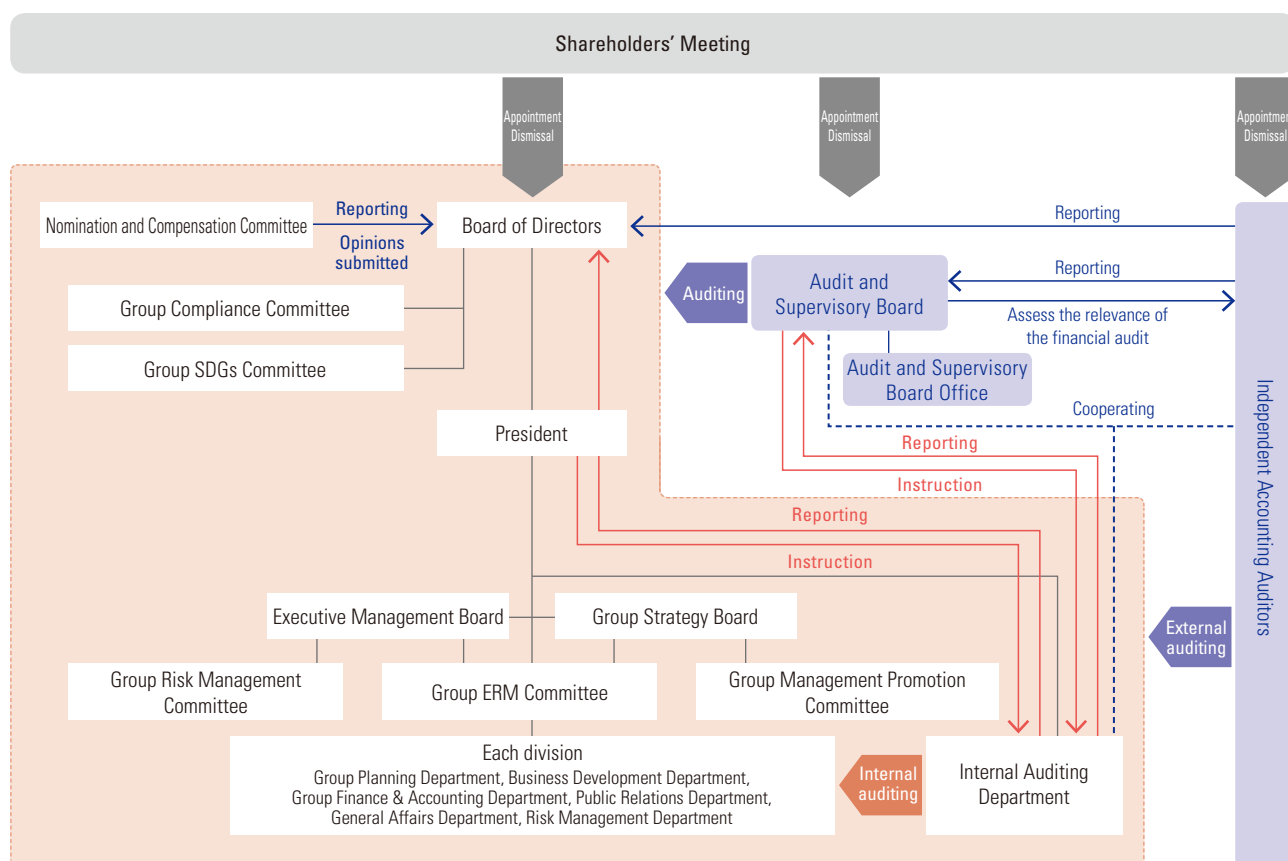
For details about corporate governance, please refer to the Report Regarding Corporate Governance that T&D Holdings submitted to the Tokyo Stock Exchange. (Japanese)

WEB <https://www.td-holdings.co.jp/en/company/governance/>

1-2 Outline of Corporate Governance Framework

T&D Holdings shall make decisions on important business matters and oversee the execution of business through its Board of Directors. The Company has adopted a "company with an Audit and Supervisory Board" system, and the Company shall audit the performance of directors' duties through its Audit and Supervisory Board, which is independent of the Board of Directors. In addition, a system of executive officers has been instituted to further strengthen business execution, and by clarifying oversight and execution responsibilities, the governance function of the Board of Directors is reinforced. Furthermore, the Company has established a Nomination and Compensation Committee as an advisory body to the Board of Directors. The Committee discusses the fairness and validity of officer appointments, dismissals, and compensation, among other related issues, ensures the transparency of management, and enhances accountability.

● Corporate Governance Framework (June 2020)



1-3 Corporate Governance Framework

● Shareholders' Meeting

The Shareholders' Meeting is the highest decision-making entity of T&D Holdings. At the meeting, reports are made on the Group's business and consolidated/non-consolidated financial statements for the fiscal year. Resolutions are made on important issues, which are stipulated in laws and ordinances and the Articles of Incorporation, such as the appropriation of retained earnings and election of officers. The Ordinary Shareholders' Meeting is held in June once in every year.

● Board of Directors

Roles and Responsibilities

The Board of Directors of T&D Holdings shall make decisions on important business matters and oversee the execution of business in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules.

In accordance with the transition to a company with an Audit and Supervisory Board, the Board of Directors has delegated some important business execution decisions to directors by resolution of the Board of Directors based on provisions of the Articles of Incorporation. With this action, we have separated the management oversight function from the business execution function in order to further strengthen the Board of Directors' management function (determining management policy and overall strategy) and oversight function, as well as to improve the flexibility and efficiency of business execution. The Board of Directors met 24 times in fiscal 2019.

Composition

As stipulated by the Articles of Incorporation, the number of directors (excluding those who are Audit and Supervisory Board members) shall be no more than nine, and the number of directors who are Audit and Supervisory Board members shall be no more than five. The Board of Directors shall be made up of individuals representing a balance of knowledge, experience, and skills. They shall have diverse backgrounds as befitting the expansive range of business domains in the life insurance business, which is the core business of the T&D Insurance Group.

The Company shall appoint two or more directors (excluding those who are Audit and Supervisory Board members) who concurrently serve at the Company and its directly owned subsidiaries, including the presidents of the three life insurance companies. This shall be done from the standpoint of facilitating adequate communication and prompt decision-making within the Group, along with bolstering Group-wide governance.

Furthermore, the Company shall appoint five outside directors with extensive experience and knowledge in their capacity as outside corporate managers, legal experts, accounting professionals, and so forth. The opinions of outside directors are properly reflected in the Group's management policies and development of internal controls and other systems, as well as in the oversight of business execution. Outside directors shall be designated as independent officers who have no conflicts of interest with general shareholders and who fulfill the standards of independence set by the Company and the Tokyo Stock Exchange.

| | |
|---|---|
| Chairperson of the Board of Directors | President |
| Directors | 14 |
| Men | 13 |
| Women | 1 |
| Outside directors | 5 (including one woman) |
| Activities of outside directors (Fiscal 2019) | For its outside directors, the Company appoints attorneys who are familiar with corporate legal affairs, corporate managers with experience, such as partners in foreign-owned consulting firms, and individuals with experience in corporate management, such as through service as a representative of a financial holding company. These directors express their opinions as necessary at the Board of Directors meetings, while drawing on their expertise and wealth of knowledge and experience. Additionally, as the chair or members of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors, they deliberate on matters including the selection/dismissal and compensation of directors and Audit & Supervisory Board members of the Company and its directly owned subsidiaries, and report the results of such deliberations to the Board of Directors, while expressing their opinions as necessary. Activities also include regular exchanges of views with representative directors, the independent accounting auditor, the heads of the divisions under their supervision, officers of major subsidiaries, and outside officers of major subsidiaries, as well as visits to business offices of major subsidiaries. |

Effectiveness Evaluation

The Company conducts overall evaluation of the Board of Directors once a year, based on the self-evaluations of directors. In order to secure the Board's effectiveness, the Company evaluates if the Board is functioning properly to achieve results and how the Board is contributing to the improvement of corporate value in the medium- to long-term.

《Summary of Evaluation of Effectiveness of Board of Directors as a Whole in Fiscal 2019》

| | |
|---|---|
| 1. Scope | The Company conducted an analysis and evaluation of the Board of Directors based on self-evaluations (questionnaires), interviews of members of the Board of Directors and Audit & Supervisory Board members and other means. These efforts related to the effectiveness of the Board of Directors as a whole (including the non-statutory Nomination and Compensation Committee) in fiscal 2019. |
| 2. Areas Evaluated (5) | ① Functioning ② Composition ③ Operation ④ Provision of information to outside directors and audit & supervisory board members ⑤ Overall evaluation |
| 3. Overall Evaluation | We have determined that the Company's Board of Directors has generally fulfilled its roles and duties effectively overall. This was achieved by such means as enhancing initiatives prior to Board discussions and improving its operation. |
| 4. Status of Improvement of Issues from Previous Evaluation | The issues recognized in the fiscal 2018 evaluation were generally improved. These included issues related to strengthening the monitoring function of the Group's management to reinforce governance, explaining the content of deliberations by the Nomination and Compensation Committee, and improving meeting materials and explanations to deepen and stimulate deliberations by the Board of Directors. |
| 5. Issues from Current Evaluation and Future Initiatives | We continue to recognize the need for a framework to improve the Board's effectiveness. From the perspective of integrated Group management, for example, we will work to further enhance deliberations about the Group's management strategy and other issues, further examine the Nomination and Compensation Committee's deliberations on agenda items, and create concise and easy-to-understand meeting materials and explanations. Based on the evaluation of the Board's effectiveness and other information, and in light of our transition to a company with an Audit and Supervisory Board, we will work to further improve the Board's oversight function and decision-making processes. |

● Activities of the Audit & Supervisory Board

In fiscal 2019, Audit & Supervisory Board members monitored the performance of directors' duties, including by attending important meetings, such as those of the Board of Directors, Executive Committee, Group Management Committee, Group Compliance Committee, Group Risk Management Committee, and Group SDGs Committee. Outside Audit & Supervisory Board members were appointed as independent auditors who meet the criteria for independence set by the Company and the Tokyo Stock Exchange and do not present any risk of conflict of interest with general shareholders. The Audit & Supervisory Board met 19 times in fiscal 2019. At those meetings, it received reports from individual members on important audit issues and discussed or made decisions on such issues.

| | |
|---|---|
| Audit & Supervisory Board members | 4 |
| Men | 4 |
| Women | 0 |
| Outside Audit & Supervisory Board members | 2 |
| Activities of Outside Audit & Supervisory Board members (Fiscal 2019) | Made necessary statements as appropriate at meetings of Board of Directors and Audit & Supervisory Board, based on expertise as attorney. Activities also included regular exchanges of views with the representative directors, the independent accounting auditor, the heads of the divisions under their supervision, officers of major subsidiaries, and outside officers of major subsidiaries, as well as visits to business offices of major subsidiaries. |

In accordance with resolution to amend the Articles of Incorporation at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020, the Company transitioned to a company with an Audit and Supervisory Board, effective the same day. There are five directors who are members of the Audit and Supervisory Board, three of whom are outside directors.

● Selection of Directors

Process

Candidates for directors are reviewed by the Nomination and Compensation Committee and appointed by the Board of Directors. Candidates for directors who are Audit and Supervisory Board members are subject to approval by the Audit and Supervisory Board.

Criteria

Directors are primarily required to have sufficient knowledge and experience to oversee the management of T&D Holdings in a proper, fair, and efficient manner, and to have earned the trust of society. In addition to the requirements set forth above, outside directors must satisfy the independence criteria established by the Company and the Tokyo Stock Exchange and must be recognized as being free from the risk of any conflicts with the common interests of shareholders.

● Executive Compensation

1. Our Executive Compensation System (Fiscal 2019)

(1) Policies Concerning the Determination of Compensation for Directors and Audit & Supervisory Board Members

The Company's policy on the compensation for directors and Audit & Supervisory Board members is set forth in its Basic Policy on Corporate Governance (as of March 31, 2020) as show below:

- ① The executive compensation system and compensation amounts shall be designed so that they function as a sound incentive aimed at improving the Group's performance and increasing corporate value in the medium and long term. Compensation for directors (excluding outside directors and other part-time directors) shall consist of monthly compensation and bonuses that vary according to individual role and performance, as well as trust-type stock compensation (not applicable to non-residents in Japan), in which the Company's shares are distributed under a trust structure.

- ② To ensure that director compensation functions as a sound incentive, appropriate payment ratios shall be set for each type of compensation.
- ③ Compensation amounts shall be set according to the duties and responsibilities of each position, and a mechanism shall be in place under which monthly compensation and bonuses are linked to business performance and other factors and fluctuate accordingly.
- ④ Compensation for outside directors and other part-time directors, as well as Audit & Supervisory Board members, shall consist of monthly (fixed) compensation.
- ⑤ Monthly compensation and bonuses for each director shall be determined following deliberation by the Nomination and Compensation Committee based on individual performance assessments of the Company and the division of which the director is in charge, in accordance with evaluation criteria determined by the Board of Directors, and within limits set by the resolution of the Ordinary General Meeting of Shareholders.
- ⑥ Trust-type stock compensation shall provide directors (excluding outside directors and other part-time directors, as well as non-residents in Japan) with shares and monetary payments based on points awarded in accordance with their positions, within limits set by the resolution of the Ordinary General Meeting of Shareholders.
- ⑦ Monthly compensation for each Audit & Supervisory Board member shall be determined following discussion among Audit & Supervisory Board members within limits set by the resolution of the Ordinary General Meeting of Shareholders.

(2) Composition of Compensation

The Company has designed its compensation system and compensation amounts so that they function as a sound incentive aimed at improving the Group's performance and increasing corporate value in the medium and long term. Compensation for directors (excluding outside directors and other part-time directors) consists of monthly compensation and bonuses that vary according to individual roles and performances, as well as trust-type stock compensation (excludes non-residents in Japan) aimed at encouraging directors to share a sense of reward with shareholders.

The Company regards performance-linked compensation as not suitable for outside directors and other part-time directors, who are independent from operational functions, as well as Audit & Supervisory Board members. Therefore, they receive monthly (fixed) compensation amounts.

| Compensation Types | Compensation Details |
|-------------------------------|--|
| Monthly compensation | Monthly compensation and bonus amounts are determined in accordance with individual evaluations for each officer based on the compensation table determined by the Board of Directors. |
| Bonus | |
| Trust-type stock compensation | Trust-type stock compensation grants points to directors (excluding outside directors and other part-time directors and non-residents in Japan) according to their position based on the compensation table determined by the Board of Directors. When officers retire, they receive shares and monetary payments according to the points they have accumulated. The system has malus and clawback provisions*. |

* Malus and clawback provisions

The trust-type stock compensation plan stipulates that if a plan grantee engages in misconduct (fails to perform duties, violates laws and regulations, leaks confidential information, and so forth) as determined by the Company prior to the date of determination of beneficial ownership, the plan grantee shall not receive the Company's shares or the proceeds of the sale of such shares. If the plan grantee engages in misconduct after the date of determination of beneficial ownership, moreover, the plan stipulates that the Company can seek a reimbursement amount, obtained by multiplying the calculated number of basic shares by the calculated stock price.

(3) Individual Evaluations for Officers

Individual evaluations of officers are performed in accordance with the evaluation criteria determined by the Board of Directors, based on evaluations of corporate performance and of the division in charge.

| | |
|--|--|
| Corporate performance evaluation (See (4) for key performance indicators) | <ul style="list-style-type: none"> Corporate performance evaluations are based on multiple key performance indicators established under the Group's medium-term management plan, as well as total shareholder return, in order to clearly assess the degree of achievement toward corporate performance. Key performance indicators are calculated by multiplying coefficients according to their achievement rates in each item. Total shareholder return is calculated based on actual results and the degree of deviation from a benchmark of listed life insurance companies. |
| Evaluation of division in charge | <ul style="list-style-type: none"> The status of execution against each division's execution plan is evaluated and the degree of achievement of divisional targets is considered to arrive at a score for each division. |

Scores for corporate performance evaluations and relevant division performance evaluations are weighted averages based on the evaluation allocations established for each position and responsibility. The distribution of evaluation points for representative directors and others is based on 100% of the corporate performance evaluation.

Evaluations of individual officers as calculated above are deliberated by the Nomination and Compensation Committee, then decisions are made by the president after consultation with the other representative director.

(4) Key Performance Indicators for Corporate Performance Evaluations (Performance-Linked Indicators)

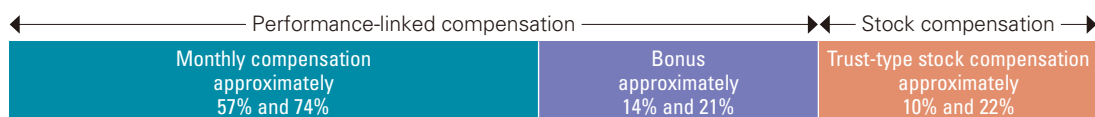
Key performance indicators for evaluating the corporate performance are shown below.

| | Target | Actual | Achievement ratio |
|-----------------------------------|----------------------|----------------|-------------------|
| Value of new business | ¥135.0 billion range | ¥115.8 billion | 85.8% |
| Consolidated adjusted net income* | ¥64.0 billion range | ¥67.1 billion | 104.8% |

* Adjusted net income is calculated by adding net income and additional internal reserves in excess of the legal standard requirements related to reserves for contingency and price fluctuations (after taxes).

(5) Payment Ratio of Compensation by Type

With regard to the composition of compensation for the Company's directors, the ratio between performance-linked compensation (monthly compensation and bonuses) and trust-type stock compensation has been set to ensure that it functions as a sound incentive for improving medium-to-long-term performance and increasing 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%. Monthly compensation shall be a variable amount within the range between approximately 95% and 105% of the standard evaluation, in accordance with the individual evaluations of each officer. Bonuses shall be a variable amount within the range between approximately 60% and 140% of the standard evaluation, in accordance with individual evaluations of each officer.



(6) Disclosure of Total Amount of Compensation by Officer Category and Type of Compensation

| Category | Monthly compensation | | Reserve for bonus | | Trust-type stock compensation (the Board Incentive Plan Trust) | | Total amount of compensation | |
|---|------------------------|----------------------|------------------------|----------------------|--|----------------------|------------------------------|----------------------|
| | Number of persons paid | Amount (million yen) | Number of persons paid | Amount (million yen) | Number of persons paid | Amount (million yen) | Number of persons paid | Amount (million yen) |
| Directors (excluding outside directors) | 11 | 190 | 6 | 62 | 6 | 62 | 11 | 315 |
| Audit & Supervisory Board members (excluding outside members) | 2 | 54 | 0 | — | 0 | — | 2 | 54 |
| Outside directors | 3 | 28 | 0 | — | 0 | — | 3 | 28 |
| Outside Audit & Supervisory Board members | 2 | 19 | 0 | — | 0 | — | 2 | 19 |
| Total | 18 | 292 | 6 | 62 | 6 | 62 | 18 | 418 |

* The number of persons paid and the amount of compensation above include those for two directors who retired as of the conclusion of the 15th Shareholders' Meeting held on June 26, 2019. As of March 31, 2020, the Company had 12 directors and four Audit & Supervisory Board members.

* Since no officers received total consolidated compensation of ¥100 million or more, compensation amounts for individual officers are not disclosed.

2. Process for Determining Compensation (Fiscal 2019)

(1) Establishment of Nomination and Compensation Committee

In January 2015, the Company established the non-statutory Nomination and Compensation Committee as an advisory body to the Board of Directors. The Committee deliberates on the fairness and validity of officer appointments, dismissals, and compensation, with a view to ensuring management transparency and clarified accountability. The Nomination and Compensation Committee consists of the president (representative director) and outside directors. The majority of the Committee's members is selected from outside directors in order to ensure independence and neutrality. An outside-director member of the Committee is selected as the committee chair by mutual vote.

(2) Involvement of Nomination and Compensation Committee and Board of Directors

The Nomination and Compensation Committee deliberates items regarding important decisions or changes relating to executive treatment at the Company or directly owned subsidiaries and, together with reporting the results of its deliberations to the Board of Directors, offers its opinions as required. Decisions on monthly compensation and bonus amounts for individual officers are based on evaluations of corporate performance and of the division in charge, and are based on the compensation table determined by the Board of Directors after deliberation by the Nomination and Compensation Committee.

In fiscal 2019, the Nomination and Compensation Committee discussed "Results of fiscal 2018 evaluations of directors and executive officers" (which is the basis for determining compensation for each officer), "Results of fiscal 2018 evaluations of representative directors of directly owned subsidiaries" (related to compensation for officers of directly owned subsidiaries), "Compensation for directors and officers of a subsidiary scheduled to be established*," and other items. In addition, the Board of Directors has decided on "Results of the corporate performance evaluation for fiscal 2018" and "Guidelines for implementing the corporate performance evaluations system for fiscal 2019," and other items.

* T&D United Capital Co., Ltd. (established June 2019)

(3) Resolutions of the Ordinary General Meeting of Shareholders

At the 13th Ordinary General Meeting of Shareholders held on June 28, 2017, it was resolved that total annual compensation for directors shall be ¥500 million, of which annual bonus amounts for directors shall be determined by the Board of Directors. In addition to this total compensation, at the 14th Ordinary General Meeting of Shareholders held on June 27, 2018, it was resolved that the amount of trust money to be contributed to the trust for trust-type stock compensation shall be ¥500 million (over three fiscal years) or less.

At the 8th Ordinary General Meeting of Shareholders held on June 27, 2012, it was resolved that total annual compensation for Audit & Supervisory Board members shall be ¥130 million, with specific amounts decided through deliberation by Audit & Supervisory Board members.

3. Executive Compensation after Transition to a Company with an Audit and Supervisory Board

At the 16th Ordinary General Meeting of Shareholders held on June 25, 2020, a resolution was passed to amend the Company's Articles of Incorporation and transition to a company with an Audit and Supervisory Board. Compensation amounts for directors after the transition are described below.

(1) Compensation for Directors Who Are Not Audit and Supervisory Board Members

Compensation for directors who are not Audit and Supervisory Board members (excluding outside directors and other part-time directors) is the same as that described earlier in "(2) Composition of Compensation" through "(5) Payment Ratio of Compensation by Type" of "1. Our Executive Compensation System (Fiscal 2019)." At the 16th Ordinary General Meeting of Shareholders held on June 25, 2020, it was resolved that total annual compensation for directors who are not Audit and Supervisory Board members shall be ¥450 million or less (including ¥40 million or less for outside directors), in consideration of such directors' duties and other circumstances, including recent economic conditions.

Compensation for outside directors (including part-time directors) who are not Audit and Supervisory Board members and are independent from the execution of business is fixed at monthly amounts, because it is not appropriate for their compensation to be linked to the Company's performance.

(2) Compensation for Directors Who Are Audit and Supervisory Board Members

At the 16th Ordinary General Meeting of Shareholders held on June 25, 2020, it was resolved that total annual compensation for directors who are Audit and Supervisory Board members shall be ¥150 million or less, in consideration of such directors' duties and other circumstances, including recent economic conditions.

Compensation for directors who are Audit and Supervisory Board members and are independent from the execution of business is fixed at monthly amounts, because it is not appropriate for their compensation to be linked to the Company's performance.

● Executive Management Board and Group Strategy Board

Please refer to "Executive Management Board and Group Strategy Board" under "8. Management Approach" on page 24.

● Executive Officer System

T&D Holdings 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 shall strengthen the governance function of the Board of Directors.

1-4 Participation in Management by Outside Experts

The Group's three life insurance companies work toward ensuring adequate and transparent business management through the participation of outside experts in some internal committees dealing with key management issues.

● Service Quality Improvement Committee (Taiyo Life)

<Outside members> Physicians, attorneys, person with relevant knowledge and experience, and experts on consumer issues
<Main topics of deliberation> Status of building framework for management of payments of insurance and other benefits, adequacy of examinations of payments of insurance and other benefits, ease of understanding insurance claim procedures, adequacy of insurance and other benefit-payment processes, status of customer feedback, and initiatives to improve operations utilizing customer feedback

● Customer Feedback Council (Daido Life)

<Outside members> Physicians, attorneys, and experts on consumer issues
<Main topics of deliberation> Validation of adequacy and effectiveness of initiatives and operations to improve customer service. Further utilization of product and service development from the customer's perspective

● Stewardship Committee (Daido Life)

<Outside members> Attorneys and experts in stewardship activities
<Main topics of deliberation> Enhancement of governance of voting process (e.g. prevention of conflicts of interest) and further enhancement of stewardship activities as a whole

● Advisory Council for Insurance Payment (Daido Life)

<Outside members> Attorneys and experts on consumer issues
<Main topics of deliberation> Adequacy of insurance and other benefit-payment processes, adequacy of examinations of payments, status of customer feedback, and initiatives improve operations

● Service Supervision Committee (T&D Financial Life)

<Outside members> Attorneys, experts on consumer issues, and members of the media
<Main topics of deliberation> Initiatives aimed at ensuring an adequate framework relating to payment of insurance and other benefits, protecting legitimate interests of policyholders and others, and improving customer satisfaction

● Payment Assessment Committee (T&D Financial Life)

<Outside members> Attorneys
<Main topics of deliberation> Fair and accurate payment assessment for decision-making on payment of insurance claims, etc.

1-5 Committees

● Nomination and Compensation Committee

In January 2015, the Company established the non-statutory Nomination and Compensation Committee as an advisory body to the Board of Directors. The Committee deliberates on the fairness and validity of officer appointments, dismissals, and compensation, with a view to ensuring management transparency and clarified accountability. The Nomination and Compensation Committee deliberates items regarding appointment, dismissal, and compensation of officers of the Company or directly owned subsidiaries, as well as matters related to succession plans for the Company's president (representative director), and together with reporting the results of its deliberations to the Board of Directors, offers its opinions as required.

The Nomination and Compensation Committee consists of the president and three or more outside directors, and a majority of the members are appointed from outside directors to ensure independence and neutrality. In addition, outside-director appointments to the Nomination and Compensation Committee are decided by the president following deliberation by the Committee, and an outside-director member of the Committee is selected as the Committee chair by mutual vote.

《Major Deliberations and Reports by Nomination and Compensation Committee (Fiscal 2019)》

| Major Deliberations and Reports | |
|---------------------------------|--|
| 1st meeting | <ul style="list-style-type: none"> • Selection of directors and substitute Audit & Supervisory Board member candidates • Selection of directors and Audit & Supervisory Board member candidates, as well as executive officers, for directly owned subsidiaries |
| 2nd meeting | <ul style="list-style-type: none"> • Fiscal 2018 evaluation results for directors and executive officers • Fiscal 2018 evaluation results for representative directors of directly owned subsidiaries • Selection of directors, Audit & Supervisory Board member candidates, and executive officers for subsidiary scheduled to be established • Internal rules on executive treatments of directly owned subsidiaries |
| 3rd meeting | <ul style="list-style-type: none"> • Compensation for directors and other officers of subsidiary scheduled to be established • Internal rules on compensation for officers of subsidiary scheduled to be established |
| 4th meeting | <ul style="list-style-type: none"> • Succession planning |
| 5th meeting | <ul style="list-style-type: none"> • Collation of issues related to strengthening the governance system |
| 6th meeting | <ul style="list-style-type: none"> • Selection of executive officers • Selection of executive officers of directly owned subsidiaries |
| 7th meeting | <ul style="list-style-type: none"> • Revision of internal rules on executive treatments |

《Committee Member Attendance Record (Fiscal 2019)》

| Name | Title | Attendance |
|--------------------------------------|---------------------------------------|-------------------------|
| Haruka Kato* (Committee Chairperson) | Outside Director | Attended all 7 meetings |
| Naoki Ohgo | Outside Director | Attended all 7 meetings |
| Seiji Higaki | Outside Director | Attended all 7 meetings |
| Hirohisa Uehara | Representative Director and President | Attended all 7 meetings |

* Ms. Haruka Kato's maiden name is Haruka Matsuyama. She uses the name Haruka Matsuyama for her professional duties.

● Audit and Supervisory Board

Due to a resolution to amend the Articles of Incorporation at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020, the Company transitioned to a company with an Audit and Supervisory Board on the same date. There are five directors who are Audit and Supervisory Board members, three of whom are outside directors.

Based on (annual) audit plans, directors who are Audit and Supervisory Board members exchange opinions with the accounting auditor, inspect and examine important documents, and perform audits aimed at validating the Company's internal control system. They also attend meetings of the Board of Directors and other important meetings, and audit the directors' execution of duties.

● Group Compliance Committee

Please see "Group Compliance Committee" under "8. Management Approach" on page 24.

● Group SDGs Committee

Please see "Group SDGs Committee" under "7-1 Sustainability promotion framework" on page 23.

● Group Risk Management Committee

Please see "Group Risk Management Committee" under "8. Management Approach" on page 25.

● Group ERM Committee

Positioned under the Executive Management Board and Group Strategy Board, this Committee is charged with pursuing the steady and continuous growth of the Group's corporate value through the promotion and improvement of Enterprise Risk Management (ERM), a practice that integrates the management of capital, profit, and risk on an economic value basis.

The Committee chairperson is the executive officer in charge of the Group Planning Department and the vice chairpersons are the executive officers in charge of the Group Finance & Accounting Department and the Risk Management Department.

In fiscal 2019, the Committee held 15 meetings and reported the results of deliberations to the Executive Committee, the Group Management Committee, and the Board of Directors.

1-6 Internal Audit System

● Internal Audit of the Group

Internal audits are performed to evaluate the appropriateness and effectiveness of internal management of the operating units, as well as to provide advice and recommendations, with the aim of helping the Group achieve its management targets effectively.

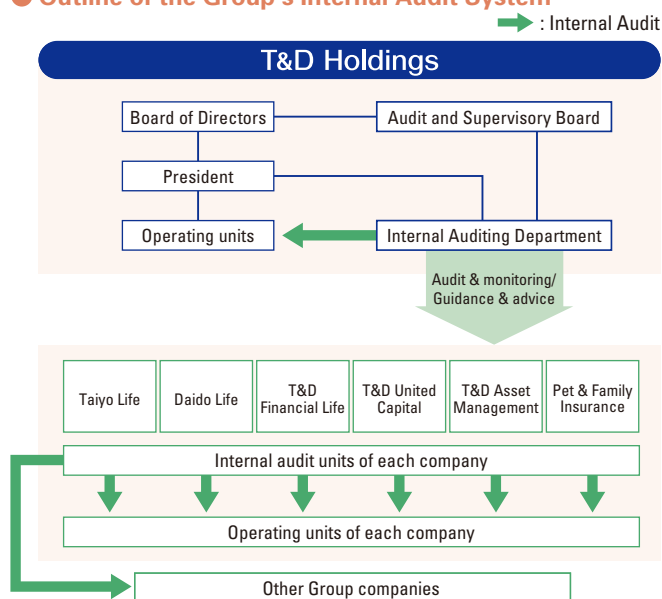
In order to ensure the effectiveness and efficiency of the T&D Insurance Group's internal audits, we established the Group Basic Policy on Internal Audits, as well as an internal audit system for the Group. Based on this Policy, the Company and its directly owned subsidiaries have established internal audit units, independent from other operating units. (Internal audit staff: A total of 77 personnel, including six from T&D Holdings and others from directly owned subsidiaries.)

● Functions and Roles

The Company's Internal Auditing Department reports directly to the Board of Directors and the Audit and Supervisory Board, as well as to the president. In addition, the Company has established a system whereby the Audit and Supervisory Board gives direct instructions to, and receives reports from, the Internal Auditing Department. The Audit and Supervisory Board must agree on such matters as the formulation of annual internal audit plans and appointment of the Internal Auditing Department managers to ensure the independence of internal audits.

In addition, the Internal Auditing Department of T&D Holdings monitors the implementation of internal audits of directly owned subsidiaries to understand the entire Group's internal management system and provides guidance and advice as necessary to strengthen the entire Group's internal audit system.

● Outline of the Group's Internal Audit System



1-7 Internal Control

● Internal Control System

The T&D Insurance Group's core business of life insurance has a social and public nature. Accordingly, we consider it vital to properly control business execution and minimize the impact on management from unforeseen events occurring in the process of Group operations, to ensure the soundness and adequacy of our operations and fulfill our social responsibilities.

With this in mind, T&D Holdings and its directly owned subsidiaries have established internal control systems as required under Japan's Companies Act. Moreover, the boards of directors of each company continuously work to improve and strengthen their internal control systems, including by periodically monitoring the preparedness and operational status of these systems to confirm their adequacy and making revisions as necessary.

● Response to the Internal Control Reporting System

With regard to the internal control reporting system pursuant to the Financial Instruments and Exchange Act, the Group builds internal controls necessary for ensuring the trustworthiness of securities reports and other financial reports. Managers personally evaluate and report on its effectiveness. Following this process, a certified public accountant who is an outside Accounting auditor and a system auditor audit the suitability of this assessment.

2. Disclosure of Information to Shareholders and Investors

2-1 Shareholder Return Policy

T&D Holdings' policy is to provide stable returns to shareholders as part of enhancing shareholder value, while retaining sufficient internal reserves to ensure the management soundness of T&D Holdings and its Group companies.

2-2 Information Disclosure

T&D Holdings works proactively to disclose information to all stakeholders so that they can understand the current situation and future business development of the T&D Insurance Group.

● Annual Reports (Integrated Report)

Annual reports are issued to investors, shareholders, and other stakeholders. They are integrated publications that aim to provide fuller and more comprehensive disclosure of non-financial information. They communicate the various activities of the T&D Insurance Group in a systematic manner.

● Disclosure Documents

The disclosure documents of each company that have been produced in accordance with the Insurance Business Act of Japan have been posted on our website.

● Shareholder Newsletters

The newsletters that we have sent out to our shareholders reporting our business performance and circumstances along with various topics have been posted on our website.

● Annual Securities Report

Annual securities reports and suchlike made and submitted based on the provisions of the Financial Instruments and Exchange Act have been posted on our website.

For more details about these reports, please visit "IR Library" under "Investor Relations" on our website.

WEB <https://www.td-holdings.co.jp/en/ir/document/>

2-3 IR Activities

T&D Holdings proactively engages in IR activities based on the principles of timeliness, fairness, and accuracy. It also works to make continuous and comprehensible information disclosure on the T&D Insurance Group's management environment, business strategies and financial situations. More specifically, we hold business results briefings, teleconferences, individual meetings for institutional investors, presentations for individual investors and actively engage in exchanging opinions with securities analysts. Valuable feedback from investors received through IR activities is regularly communicated to the management team.

● Main activities

《Presentations for Individual Investors》

We held briefing sessions for individual investors where the director in charge of IR, other officers and managers acted as presenters.

《Presentations for Institutional Investors and Securities Analysts》

We held conference calls chaired by the director in charge of IR for each quarterly earnings announcement and IR meetings by the president for each interim and yearly earnings report. The president and the director in charge of IR also held individual meetings with institutional investors and securities analysts.

《Presentations for Overseas Investors》

For overseas institutional investors, mainly in Europe, United States, and Asia, the president and the director in charge of IR conducted individual meetings and also participated in conferences for overseas institutional investors held by securities companies.

《IR Information Posted on Our Website》

On our website, we have posted IR information for individual investors, financial information, timely disclosure materials other than financial information, IR presentation materials, and video and audio materials of IR presentations and teleconferences.

For more details, please visit "IR Events" under "Investor Relations" on our website.

WEB <https://www.td-holdings.co.jp/en/ir/event/>

2-4 Shareholders' Meeting

T&D Holdings views Shareholders' Meetings as important opportunities for communicating with its shareholders and endeavors to make these events sufficiently accessible and open to all shareholders. Prior to the Shareholders' Meeting, we strive to send out the convocation notice as early as possible, posting it on our website before sending it out, and we prepare and disclose an English translation on our website so that shareholders can sufficiently examine the items for resolution in advance. In addition, we have introduced an online electronic voting system to improve shareholder convenience. At the Shareholders' Meetings, a large screen is used to report on agenda items, displaying charts and images. In the Q&A session that follows, the directors respond to questions and opinions from the floor respectfully and accurately, with the intention of enhancing shareholders' understanding of our business.

For our meeting in fiscal 2020, we took various measures to protect against COVID-19 infections. For example, we encouraged shareholders to exercise their voting rights in advance and refrain from physically attending the meeting. Other measures included shortening the proceedings and ensuring that shareholders, executives, and employees wore masks.

2-5 Shareholders

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● Proportion of Shares Held (as of March 31, 2020)

| Shareholder category | Financial institutions | Financial product dealers | Other corporations | Foreign corporations | Individuals and others | Total |
|-----------------------------------|------------------------|---------------------------|--------------------|----------------------|------------------------|---------|
| No. of shares held (1,000 shares) | 212,877 | 22,400 | 110,342 | 216,629 | 70,748 | 633,000 |
| Proportion of shares held (%) | 33.63 | 3.54 | 17.43 | 34.22 | 11.18 | 100.00 |

● Principal Shareholders (as of March 31, 2020)

| Name of shareholders | Number of shares held (1,000 shares) | Percentage of total shares outstanding (%) |
|---|--------------------------------------|--|
| The Master Trust Bank of Japan Ltd. (Trust Account) | 46,342 | 7.70 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 35,235 | 5.86 |
| Japan Trustee Services Bank, Ltd. (Trust Account 9) | 21,360 | 3.55 |
| Japan Trustee Services Bank, Ltd. (Trust Account 7) | 15,938 | 2.65 |
| Japan Trustee Services Bank, Ltd. (Trust Account 5) | 12,008 | 2.00 |
| MUFG Bank, Ltd. | 10,325 | 1.72 |
| JPMorgan Securities Japan Co., Ltd. | 10,223 | 1.70 |
| JP MORGAN CHASE BANK 385151 | 9,635 | 1.60 |
| STATE STREET BANK WEST CLIENT—TREATY 505234 | 8,456 | 1.41 |
| BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) | 7,695 | 1.28 |
| Total | 177,221 | 29.46 |

Note: The Company holds 31,513 thousand shares of treasury stock, but this is excluded from the list of principal shareholders above. The percentage of total shares outstanding is also calculated minus treasury shares.

IX Management Control

1. ERM

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1-1 Promotion of ERM Approach

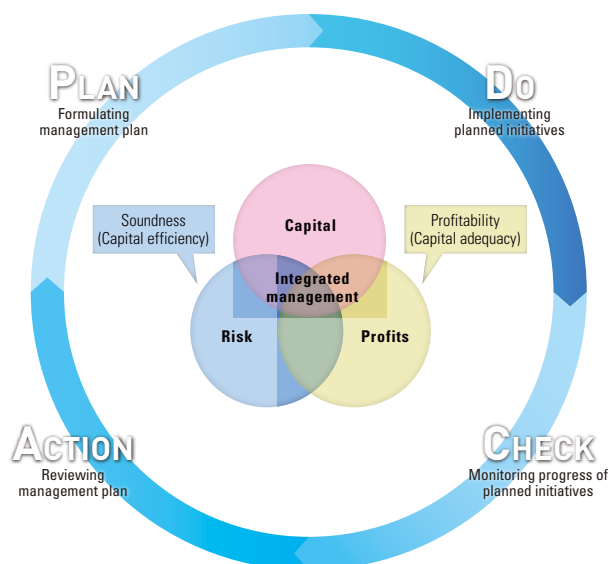
ERM stands for Enterprise Risk Management and refers to a strategic method of corporate management that seeks to maximize corporate value and profits while ensuring the soundness of business through integrated management of capital, profit and risk.

As opposed to conventional approaches designed primarily to avoid risks (losses), ERM takes a strategic stance with respect to risks, viewing them as a factor to be actively taken on in order to increase return (profit) and, as such, not something that should necessarily be reduced or eliminated. Using this new method, businesses can quantify capital, profit and risk on a uniform evaluation standard, helping manage these elements in an integral fashion and incorporate them into management decision-making, thereby allowing pursuit of growth in profitability while maintaining sound management of business operations.

The T&D Insurance Group has established the Group ERM Committee to implement ERM as a Group-wide initiative. With the committee providing leadership in promoting ERM throughout the Group, we will enhance the Group's corporate value in a stable and continuous manner while maintaining a sound business foundation.

More specifically, we have built a system based on a PDCA cycle to promote ERM under which the Group's management plan is formulated (Plan) so as to meet the risk appetite set out in terms of soundness and profitability based on the assessment of capital, profit and risk on an economic value basis; a range of initiatives developed under the plan are implemented (Do); the progress of implementation of the plan is monitored (Check); and the plan is reviewed and revised as necessary (Act).

● PDCA Cycle



● Integrated Risk Management Activities

In order to promote ERM, it is critical to have a proper understanding of types and magnitude of risks. The T&D Insurance Group promotes the integrated risk management approach to achieve the management objectives by quantifying the risks affecting the Group by type of risks and assessing the impacts when making losses, and also by controlling all the risks associated with its operations, including unquantifiable risks.

2. Risk Management

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2-1 Basic Concept for Risk Management

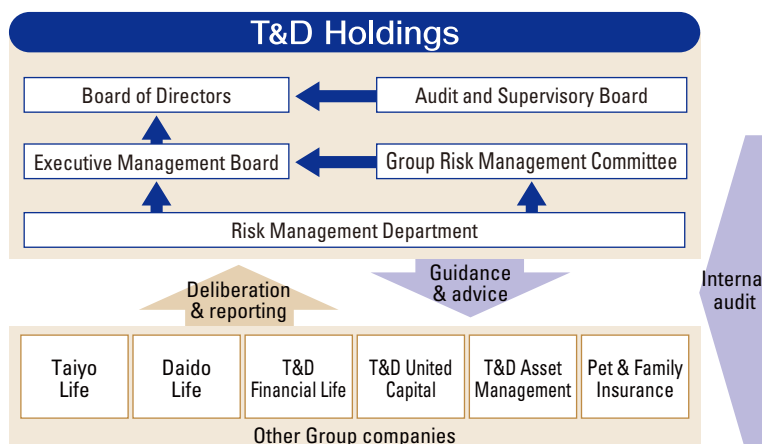
At the T&D Insurance Group, T&D Holdings has formulated a Group Risk Management Policy setting forth the Group's basic approach to risk management and, based on this policy, the three life insurance companies and other Group members have developed their risk management system that covers their affiliates as well.

T&D Holdings has established a Group Risk Management Committee and manages risks within the Group. The Committee receives reports, regularly and as required, on risks assessed using uniform economic value-based risk management indicators, from the three life insurance companies and other Group members, in order to identify and manage the various types of risks faced by Group companies. Based on the report received, T&D Holdings reports on these risks to the Board of Directors and provides guidance and advice to the Group companies as necessary, thereby ensuring that proper risk control is implemented at each company and strengthening the risk management system for the entire Group.

2-2 Risk Management System

In light of the social and public nature of the life insurance business, the T&D Insurance Group views risk management as a key priority issue in order to ensure sound and adequate business management. Under overall control by the holding company, T&D Holdings, each Group company implements the necessary risk management suited to their respective business model based on the principle of self-responsibility.

● Outline of the Group's Risk Management System



2-3 Risk Classification and Responses

The T&D Insurance Group classifies major management risks as shown below. Risk management policies have been established for each of these risks, and efforts are made to prevent these risks from occurring or to confine them within certain acceptable levels.

| | | |
|-----------------------------|-----------------|------------------------|
| Insurance Underwriting Risk | Investment Risk | Liquidity Risk |
| Operational Risk* | Reputation Risk | Affiliate-related Risk |

* Operational risks are classified into sub-categories, i.e. administrative risk, system risk, legal risk, labor and personnel risk, and hazard risk, and are managed separately.

Please visit the T&D Holdings website for more information on our risk classifications and responses.

WEB <https://www.td-holdings.co.jp/en/company/governance/risk.html>

2-4 Risk Awareness and Assessment (risk profile)

205-1

The T&D Insurance Group uses a risk profile* to comprehensively categorize risks surrounding the Group, in order to respond to increasingly diverse and complex risks. We comprehensively identify risks by category, ascertain and assess them, and use them to prioritize initiatives in light of comprehensive factors including severity, impact, and the degree to which they are under control. The risks are reflected in management planning as necessary. As a rule, we review our risk profiles twice a year in order to accurately recognize and ascertain emerging severe risks, as well as major changes to previously recognized risks. We report our findings to the Group Risk Management Committee and Board of Directors.

* Risk profile is a general risk management tool to characterize risks from various factors such as nature and magnitude.

* The T&D Insurance Group's risk profile includes responding to issues surrounding sustainability, including the environment (climate change risk), society (human rights, labor practices and corruption prevention) and governance.

2-5 Risk Review (ESR)

The T&D Insurance Group has specified a statutory solvency margin ratio, as well as an economic solvency ratio (ESR), which is a risk-management index based on economic value. These are concrete quantitative indicators of risk appetite and tolerance. ESR is calculated as net assets (surplus) based on economic value, divided by economic capital (EC), which is the risk level based on economic value, calculated using an internal model including insurance underwriting risk, asset management risk, and operational risk. We manage risk on the basis of economic value through such means as controlling EC to stay within a certain range of the surplus. ESR is managed on a monthly basis. The statutory solvency margin ratio is managed on a quarterly basis. As with other risk reviews, these are reported to the Group Risk Management Committee and Board of Directors.

2-6 Optimization of the Risk Portfolio (Risk Measurement by Internal Models and Complementary Efforts by Stress Test)

The T&D Insurance Group optimizes its risk portfolio by measuring quantifiable risks using internal models as well as by drawing up risk profiles, including qualitative aspects of risks and performing stress tests for risks. To complement the risk quantification model, stress tests are conducted with multiple scenarios reflecting long-term macro- and micro-economic projections.

2-7 Cyber Security Initiatives

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Recognizing that it is an important management issue to properly manage information assets and protect information assets from increasingly sophisticated cyber attacks, and committed to complying with the relevant laws and regulations while fulfilling our CSR (Corporate Social Responsibility) as a company that runs a life insurance business, the T&D Insurance Group has established a Group Information Security Policy and a set of Group Cybersecurity Response Rules, which all executives and employees are obligated to follow. We are aware that cyber attacks and similar threats can cause system outages, compromise business performance, and expose critical information.

In particular, in order to increase the security of the services we provide our customers, we use security tools to constantly monitor the threat of cyber attacks targeting financial institutions, which have become increasingly sophisticated in recent years, and we have established a Group-wide CSIRT (Computer Security Incident Response Team) tasked with cyber attack information gathering, analysis, and response, as well as individual CSIRTs at each company. In addition to conducting training as a Group and at each company, we participate in cross-industry training and exercises, and when we learn about issues, we incorporate them into the relevant procedures and manuals ("Information Security Management Rules" and "Information Security Handbook"), thereby reinforcing our ability to put knowledge into practice.

The Group has implemented multi-layered security measures (entrance, exit, and internal measures), and we regularly receive security assessments from third-party organizations and promptly implement the necessary measures.

We bring in outside experts to educate group management on the latest trends in cyber security, and are working to raise awareness of cybersecurity risks and improve security literacy through continuous training on information security and cyber security for executives and employees (group training, e-learning, etc.) as well as training on suspicious emails.

The Internal Auditing Department verifies whether these systems are functioning effectively and reports the results to the Board of Directors.

● Protection of Personal Information

T&D Holdings and its three life insurance companies and other Group members have formulated Personal Information Protection Declarations (privacy policies), which they publicly disclose on their websites.

T&D Information System, a Group company that supports the information system of the T&D Insurance Group, properly handles various data, including personal information, and keeps it strictly confidential. In May 2005, T&D Information System obtained Privacy Mark certification, which is given to the enterprises that take adequate measures to protect personal information. In addition, the company acquired ISO 27001 certification, an international standard for information security management systems, for its "host computer operation services" in March 2007 and for its "server operation services" in March 2011. The information service firm has continued to renew both of these certifications as part of its efforts to maintain a high level of information security.



2-8 Crisis Management

The T&D Insurance Group has formulated the Rules on the Group's Crisis Management, which address basic matters related to the Group's response to crisis situations. In case of major natural disasters or similar emergency events, the rules place top priority on securing the lives and safety of our staff, and then on continuity or early restart of insurance claims and benefit payment operations to support affected people and areas, with the recognition that such efforts are our social mission. To make this possible, the rules set forth basic policies for developing systems that enable the Group to respond promptly and take appropriate actions. The Group has also implemented a number of measures to improve the effectiveness of crisis management. These include introducing a system for confirming the safety of our executives and employees individually and Group-wide emergency drills as a preparation for a possible largescale disaster.

In response to the novel coronavirus pandemic, we are prioritizing the safety of our customers and employees by taking a variety of measures to prevent the spread of the virus, while continuing to carry out essential operations at Group companies such as paying insurance claims.

3. Compliance

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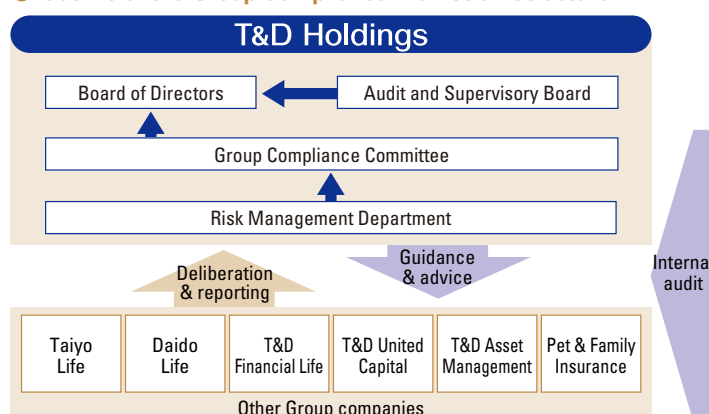
3-1 Our Concept of Compliance

The T&D Insurance Group positions legal compliance as a key management issue. The CSR policy, “We will strictly observe laws, regulations and rules, and act in a sincere and serious manner with high ethical standards,” is stated in the T&D Insurance Group CSR Charter. We work to make all Group executives and employees thoroughly aware of the T&D Insurance Group Compliance Code of Conduct, and promote compliance based on the recognition that compliance is the core of promoting CSR and an essential element of it.

3-2 Group Compliance Promotion Structure

T&D Holdings has established a compliance promotion structure based on the T&D Insurance Group Basic Policy for Strengthening the Compliance Structure. The Group Compliance Committee was established to oversee and improve the Group's compliance arrangements. T&D Holdings also has a Risk Management Department, which has overall responsibility for promoting compliance. In coordination with the compliance units of the Group's three life insurance companies and other Group members, this department performs regular monitoring and provides guidance and advice. The Group's three life insurance companies and other Group members also have a compliance promotion system mainly consisting of a compliance committee and a compliance control department.

● Outline of the Group Compliance Promotion Structure



3-3 Compliance Promotion Activities

● Compliance Programs

Each Group company in the T&D Insurance Group takes measures to raise awareness of compliance in a way suitable for the respective companies in terms of size and business characteristics, based on the Group's basic compliance policies. For example, T&D Holdings and the Group's three life insurance companies as well as other Group members have put in place their compliance programs as detailed and actionable plans aiming at having all executives and employees act in compliance with laws and regulations, and compliance training is provided to reinforce compliance in the course of business operations.

● Compliance Manual

Each company in the T&D Insurance Group creates compliance manuals for each category targeted, including sales representatives, administrative personnel, and agents. These guidelines serve as a reference for day-to-day operations. At the same time, they are used as teaching material for compliance training.

3-4 Preventing Bribery and Corruption

The T&D Insurance Group states the following in the T&D Insurance Group Compliance Code of Conduct: “We shall work to prevent corruption in our relationships with business counterparts, civil servants, and other parties by refraining from providing or receiving any business entertainment within reasonable bounds under normal social conventions, as well as refraining from giving or receiving gifts, in connection with our business activities worldwide.” (See p.13.) In addition to preventing bribery, we are ensuring thorough awareness by all executives and employees toward preventing corruption. This includes measures against money laundering and prevention of misappropriation and diversion of funds, using such means as a compliance program and compliance manuals. Bribery and corruption are also stipulated as extremely malicious and severely impacting criminal statutes for disciplinary action. All scandals (including concerns over possible scandals), including bribery and corruption, are reported to the Board of Directors.

When making a new business investment, checks from the perspective of preventing bribery and corruption are added to the risk assessment and subjected to appropriate review. As of fiscal 2019, no scandals or legal disputes relating to bribery or corruption had occurred.

《Extract from a Compliance Manual》

[Risks Related to Bribery and Corruption]

In today’s world, bribery and corruption impede the development and economic growth of the country or region in which they occur. Bribery and corruption not only have an undue negative impact on poor regions, they also give rise to serious legal and reputational risks for companies. Many of the acts that involve corruption, such as bribery, are not only illegal in the place where a company performs them, but there is an increasing number of cases where these acts are also illegal by the laws of the home country of the company. As regards reputational risks, even if a company is judged to not be involved with corruption by the final judgment of the court concerned, there are many cases in which the reputation of the company has been damaged merely because it was suspected of corruption. A company must also pay attention to the fact that they not only take responsibility for their own actions but also for the actions of any agents that are conducting business on their behalf in other countries.

3-5 Tax Policy

Strict compliance with laws and regulations is clearly stated by the T&D Insurance Group in its T&D Insurance Group CSR Charter and T&D Insurance Group Compliance Code of Conduct. Regarding tax affairs, on the basis of these CSR policies, we comply with laws and regulations, while also understanding their underlying spirit, and act in good faith to make adequate tax filings and payments.

Transactions with Group companies are handled appropriately and in accordance with the “arm’s length principle.” Furthermore, we do not engage in tax avoidance measures that deviate from the spirit of the tax laws.

3-6 Whistleblower System

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At the T&D Insurance Group, each of the Group’s three life insurance companies and other Group members used to operate their own whistleblower systems. In April 2005, however, the T&D Insurance Group Helpline was established for use by all executives and employees in the Group. The T&D Insurance Group Helpline accepts, through an external company, reports of compliance issues, violations of internal rules (including suspected violations), and actions that may damage the credibility or reputation of the Group.

● T&D Insurance Group Helpline

The T&D Insurance Group Helpline has rules in place that prohibit any disadvantageous treatment of whistleblowers who use the helpline. We strive to build an effective system for internal reporting by enabling whistleblowers to make reports by phone or online through an external reporting company, and making reports anonymously. The reports and the results of the investigations into them are then reported to the Audit and Supervisory Board and to management.

● Number of Calls Received by the T&D Insurance Group Helpline

| | |
|--------|-----|
| FY2017 | 269 |
| FY2018 | 243 |
| FY2019 | 258 |

* The numbers of reports above include inquiries about the system, as well as reports of workplace issues that are difficult to consult superiors over, such as complaints or dissatisfaction.

Third-party Opinion

Continuing from the previous year, I again submit this Third-party Opinion, based on the Sustainability Report 2020, regarding how the T&D Insurance Group thinks and acts in relation to CSR (Corporate Social Responsibility) as well as the Group's related information disclosure.

1. The Risks and Opportunities that Climate Change Presents

I commend the establishment of the Climate Change Risk Subcommittee as a subordinate body of the Group SDGs Committee in April 2020. I also commend the scenario analyses were performed, although disclosed in qualitative terms, to identify the impacts of the physical and transition risks posed by climate change to the T&D Insurance Group. In this disclosure, it came to my attention that you have raised "average temperatures lead to an increase in the number of heat stress deaths and heat stroke hospitalizations" as health impacts. The disclosure also notes that, under the 2°C scenario, "both of these increases will be gradual over a long period of time, which will limit their impact on underwriting profitability," and "this will be addressed by conducting an appropriate review of premium rates." On the other hand, I have also heard of the prediction that "the risk of contracting an infectious disease increases due to the expansion of the habitats of disease vectors," and that "high temperature conditions during the day and night increase mental illness." There is no denying that climate change could threaten the business model of the life insurance industry itself if it changes disease incidence rates and life expectancy. In the future, I hope the T&D Insurance Group will take a broader view of the health effects of climate change, analyze the impact on underwriting profitability in detail, and quantitatively calculate and disclose the amount of insurance income that will be negatively impacted and the range of premium rate revisions that will be required.

In the analysis of climate change opportunities, I was impressed by the following statement: "The Group also has opportunities to expand its business domains and earnings as a business operator, rather than as an institutional investor, by developing or entering into new business domains related to the mitigation of and adaptation to climate change." The idea of "new business domains" mentioned here seems to be fine as a vision, but I hope to see it fleshed out in specific detail.

2. Investing to Help Build a Sustainable Society

I commend the disclosure of your intention that "it is the Group's policy not to make any new investments or loans to coal-fired power generation projects," based on the recognition that "the consumption of fossil fuels is one of the major factors driving environmental problems such as climate change and air pollution, and that the attitude of institutional investors in this sector is more important than ever before." I also commend the specific disclosure of examples of ESG investment initiatives and the status of dialogue on the exercise of voting rights.

It was also reported that a T&D Insurance Group Human Rights Policy has been established, and that human rights due diligence is being exercised. However, I was unable to find any descriptions of investment and loan criteria regarding human rights issues in asset management activities. In the future, I hope that each company will disclose a comprehensive list of specific ESG issues focused by its investment and loan criteria.

3. Incorporating Sustainability into Governance and Internal Control

The document "Practical Guidelines for Independent Directors," published on July 30, discusses the importance of sustainability-conscious management, including ESG issues and the SDGs. Specifically, it states the following: "In order to ensure sustainable growth and improve corporate value over the medium to long term, it is necessary to manage with an awareness of sustainability in light of global trends, including ESG and SDGs perspectives. Independent directors are also encouraged to incorporate these perspectives, that are less noticed within the company, from outside the company, and to give their opinions on how the company can manage itself sustainably." The T&D Insurance Group is unique in that the Group SDGs Committee is a subordinate body of the Board of Directors. In the future, I hope that the system will be improved and strengthened, including through the expansion of the committee membership, so that the perspective of sustainability will be fully incorporated into key management decision-making and the supervision of business execution.

Eiichiro Adachi Counselor, The Japan Research Institute, Limited

Graduated from the Faculty of Economics at Hitotsubashi University in 1986. Joined The Japan Research Institute, Limited (JRI) in 1990, where he served in the management strategy research and technology research divisions before assuming his current post. He currently oversees operation of industrial research and corporate evaluation from the perspective of corporate social responsibility at JRI's ESG Research Center. In 2003 and 2004, he worked on the 15th Corporate White Paper published by the Japan Association of Corporate Executives. Then, he was a member of the Association's Socially Responsible Management Promotion Committee working group. From March 2005 to May 2009, he was involved in formulating ISO 26000, the international standard for social responsibility for organizations, as a national expert in the ISO 26000 Working Group. He currently serves as a member of Mitsubishi Corporation's Sustainability Advisory Committee and as a member of the Advisory Board of The Research Institute for Local Public Transport. He is the author/co-author of titles including *An Illustrated Guide to Environmental Issues for Corporations* (Toyo Keizai Inc., 1999), *Business Growth Through Global Warming* (Toyo Keizai Inc., 2007), *Introduction to CSR for Employees* (Dai-ichi Hoki, 2008), *Introduction to Environmental Management* (Nikkei Publishing Inc., 2009), *Introduction to Natural Capital* (NTT Publishing, 2015), *An ESG Reader for Investors and Corporations* (Nikkei Business Publications, 2016), *The Complications of Corporate Governance Reform* (Kinza, 2017), and *The Business Person's Guide to SDGs* (Nikkei Business Publications, 2018).



Index

GRI Standards

102-54

102-55

| GRI Standards | Disclosed Items | Publication Location (Titles of items on the report/web) | Omission |
|--|----------------------------------|---|---|
| GENERAL DISCLOSURES | | | |
| GRI 102: GENERAL DISCLOSURES 2016 | 1. Organizational profile | | |
| | 102-1 | Name of the organization | I Organizational Profile ► 1. Organizational Profile ► 1-3 Corporate Profile (as of March 31, 2020) |
| | 102-2 | Activities, brands, products, and services | I Organizational Profile ► 1. Organizational Profile ► 1-1 Outline of the T&D Insurance Group's Business I Organizational Profile ► 1. Organizational Profile ► 1-2 T&D Insurance Group Companies and Foundations |
| | 102-3 | Location of headquarters | I Organizational Profile ► 1. Organizational Profile ► 1-3 Corporate Profile (as of March 31, 2020) |
| | 102-4 | Location of operations | I Organizational Profile ► 1. Organizational Profile ► 1-2 T&D Insurance Group Companies and Foundations |
| | 102-5 | Ownership and legal form | VIII Governance and Internal Control ► 2. Disclosure of Information to Shareholders and Investors ► 2-5 Shareholders |
| | 102-6 | Markets served | I Organizational Profile ► 1. Organizational Profile ► 1-2 T&D Insurance Group Companies and Foundations |
| | 102-7 | Scale of the organization | Integrated Report 2020 |
| | 102-8 | Information on employees and other workers | I Organizational Profile ► 1. Organizational Profile ► 1-4 Number of Employees |
| | 102-9 | Supply chain | I Organizational Profile ► 2. Supply Chain ► 2-1 Definition of Supply Chain |
| | 102-10 | Significant changes to the organization and its supply chain | N/A |
| | 102-11 | Precautionary Principle or approach | IX Management Control ► 1. ERM IX Management Control ► 2. Risk Management |
| | 102-12 | External initiatives | II Sustainability Management ► 10. Principles That the T&D Insurance Group Endorses and Supports |
| | 102-13 | Membership of associations | I Organizational Profile ► 1. Organizational Profile ► 1-3 Corporate Profile (as of March 31, 2020) |
| | 2. Strategy | | |
| | 102-14 | Statement from senior decision-maker | Message from the President |
| | 3. Ethics and integrity | | |
| | 102-16 | Values, principles, standards, and norms of behavior | II Sustainability Management ► 2. Philosophy and Policy of T&D Insurance Group |
| | 4. Governance | | |
| | 102-18 | Governance structure | VIII Governance and Internal Control ► 1. Corporate Governance |
| | 5. Stakeholder engagement | | |
| | 102-40 | List of stakeholder groups | II Sustainability Management ► 9. Stakeholder Engagement |
| | 102-41 | Collective bargaining agreements | I Organizational Profile ► 1. Organizational Profile ► 1-5 Dialogue and Consultations with Labor Unions |
| | 102-42 | Identifying and selecting stakeholders | II Sustainability Management ► 9. Stakeholder Engagement |
| | 102-43 | Approach to stakeholder engagement | II Sustainability Management ► 9. Stakeholder Engagement III Priority Theme 1 Providing Better Products and Services ► 3. Providing Wholehearted Reassurance IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ► 4. Worker-friendly Work Environment ► 4-2 Initiatives Reflecting Employee Feedback IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ► 4. Worker-friendly Work Environment ► 4-3 Employee Questionnaire on Sustainability and CSR |
| | | | III Priority Theme 1 Promote healthy and abundant lives for all people ► 4. Improving Customer Satisfaction Sustainability Library ► Other Initiatives ► Activities to Respond to the Customer Feedback |

| GRI Standards | Disclosed Items | | Publication Location (Titles of items on the report/web) | Omission |
|---|-----------------------|---|--|----------|
| GENERAL DISCLOSURES | | | | |
| GRI 102: GENERAL DISCLOSURES 2016 | 6. Reporting practice | | | |
| | 102-45 | Entities included in the consolidated financial statements | I Organizational Profile ► 1. Organizational Profile ► 1–2 T&D Insurance Group Companies and Foundations | |
| | 102-46 | Defining report content and topic Boundaries | II Sustainability Management ► 4. Priority themes for promoting sustainability | |
| | 102-47 | List of material topics | II Sustainability Management ► 4. Priority themes for promoting sustainability ► 4-2 GRI Material Topic | |
| | 102-48 | Restatements of information | N/A | |
| | 102-49 | Changes in reporting | N/A | |
| | 102-50 | Reporting period | About Corporate Responsibility Report 2020 | |
| | 102-51 | Date of most recent report | About Corporate Responsibility Report 2020 | |
| | 102-52 | Reporting cycle | About Corporate Responsibility Report 2020 | |
| | 102-53 | Contact point for questions regarding the report | About Corporate Responsibility Report 2020 | |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | GRI Content Index | |
| | 102-55 | GRI content index | GRI Content Index | |
| | 102-56 | External assurance | V Priority Theme 3 Help mitigate and adapt to climate change ► 3. Environmental Impact-reduction Initiatives ► 3-5 Independent Assurance Report | |
| Material Topics | | | | |
| Economic Performance | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ► 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | VIII Governance and Internal Control | |
| | 103-3 | Evaluation of the management approach | | |
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | Sustainability Library ► Organization Profile ► Financial Highlights Sustainability Library ► Other Initiatives ► Donations and Community Investments | |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | V Priority Theme 3 Help mitigate and adapt to climate change ► 6. Disclosure of climate-related financial information based on the TCFD recommendations | |
| Anti-corruption | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ► 4. Priority themes for promoting sustainability | |
| | 103-2 103-3 | The management approach and its components Evaluation of the management approach | II Sustainability Management ► 7. Sustainability promotion framework | |
| | | | IX Management Control ► 2. Risk Management IX Management Control ► 3. Compliance IX Management Control ► 3. Compliance ► 3–6 Whistleblower System | |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | IX Management Control ► 2. Risk Management ► 2–4 Risk Awareness and Assessment (risk profile) | |
| | 205-2 | Communication and training about anti-corruption policies and procedures | IX Management Control ► 3. Compliance | |
| | 205-3 | Confirmed incidents of corruption and actions taken | N/A | |
| Anti-competitive Behavior | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ► 4. Priority themes for promoting sustainability | |
| | 103-2 103-3 | The management approach and its components Evaluation of the management approach | II Sustainability Management ► 7. Sustainability promotion framework | |
| | | | IX Management Control ► 2. Risk Management IX Management Control ► 3. Compliance IX Management Control ► 3. Compliance ► 3–6 Whistleblower System | |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | N/A | |

| GRI Standards | | Disclosed Items | | Publication Location (Titles of items on the report/web) | Omission |
|---|----------------|---|--|---|---|
| Material Topics | | | | | |
| Materials | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | | |
| | 103-2 103-3 | The management approach and its components Evaluation of the management approach | II Sustainability Management ▶ 6. Status of sustainability promotion II Sustainability Management ▶ 7. Sustainability promotion framework V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Basic Concept V Priority Theme 3 Help mitigate and adapt to climate change ▶ 2. Promotion Framework | | |
| | | | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| | | | | | |
| GRI 301: Materials 2016 | 301-1 | Materials used by weight or volume | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| Energy | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | | |
| | 103-2 103-3 | The management approach and its components Evaluation of the management approach | II Sustainability Management ▶ 6. Status of sustainability promotion II Sustainability Management ▶ 7. Sustainability promotion framework V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Basic Concept V Priority Theme 3 Help mitigate and adapt to climate change ▶ 2. Promotion Framework | | |
| | | | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| | | | | | |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| | 302-3 | Energy intensity | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| Water | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | | |
| | 103-2 103-3 | The management approach and its components Evaluation of the management approach | II Sustainability Management ▶ 7. Sustainability promotion framework V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Basic Concept V Priority Theme 3 Help mitigate and adapt to climate change ▶ 2. Promotion Framework | | |
| | | | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| | | | | | |
| GRI 303: Water 2016 | 303-1 | Water withdrawal by source | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | Water is withdrawn from “water supplies of the local governments or other public and private water facilities.” |
| | 303-3 | Water recycled and reused | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| Biodiversity | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework | | |
| | 103-3 | Evaluation of the management approach | | | |
| GRI 304: Biodiversity 2016 | 304-3 | Habitats protected or restored | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 4. Forest Conservation Activities | | |
| Emissions | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | | |
| | 103-2 103-3 | The management approach and its components Evaluation of the management approach | II Sustainability Management ▶ 7. Sustainability promotion framework V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Basic Concept V Priority Theme 3 Help mitigate and adapt to climate change ▶ 2. Promotion Framework | | |
| | | | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| | | | | | |
| GRI 305: Emissions 2016 | 305-1 | Direct GHG emissions | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| | 305-2 | Energy indirect GHG emissions | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |
| | 305-3 | Other indirect GHG emissions | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | | |

| GRI Standards | Disclosed Items | | Publication Location (Titles of items on the report/web) | Omission |
|--|---------------------------------------|---|---|--|
| Material Topics | | | | |
| Effluents and Waste | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 103-3 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Basic Concept | |
| | | Evaluation of the management approach | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 2. Promotion Framework | |
| GRI 306: Effluents and Waste 2016 | 306-2 | Waste by type and disposal method | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives | All waste is “non-hazardous waste” and disposed of in accordance with the “disposal methods of the local governments.” |
| Environmental Compliance | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 103-3 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Basic Concept | |
| | | Evaluation of the management approach | V Priority Theme 3 Help mitigate and adapt to climate change ▶ 2. Promotion Framework IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| GRI 307: Environmental Compliance 2016 | 307-1 | Non-compliance with environmental laws and regulations | N/A | |
| Employment | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 103-3 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 4. Worker-friendly Work Environment | |
| | | Evaluation of the management approach | IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | I Organizational Profile ▶ 1. Organizational Profile ▶ 1–4 Number of Employees IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 4. Worker-friendly Work Environment ▶ 4–1 Work-Life Balance Initiatives | |
| | | Benefits provided to full-time employees that are not provided to temporary or part-time employees | IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 4. Worker-friendly Work Environment ▶ 4–1 Work-Life Balance Initiatives | |
| | 401-3 | Parental leave | IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 4. Worker-friendly Work Environment ▶ 4–1 Work-Life Balance Initiatives Matters required for reporting include items awaiting the collection of information. The items will be disclosed within a few years. | |
| Occupational Health and Safety | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 103-3 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework IX Management Control ▶ 3. Compliance | |
| | Evaluation of the management approach | ▶ 3–6 Whistleblower System | | |
| GRI 403: Occupational Health and Safety 2016 | 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Sustainability Library ▶ Initiatives to address the working environment ▶ Occurrence of Occupational Accidents | Managed based on the number of occupational accidents. |

| GRI Standards | Disclosed Items | | Publication Location (Titles of items on the report/web) | Omission |
|--|-----------------|---|---|--|
| Material Topics | | | | |
| Training and Education | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework | |
| | 103-3 | Evaluation of the management approach | IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 2. Utilization and Development of Human Resources IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | Sustainability Library ▶ Initiatives to address the working environment ▶ Education and Training | There are no differences by gender in the indicators. Due to the difficulty of categorizing “occupational training/education” from a large number of training programs, indicators by employee category are not disclosed. |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 2. Utilization and Development of Human Resources | |
| Diversity and Equal Opportunity | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 6. Status of sustainability promotion II Sustainability Management ▶ 7. Sustainability promotion framework | |
| | 103-3 | Evaluation of the management approach | IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 3. Diversity Promotion Initiatives IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | VIII Governance and Internal Control ▶ 1. Corporate Governance IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 4. Worker-friendly Work Environment ▶ 4–1 Work-Life Balance Initiatives | |
| Human Rights Assessment | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 6. Status of sustainability promotion II Sustainability Management ▶ 7. Sustainability promotion framework | |
| | 103-3 | Evaluation of the management approach | IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| GRI 412: Human Rights Assessment 2016 | 412-2 | Employee training on human rights policies or procedures | IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 3. Diversity Promotion Initiatives ▶ 3–2 Human Rights Education | Human rights training is conducted for all employees. “Total hours of employee training” are not disclosed. |

| GRI Standards | Disclosed Items | | Publication Location (Titles of items on the report/web) | Omission |
|---|-----------------|--|--|--|
| Material Topics | | | | |
| Local Communities | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 6. Status of sustainability promotion II Sustainability Management ▶ 7. Sustainability promotion framework | |
| | 103-3 | Evaluation of the management approach | VII Social Activities | |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | VII Social Activities | The Group has a single segment. Accordingly, “percentage of operations with implemented local community engagement, impact assessments and development programs” is not disclosed. |
| Supplier Social Assessment | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework IX Management Control ▶ 3. Compliance | |
| | 103-3 | Evaluation of the management approach | ▶ 3–6 Whistleblower System | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | I Organizational Profile ▶ 2. Supply Chain ▶ 2–2 Cooperation with Suppliers | |
| Customer Privacy | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework IX Management Control ▶ 2. Risk Management ▶ 2–7 Cyber Security Initiatives | |
| | 103-3 | Evaluation of the management approach | IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | IX Management Control ▶ 2. Risk Management ▶ 2–7 Cyber Security Initiatives | While the total number is known, the information is not disclosed due to company policy. |
| Socioeconomic Compliance | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework IX Management Control ▶ 2. Risk Management | |
| | 103-3 | Evaluation of the management approach | IX Management Control ▶ 3. Compliance IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| GRI 419: Socioeconomic Compliance 2016 | 419-1 | Non-compliance with laws and regulations in the social and economic area | N/A | |
| Better Products and Services | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 6. Status of sustainability promotion II Sustainability Management ▶ 7. Sustainability promotion framework | |
| | 103-3 | Evaluation of the management approach | III Priority Theme 1 Promote healthy and abundant lives for all people Sustainability Library ▶ Other Initiatives ▶ Activities to Respond to the Customer Feedback | |

| GRI Standards | | Disclosed Items | Publication Location (Titles of items on the report/web) | Omission |
|---|-------|--|--|----------|
| Material Topics | | | | |
| Health Promotion of Community and Employees | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 6. Status of sustainability promotion II Sustainability Management ▶ 7. Sustainability promotion framework III Priority Theme 1 Promote healthy and abundant lives for all people ▶ 2. Offering Products and Services That Address Social Needs | |
| | 103-3 | Evaluation of the management approach | IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 5. Health Promotion for Employees IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| | | | | |
| Responsibility as Institutional Investors | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 7. Sustainability promotion framework | |
| | 103-3 | Evaluation of the management approach | VI Priority Theme 4 Invest to help build a sustainable society | |
| Measures against Demographic Change and Aging | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | II Sustainability Management ▶ 4. Priority themes for promoting sustainability | |
| | 103-2 | The management approach and its components | II Sustainability Management ▶ 5. Contribution to SDGs III Priority Theme 1 Promote healthy and abundant lives for all people ▶ 2. Offering Products and Services That Address Social Needs ▶ 2–6 Best Senior Service | |
| | 103-3 | Evaluation of the management approach | IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 2. Utilization and Development of Human Resources ▶ 2–3 Promoting the Active Participation of the Elderly IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System | |
| | | | | |