

CREATE VALUE FOR PEOPLE AND SOCIETIES.



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's Management Vision

**Sow happiness,
make change with boldness**



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Sustainability Report 2021

Report Publication Information

102-50 102-51 102-52

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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 2020 to March 2021 (annual) * Also includes reports on some significant activities and events having occurred in and after April 2021.

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Regarding Third-party Opinion

As a senior 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 2021 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 2021, 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 2021, we are releasing a digest edition of Sustainability Report 2021. 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 2021 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 2021

- Message from the President ● Organizational Profile
- 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 ● External evaluation



Sowing happiness in the world through the “creation of shared value” that encompasses both economic value and social value

—SDGs Management and Creation of Value—

■ Responding to the COVID-19 Pandemic

The global COVID-19 pandemic, which began at the end of 2019, is still not under control as of 2021, and many people around the world are still suffering adverse impacts of various kinds. Once again, I would like to express my condolences to the victims of COVID-19, and my sympathies to the many people who have been affected. I would also like to express my deep gratitude to the medical workers and those in related fields who are struggling to treat and prevent the disease and maintain the social systems.

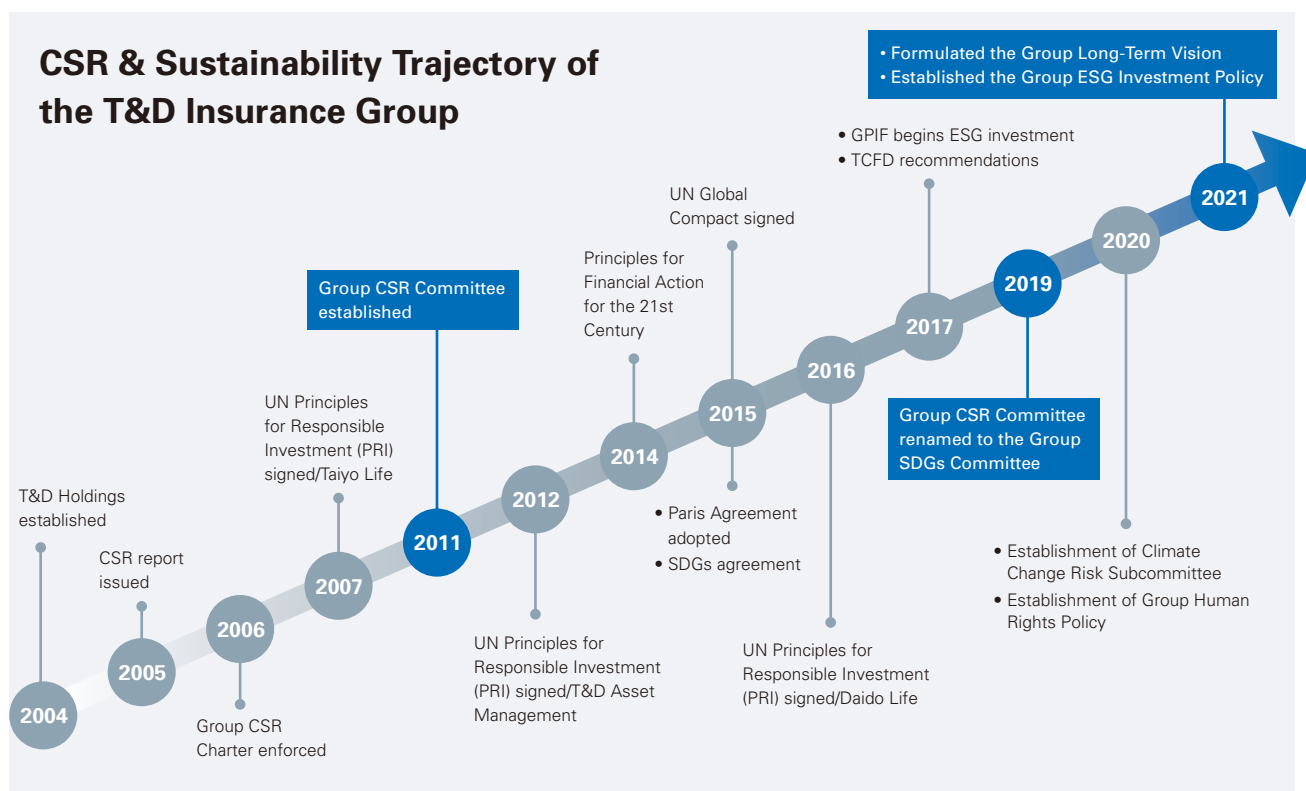
The social challenges posed by COVID-19 are wide-ranging, and the economic impact of responding to the prevention of its spread has been enormous. The most vulnerable in society have suffered the greatest impact. The SDGs slogan “Leave no one behind” reminds us that it is precisely in times of global crisis like the current pandemic that enhancing the stability and sustainability of society takes on its greatest importance.

The T&D Insurance Group, whose core business is life insurance, views the economic and health impact of COVID-19 as a challenge that it must address, and each Group company is working to provide products and services that respond to it. Through our life insurance and related businesses, we will aim for sustainable growth through the creation of shared value that encompasses both the values to society (social value) and the values to the company (economic value).

■ Formulation of the Group Long-Term Vision / SDGs Management and Creation of Value

Corporate Philosophy of the T&D Insurance Group is “With our ‘Try & Discover’ motto for creating value, we aim to be a group that contributes to all people and societies.”

In order to put this Corporate Philosophy into practice, we set management targets and formulated necessary strategies in our previous medium-term management plans in anticipation of future changes in the business environment. However, in order to further promote integrated Group management at this time of heightened uncertainty, I believe that it will be more important than ever before to clarify our vision, which represents how we want to be as a Group that is not affected by changes in the environment, to think about what is necessary in light of that vision, and to be flexible and speedy in our thinking and actions to put it into practice.



Message from the President

Therefore, we have formulated the Group Long-Term Vision “Try & Discover 2025” -*In Pursuit of the Happiness of All Stakeholders*-, which outlines the Group’s medium- to long-term goals and strategic policies to achieve them. In the Group Long-Term Vision, we have redefined the T&D Insurance Group’s Management Vision as “Sow happiness, make change with boldness.” We have also set five critical issues to work on for the growth of the Group.

I believe that “sowing happiness,” as stated in our Management Vision, is the ultimate goal of creating shared value, which our Group aims to achieve. To this end, we have set one of our critical issues as “SDGs management and creation of value,” and have also established new “non-financial KPIs” to quantitatively measure the creation of social value. By steadily working on the five critical issues for the growth of the Group, we will work to realize the vision of “sowing happiness in the world.”

■ Thoughts to Share with the World / Initiatives to Address Social Issues

There are many common social challenges around the world in addition to COVID-19. With regard to climate change in particular, there are serious issues facing the world, including Japan, such as the increasing frequency of large typhoons, torrential rains, heat waves, wildfires, and other natural disasters, as well as concerns about the impact on water resources and food. Furthermore, in addition to the numerous existing human rights issues in Japan and abroad, new human rights issues are emerging. In addition, there are many other social issues shared worldwide, including increasing social and economic inequality, new types of inequality and changes in employment caused by technological innovation, and a variety of difficulties associated with the declining birthrates and aging populations facing many developed countries.

In 2015, the Group endorsed the guiding principles of the United Nations Global Compact, which is a framework for cooperation between the United Nations (UN) and corporations to achieve the sustainable growth advocated by the UN. As the representative of the Group, T&D Holdings signed a letter addressed to the UN Secretary-General in support of the ten principles related to the four areas of human rights, labor, the environment, and anti-corruption. We are also committed to demonstrate responsible business practices as a Group.

Regarding climate change, the Japanese government declared its goal of carbon neutrality in October 2020 and set new CO₂ reduction targets in April 2021. In response, efforts to transition to a society with low or net-zero carbon emissions are accelerating rapidly in Japan. There is also 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. Against this backdrop, the Group established the Climate Change Risk Subcommittee in 2020, and is working towards the goals of net zero carbon and carbon neutrality by reducing greenhouse gas emissions generated by its broad range of business activities. We are also studying and implementing ways to mitigate and adapt to climate change as an institutional investor. As part of these efforts, we moved up the deadline for achieving the Group’s CO₂ reduction targets from 2030 to 2025 and set this as one of the “non-financial KPIs” in the Group Long-Term Vision. We are also actively engaged in ESG investment activities. We have expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), and are actively working on the disclosure of climate-related financial information.



With regard to respect for human rights, the Group CSR Charter declares our respect for the human rights of all people. We always respect the individuality and diversity of all employees, while working to create a healthy and safe working environment. We have also 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 developed by the United Nations Human Rights Council. In accordance with this Policy, we conduct human rights due diligence on a regular basis to verify that there are no problems with the Group’s human rights practices. Women constitute the majority of the Group’s employees, and as part of this commitment, leveraging the capabilities of women is a key management issue for continuous enhancement of our corporate value. Our initiative to support the active participation of women takes a multi-faceted, continuous approach that includes reforming our personnel and compensation systems, encouraging work-life balance, and supporting personal skills development.

■ Responsibilities of the T&D Insurance Group / The World We Seek

The Group, whose core business is the life insurance business, provides safety and security to our customers through our products and services in our main business. Furthermore, the asset management business, in which we are engaged as an institutional investor, has a significant public relevance and close connections to economic development and the realization of a sustainable society. We believe that the Group has a responsibility to contribute to society through these businesses.

The Group will fulfill its corporate social responsibility by working on its newly formulated Long-Term Vision to create shared value and “sow happiness in the world.” I believe that addressing social issues is not only a contribution to society, but also an opportunity to develop as a company and discover new business opportunities. We at the T&D Insurance Group will continue our step-by-step journey to continuously share values with society, with the aim of being an insurance group that grows sustainably in partnership with society.

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, and will work as one with the hope the situation is resolved as soon as possible.



Support for Customers

As the COVID-19 pandemic continues, we are offering products that address the COVID-related needs of our individual and SME customers. Furthermore, in order to provide our customers with peace of mind, we continue to have a system in place to provide stable financial services that are indispensable to them, including the payment of claims and benefits in our life insurance business, and respond to the individual needs and situation of our customers.



Providing protections

- ✓ First to provide *Infectious disease plus hospitalization insurance (lump-sum payment type)*, which covers COVID-19 (Taiyo Life)
- ✓ Provision of free- of-charge *COVID-19 mutual support insurance* in collaboration with justInCase (Daido Life)

Providing services

- ✓ 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

Support for Employees

From the perspective of preventing the spread of COVID-19, we are working to improve our internal environment, for example by introducing online tools, and expanding the implementation of remote work. In addition, we are committed to maintaining a worry-free work environment for our employees, for example by encouraging non-face-to-face solicitation out of concern for customer safety.



Improvement of internal environment

- ✓ Promotion of teleworking by implementing remote work and using satellite offices (under a declared state of emergency, the work attendance rate is limited to 30%)
- ✓ Promotion of staggered working hours
- ✓ Use of remote conferencing tools

Measures at the sales site

- ✓ Introduce systems and tools to enable non-face-to-face solicitation
- ✓ Visit only those customers who have requested a visit or who have accepted an appointment and agreed to be visited

T&D Insurance Group's Initiatives and Sustainability Priority Themes



Launch of *Infectious disease plus hospitalization insurance (Lump-sum payment type)*

Taiyo Life launched *Infectious disease plus hospitalization insurance (Lump-sum payment type)* in September 2020, in response to the spread of COVID-19. We have received strong response; a wide range of age groups, mainly younger and middle age generation, have taken out the insurance policy and many of them have bought our insurance product for the first time. Moreover, the number of sales exceeded 100,000 in April 2021, the fastest among products launched in the past decade. As variants such as the Delta strain are still spreading, its sales have been steadily increasing, surpassing 150,000 at the end of August 2021.

Taiyo Life will continue to aim to realize a society where everyone can safely live a longer and healthier life, by anticipating customers' needs and the times in tandem with changes in a social environment and remaining close to customers.

Priority Theme 1



Promote Healthy and Abundant Lives for All People



Marketing Planning Department
Marketing Planning Division
Manager

Hiroaki Takeda

From
Taiyo Life
Work Site

Initiatives for ESG investment and financing

— Initiatives for investment that responds to COVID-19 —

Priority Theme 4



Invest to Help Build a Sustainable Society

The Group manages premiums entrusted by customers, funds with a significant public relevance. As a responsible institutional investor, it has been engaged in asset management, while being fully conscious of Environmental, Social and Governance (ESG) issues including response to COVID-19 to realize a sustainable society.



Investment Planning Department
Investment Planning Division

Wang Yanfang

From
Daido Life
Work Site

Daido Life makes investments and loans that reflect ESG factors in the management of all assets it owns. One of them is a social bond investment. Social bonds are bonds issued to finance projects like social infrastructure development and support for employment and education. We launched the initiatives in 2016 when the first Japanese social bond was issued, and in fiscal 2020 were also engaged in investments in bonds whose proceeds are earmarked for measures for the globally expanding COVID-19 pandemic.

We recognize that many issues must be dealt with globally, including not only those linked to the pandemic but also the reduction of greenhouse gas emissions. Going forward, Daido Life will continue to work on initiatives for ESG investments and fulfill its obligations as a responsible institutional investor.

Taiyo Life became the first Japanese life insurance company to sign the PRI in March 2007, and has promoted ESG investment and financing as a responsible institutional investor. In fiscal 2020, we invested in COVID-19 vaccine bonds issued by the Central American Bank for Economic Integration, helping developing countries purchase COVID-19 vaccines. Through investment in the bonds, we were able to support the purchase of COVID-19 vaccines in the Central America amid concerns that developing countries have great difficulty in securing vaccines in a timely manner. We believe that the effort was significant, given supporting a social (S) activity under the coronavirus epidemic.

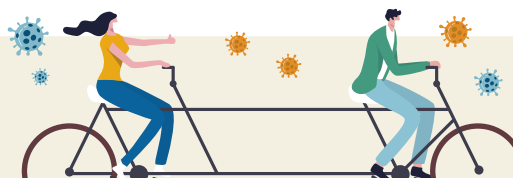
Taiyo Life will continue to be actively engaged in ESG investment and financing that contribute to the solution of social issues, while achieving a certain profitability.



Securities Investment Department
Bond Investment Division
Deputy Manager

Hirofumi Takagi

From
Taiyo Life
Work Site



I Organizational Profile

1. Organizational Profile

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

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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, 2021



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.
- T&D United Capital North America Inc.

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

¥2,413.9

billion

Ordinary profit

¥228.1

billion

Profit*

¥162.3

billion

No. of employees

19,615

* Profit attributable to owners of parent

Figures for revenues and profits are from fiscal 2020 and the number of employees is as of March 31, 2021

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/
Investment-related Businesses	Investment Management and Advisory, etc.	◎ Taiyo Life Aging Society Institute https://www.taiyo-institute.co.jp/company/
		◎ 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 United Capital North America Inc.
		◎ 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. http://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. https://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 https://www.daido-life-welfare.or.jp/	
	The Daido Life Foundation https://daido-life-fd.or.jp/english/	

*1 Includes main Group companies and foundations as of July 1, 2021.

*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, 2021)

102-1

102-3

102-13

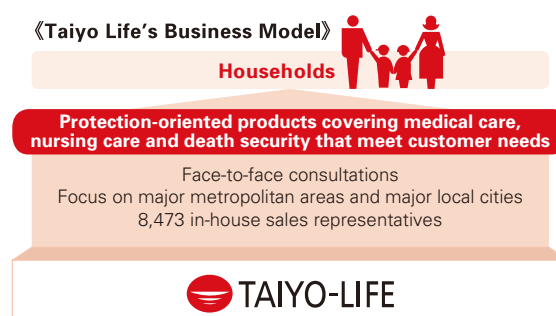
《T&D Holdings, Inc.》

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	118
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: 8,473 Administrative: 2,312 Total: 10,785

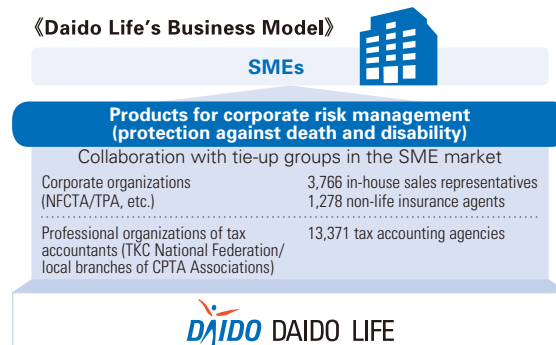
《Taiyo Life's Business Model》



《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: 3,766 Administrative: 3,146 Total: 6,912

《Daido Life's Business Model》



《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》



◇ **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	160

《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	85

《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	34
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, 2019		March 31, 2020		March 31, 2021	
Insurance & insurance-related businesses	18,275	(960)	17,827	(945)	18,354	(878)
Investment-related businesses	435	(19)	450	(15)	472	(15)
Administration-related businesses	779	(61)	781	(55)	789	(61)
Total	19,489	(1,040)	19,058	(1,015)	19,615	(954)

* 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, 2019	March 31, 2020	March 31, 2021	FY2018	FY2019	FY2020
No. of employees	17,979	17,525	17,972	3,773	3,377	3,464
Male	3,514	3,445	3,395	190	159	158
Female	14,465	14,080	14,577	3,583	3,218	3,306
Sales representatives	12,226	11,817	12,239	3,468	3,100	3,181
Male	341	312	293	80	56	45
Female	11,885	11,505	11,946	3,388	3,044	3,136
Administrative	5,753	5,708	5,733	305	277	283
Male (Managers)	3,173 (2,069)	3,133 (2,108)	3,102 (2,085)	110	103	113
Female (Managers)	2,580 (387)	2,575 (432)	2,631 (454)	195	174	170

* 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

	FY2018	FY2019	FY2020
Labor unionization rate (%)	80.2	79.9	80.5

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.



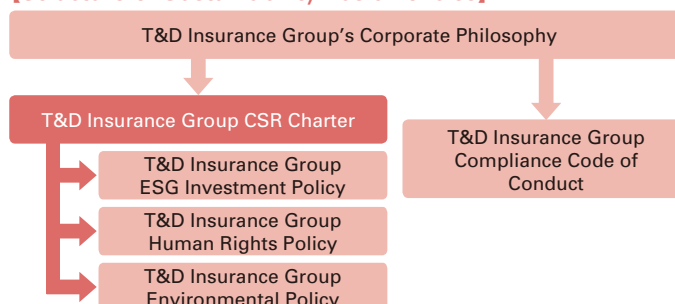
2. Philosophy and Policy of T&D Insurance Group

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 ESG Investment Policy

In accordance with the Group's corporate philosophy, the Group has established the T&D Insurance Group ESG Investment Policy, which expresses the Group's stance towards ESG investment.

For more information, please see "T&D Insurance Group ESG Investment Policy" on page 83.

● 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 "T&D Insurance Group Human Rights Policy" on page 35.

● 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.

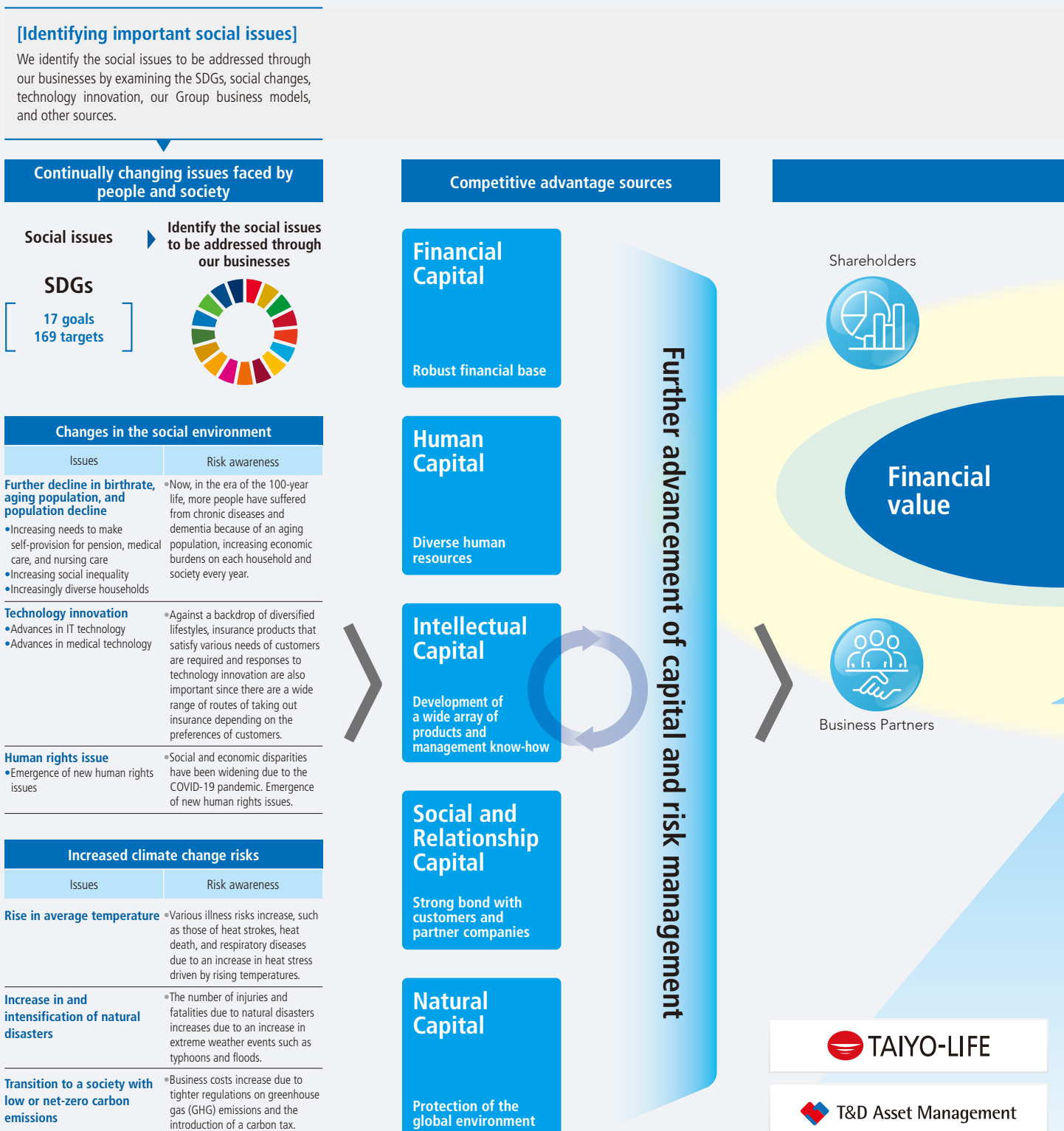
For more information, please see our website.

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/>

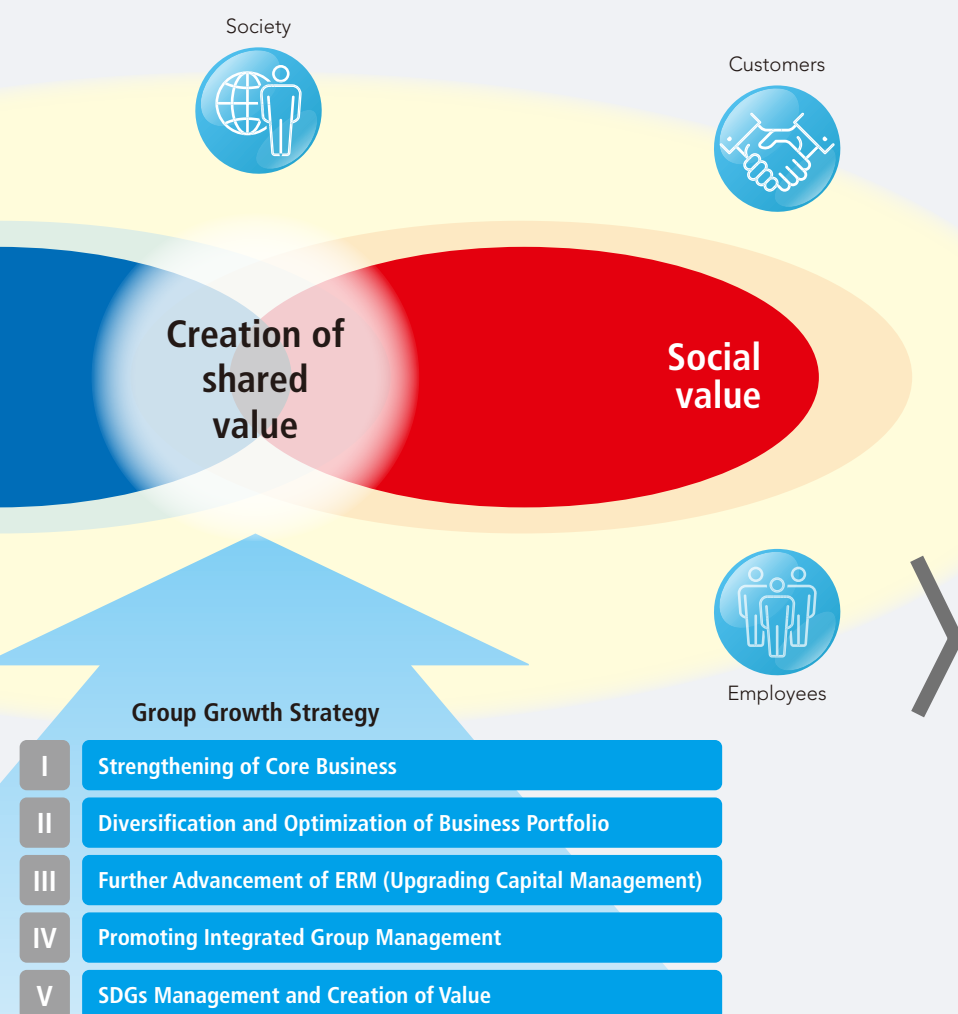
3. T&D Insurance Group's Value Creation Process (Conceptual Diagram)



[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 financial value through our activities in our core businesses, the business areas into which we are expanding, and our sustainability management business platform.

Business activities based on our business strategies (long-term vision)



DAIDO DAIDO LIFE

Pet & Family Insurance

T&D FINANCIAL LIFE

T&D United Capital

[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.

Creation of social value

Sustainability priority themes and creation of social 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 strong and vibrant society (society/community)



Creation of financial value

Group adjusted profit

¥130.0 billion

Value of new business

¥200.0 billion

Fiscal 2025 targets

Three-way Conversation (Vice President × Experts)



Mitsubishi UFJ Research and
Consulting Co., Ltd.
Principal Sustainability Strategist

Ms. Mari Yoshitaka



Special Advisor to the
UNEP Finance Initiatives

Mr. Takejiro Sueyoshi



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

Kanaya Morinaka

Aspiring to be the Insurance Group that grows together with society by contributing to the resolution of issues.

Recent Environmental Changes

Sueyoshi The biggest challenge facing the society as a whole, the nation as a whole, and the planet as a whole today is that the earth is headed for ruin. I think that's the truth of the matter. As many scholars and intellectuals have said, the next decade is the time to beat the odds. It is important not to tackle sustainability in a pretty way, but to make sure that human beings, society, and biodiversity are truly protected. I think that the situation is becoming very critical, and that is what is starting to move the world now.

Yoshitaka At this year's COP26 (November 1 to 12, 2021), attention is also focused on the fact that countries will raise their greenhouse gas emission reduction targets. Speaking of climate change, in Japan, we often focus only on CO₂ emissions. However, the Taskforce on

Nature-related Financial Disclosures (TNFD) was officially launched in June 2021, and when I talk to investors in Europe and the United States, I really feel that the issue of resources is also getting a lot of attention.

Japan is also moving forward with sustainable finance, green innovation, and green growth strategies, but I am worried that there is not enough sense of crisis. On the other hand, the expansion of ESG investment in Japan is very strong, and the issuance of ESG bonds such as green bonds and sustainability bonds has been increasing in recent years. I believe that financial institutions overall are beginning to feel a sense of mission to support the critical situation of the planet Earth.

Human rights issues are also becoming very serious. Another day, I talked with a person from Japanese SMEs, and I was very surprised because when he had a business meeting with an American company, he was asked about

his track record in signing contracts with disabled people and female managers. This kind of thing will become the norm in Japan soon, I predict.

Sueyoshi The world is beginning to engage in new competitive principles to escape from this global crisis. Those who are trying to tackle the global crisis head on, are serious about changing the way we do business. And they believe without a doubt, that the only way for their company to survive is to take action as soon as possible. If Japanese companies are mistaken about that, I think Japan will be completely beaten.

Morinaka I found the phrase “the entire planet is headed for ruin” very inspiring. Not only with the new coronavirus (COVID-19) pandemic, but also with the floods and the heat wave in Canada, I realize that the entire world is facing a crisis.

Against this backdrop, the Group has formulated the new Group Long-Term Vision.

This year we have also established the T&D Insurance Group ESG Investment Policy. Not only are we stopping financing coal-fired thermal power but we are putting an effort on project financing, such as financing technological development of environmental improvements. We must work to change the global environment by all means possible.

Sueyoshi Mr. Morinaka, I think your understanding is absolutely correct. However, I dare to say that the various issues you have just mentioned are all tied together at the core. Ending up dealing with individual problems does not lead to a fundamental solution.

Yoshitaka When the environment is destroyed, the vulnerable are the ones most affected. That’s why dealing with human rights issues and responding to climate change are what Western investors are demanding most of their management. Not everyone can take the same action, so those who can must help those who cannot. Whenever investors evaluate a company, they focus on the social issues they are interested in. SDGs is a recent example. The SDGs itself is not new at all, but it is an organized version of the obvious issues that we have already been recognized.

Sueyoshi Now that you mentioned the issue of the weak in society, when I listen to these discussions overseas, I hear some words that we lack in Japan. The most powerful words are fairness, honesty, and justice. And of course, human rights are included in that. Whenever Japan discusses global warming or any other issue, it always starts by imposing a burden on each other. The question is naturally how to create a fair, honest, and just society,

and debating the issue without any of this perspective will end up in a blame game. Japan will finally be left behind in the global competition under such a situation.

Your Group, in particular, is a company that is concerned with the life, health and happiness of each and every one, so it is an extremely critical topic for you to consider how to maintain and protect the honesty of each individual and consideration for the weak of society.

Morinaka You are right. We are a group setting life insurance business at its core, which is founded on the spirit of mutual aid. We have always valued fairness and honesty through our main business, but going forward, we would like to extend this value to areas beyond our main business and contribute.

For example, the Group has been hiring employees with disabilities, mainly physical disabilities, but we have also created a team of people with mental disabilities. Such employees are not assigned to a different company, and they do various tasks within the same company.

They all work with such enthusiasm and tell me that they are happy to be working for this company. It has been more than two years since we started the initiative, and we hope to continue this kind of effort for a long time to come.

Sueyoshi That’s why the history of T&D Insurance Group has continued since 1893. I sincerely hope that through the implementation of the Group Long-Term Vision, you will tackle these issues from the perspective of fairness, honesty and the socially vulnerable, and bring about a new wave to Japan.

Yoshitaka The other day, I had the opportunity to listen to the opinions of Generation Z. A high school student said, “We think climate change is dangerous now, but why are the adults so slow to take action?” And a junior high school student said, “I really can’t sleep because I’m worried about my future.”

When today’s teenagers pass another 30 years, they will be the generation in need of insurance the most. The challenge for adults is to always deliver an easy-to-understand message about the importance of insurance to the next generation.

Sueyoshi People in their teens and twenties today will become the core of society over the next few decades. As they gain power, I believe that the senior generation, including companies that are not able to change will be driven away.

Morinaka We talked about fairness. No matter how profitable a company is now, if it is not fair and honest, it may be rejected by Generation Z when they grow up, and

Three-way Conversation (Vice President × Experts)

may not survive. This sense of crisis has been instilled into us. That is why we have formulated the Group Long-Term Vision, with the hope of becoming a group understandable to such people.

Group Long-Term Vision “Try & Discover 2025”

Morinaka Conventional medium-term management plans were determined based on past experience and anticipation of future changes in the environment. Nevertheless, in this era of high uncertainty, or when we look five years into the future amidst changing global trends, including ESG, we have formulated the long-term vision based on the concept of backcasting to determine what kind of a group we want to become. In addition to how to boost profits, we have created a vision that wishes for the happiness of all stakeholders.

Sueyoshi What’s important now is how we are going to spend the next five to ten years. Just as we have a target of net zero by 2050 for climate change, there should be a final goal to be reached, and I believe that the roadmap leading to the goal, or the five or ten years leading to the goal, is important. I feel it may be better if you could elaborate a little more on the positioning of the Group Long-Term Vision and the longer final goal that it is a part of: what part this first-five-years will play out of what kind of a longer final goal.

Furthermore, I think the idea of placing SDGs at the base is good, but as I understand it, the most important part of the SDGs is to basically rethink the way we do business now. That means, for example, changing corporate management to solve problems.

As I mentioned earlier, each individual problem has a single root. In terms of companies, I think, the way the corporate management is run has caused problems. So it would be better if you could be a little more specific about what you are going to change.

The businesses of your Group play an important role in two ways: as a life insurance company and as an institutional investor. I think it would be easier for the reader (e.g., customers) to understand if the two activities were explained separately and further detailed. Especially for the general public, it is not always easy to see what you do as investors, so I think it is important to give them an orientation of your activities as an investor.

Yoshitaka I think it will be easier to understand if you organize the time axis of each approach. I understand this may be a matter of how the information is worded but

for example, strengthening core businesses needs to be an ongoing issue, not limited to the period of the Group Long-Term Vision.

With regards to human due diligence, it would also be better to establish policies and further clarify what to do.

Morinaka Thank you very much. In our basic policy of the SDGs, the ultimate goal is to bring happiness to the world by creating social value, and to make the world a better place by generating happiness. In that sense, I would like to think first of all about making the world a better place through our main business or even through non-main business.

Establishing Sustainability Priority Themes for the Realization of Creation of Shared Value

Sueyoshi The four priority themes are divided into two categories: life insurance company functions and the role as an institutional investor. Perhaps products for customers as a life insurance company fall under priority theme 1, while the role as an institutional investor comes under priority theme 4. If we think about this, we can tie priority



themes 1 and 4 together. Also, I understand that priority theme 2, “All people,” is basically talking about the employees of your Group. Regarding priority theme 3, climate change, I think this is a response as the Group’s comprehensive role to society as a whole, so I feel that the order could be switched.

Also, priority theme 3 should not be limited to the five-year planning period of the Group Long-Term Vision, but should also indicate the long-term goal of net zero. Whatever the company, region, or country, the ultimate goal of net zero must be clearly stated.

Yoshitaka In preparation for COP26, a new framework called the Glasgow Financial Alliance for Net Zero (GFANZ) was announced in April of this year. It is now becoming the consensus of all financial players to aim for net zero by 2050. So, I think it would be easier for us to understand if you first set a target for when to reach net zero and then specifically state how much you will reduce by 2025.

As Mr. Sueyoshi touched on, I believe that you will be required to take more responsibility as institutional investors than ever before. However, if individual investors participate in ESG and sustainability investment in the future, I think they will also focus on whether or not your Group

is included in their ESG investment portfolio. As for priority theme 3, climate change, responsibility differs depending on whether it is a corporate activity through products or contribution as an investor, so that should be sorted out.

Also, since employee satisfaction is an important ESG evaluation category, it would be worthwhile to underline the details. Sorry, but you do have an employee satisfaction indicator, don’t you?

Morinaka We sure do. We survey our employees every year.

Yoshitaka However, “providing workplace environments that enable all people to participate actively” is vague and confusing. So if the stakeholder under this theme refers to employees, then it should be written as such, and if it refers to the customers, which are management/employees of SMEs, then a separate priority theme should be established.

Sueyoshi Additionally, when “all stakeholders” cherry-pick investment targets and various factors, they will definitely have a measure of whether the country, region, people and company are serious about the future of young people. I believe that your Group is definitely a company that is thinking about the future of the earth and the potential of next generation. How do you cultivate a feeling of trust that you are the kind of a group who think and act on everything based on this? I think that is vital.

For T&D Insurance Group

Yoshitaka I was touched by your Group’s attitude to be close to each and every one. I believe that sustainability should be a partner to help the weak and SMEs. I heard that your Group provides products in various languages for foreign employees of SMEs. I hope that you will continue to work with each and every one, including those of SMEs, to promote sustainability.

Sueyoshi The phrase “For the happiness of all stakeholders” in the Group Long-Term Vision was surprising in a good way because of the very soft expression you have chosen.

As Mr. Morinaka mentioned earlier, I think it is really necessary now to value the perspective of the vulnerable in society. There would be nothing more rewarding than to see all of you, with the great history since the Meiji era, further engage in creating an inclusive world, including those who are socially vulnerable.

Morinaka This has been such a fruitful meeting. I have really learned a lot from both of you. Thank you very much for your time today.



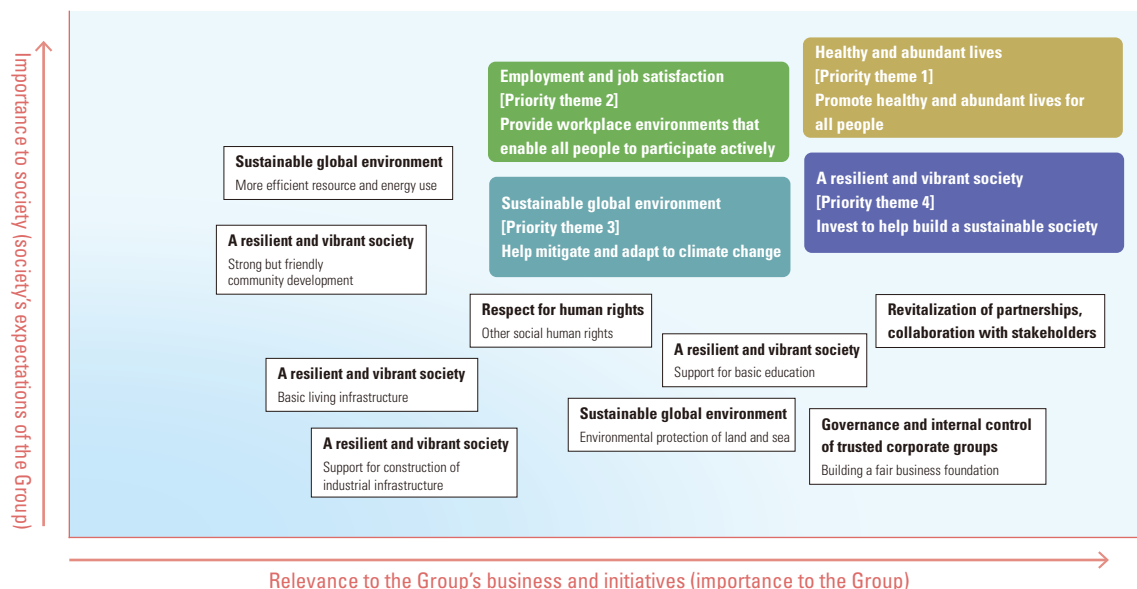
4. Priority Themes for Promoting Sustainability

102-46

103-1

4-1 Sustainability Priority Themes (FY2021)

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 our business activities 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 23.

(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 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 (now the Executive Management Board) 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	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	P: Insurance to support the prevention of dementia, insurance to protect a wide range of conditions requiring long-term care 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	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: Support for foreign employees who have difficulties understanding Japanese during the application process in order to meet the insurance needs of foreign workers in SMEs	
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	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	
g) Respect worker personalities and diversity h) Support human resources and skills development	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	Employment and job satisfaction [Priority theme 2] Provide workplace environments that enable all people to participate actively (workplace)
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	
17. Increase use of renewable energy 18. Promote investments in clean energy 29. Strengthen resilience to climate change	B: Set Group-wide targets to reduce CO ₂ emissions, reduce electricity consumption, reduce office paper consumption, and improve 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"	Sustainable global environment [Priority theme 3] Help mitigate and adapt to climate change (global environment)
34. Promote investments in sustainable development	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 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 I : Exercise of voting rights and dialogue with investees based on the Principles of Responsible Institutional Investors	A resilient and vibrant society [Priority theme 4] Invest to help build a sustainable society (society/community)

Important social issue	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	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	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	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	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 education and employment support in developing countries, measures against the spread of COVID-19, etc.	A resilient and vibrant society • Support for construction of industrial infrastructure
o) Collaborate with 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

102-47

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 environments
	Responsibilities as an institutional investor	18. Promote investments in clean energy
		34. Promote investments insustainable development
	Demographic Change/Aging issues	2. Reduce economic and social risks in an aging society



















5. Contribution to SDGs

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"> Taiyo Life quickly launched <i>Infectious disease plus hospitalization insurance (lump-sum payment type)</i> which covers COVID-19 (September 2020) Daido Life launched free-of-charge COVID-19 mutual support insurance in collaboration with justInCase (November 2020) Activities to support the health and productivity management practices of SMEs Development and provision of health promotion apps, etc.
2. Provide workplace environments that enable all people to participate actively	   	<ul style="list-style-type: none"> Effective use and training of human resources through OJT, group training, self-development support, etc. Support for the advancement of women through managerial appointments, childcare support systems, etc. Efforts to modernize workstyles to enrich work and life by providing work-at-home options, reducing working hours, encouraging vacation uptake, etc. Helping 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"> Establishment of Group-wide CO₂ emission reduction targets Efforts to reduce consumption of electricity and office paper Promotion of green purchasing initiatives to help protect the environment Activities to conserve and cultivate forests Collaboration with and support for NPOs engaged in protecting the global environment Endorsement of TCFD recommendations and disclosure of climate-related financial information
4. Invest to help build a sustainable society	     	<ul style="list-style-type: none"> Investment in “green bonds” that contribute to solving environmental problems Investment in and financing of renewable energy projects and energy efficiency projects Investment in various “social bonds” that contribute to the measures against the spread of COVID-19 Investment in and financing of businesses committed to solving water shortage issues Investment and financing to support youth development and employment in developing countries Investment in businesses that promote better health for people

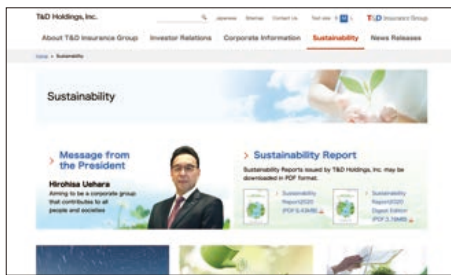
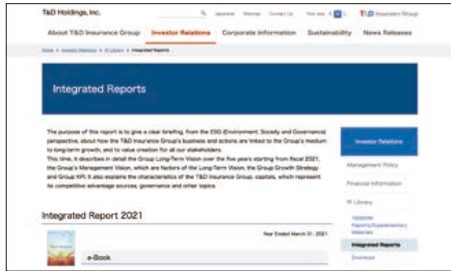
SUSTAINABLE DEVELOPMENT GOALS



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?	P.2: Message from the President P.27: 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.26: 5. Contribution to SDGs
Step 2 Defining priorities	Map the value chain to identify impact areas Select indicators and collect data Define priorities	P.22: 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.60: Priority theme 2 (Targets set for promoting female employees to management positions) P.75: 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.22: 4-1 Sustainability Priority Themes • Initiatives for solving social issues and creating shared value P.16: 3. T&D Insurance Group's Value Creation Process P.32: 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/  <ul style="list-style-type: none"> • 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 see our website.

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

6. Status of Sustainability Promotion

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● FY2020 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.

FY2020 Group Sustainability Promotion Progress Report (Partial Account of Activities)

Plan Initiatives	Do FY2020 results/performance	Check/Act Activities planned for FY2021
● 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>Infectious disease plus hospitalization insurance (lump-sum payment type)</i>, which provides generous coverage for hospitalization due to infectious diseases 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 a yen-denominated, single-premium variable whole life insurance that supports asset formation through self-provision in the Centenarian Age Providing the KENCO SUPPORT PROGRAM to support the implementation of health-oriented management® by SMEs Deploying the Taiyo's GENKI Project to encourage good health Supporting foreign employees who have difficulties understanding Japanese during the application process 	<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 CO ₂ Emissions Period: FY2020–FY2025 Scope: Buildings owned or leased and used by Group companies Baseline: CO ₂ emissions in FY2013 (value per unit of floor space) Target: At least 40% reduction from baseline by FY2025	<ul style="list-style-type: none"> Reduced CO₂ emissions by setting targets for reducing electricity use and controlling energy consumption FY2020 results: 0.0470 t/m², 69.7% of baseline (30.3% reduction from baseline) 	<ul style="list-style-type: none"> Reduced CO₂ emissions by continuing to promote initiatives to reduce electricity consumption
Reduction in power consumption Period: FY2018–FY2027 (Baseline year: FY2016) Scope: Buildings owned or leased and used by 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 FY2020 results: 100.8Kwh / m², 90.7% of baseline (9.3% 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 head offices of 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 19.1% from baseline in FY2020 	<ul style="list-style-type: none"> Initiate a new five-year target from FY2019 to further reduce paper usage
● 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 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 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

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7-1 Sustainability Promotion Framework (FY2020)

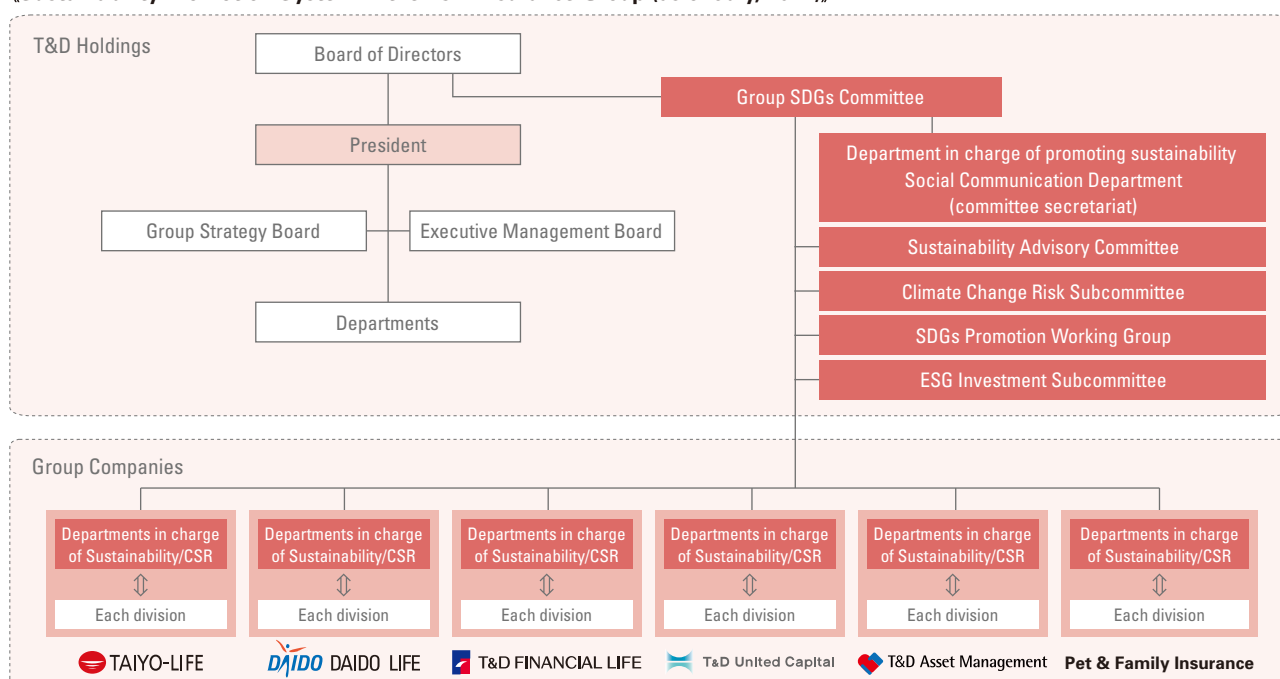
The T&D Insurance Group has established the Group SDGs Committee, which consists mainly of officers in charge of sustainability/CSR (planning and CSR) at each Group company. Our sustainability promotion framework has been reinforced to facilitate coordinated efforts by way of deliberation by the Group 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

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 Social Communication Department. In fiscal 2020, the Committee met five times. All the information shared and the issues deliberated and discussed are reported to the Board of Directors. In addition, in fiscal 2020 we established the Climate Change Risk Subcommittee and the ESG Investment Subcommittee as subordinate bodies of the Group SDGs Committee to proactively address the increasingly important issue of climate change. The subcommittees are chaired by the General Manager of the Social Communication Department of T&D Holdings, who is in charge of promoting Group sustainability, and consist of the heads of the planning, risk management, and asset management departments at each Group company, as well as the persons in charge of handling these issues (section managers). 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 advances each Group company's sustainability promotion activities by sharing information on sustainability promotion at each Group company, in conjunction with assisting with the management and activities of the Group SDGs Committee.

- Executive officer in charge of sustainability at T&D Holdings
..... Kanaya Morinaka, Representative Director and Executive Vice President (FY2020)
100% attendance at Group SDGs Committee meetings in fiscal 2020
- Department in charge of promoting sustainability at T&D Holdings
..... Social Communication Department, T&D Holdings
- Departments in charge of sustainability/CSR at each Group company
..... Established departments in charge of sustainability/CSR at each Group company (planning and public relations departments)

《Sustainability Promotion System in the T&D Insurance Group (as of July, 2021)》



● Sustainability Advisory Committee

This Committee was established in fiscal 2021 to improve the Group's sustainability initiatives by incorporating the perspectives of external experts and the latest trends.

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 Management Board [President of T&D Holdings] Group Strategy Board [President of T&D Holdings]
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	Group HR Committee [Executive officer in charge of personnel at T&D Holdings]
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

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 2020 and reported issues covered and information shared to the Board of Directors.

● Group HR Committee

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 Group HR 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.

● Group Risk Management Committee

Positioned directly under the Executive Management Board, 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 outsourcing management of our business partners.

In fiscal 2020, the Committee held 20 meetings and reported the results of deliberations to the Executive Management Board and the Board of Directors.

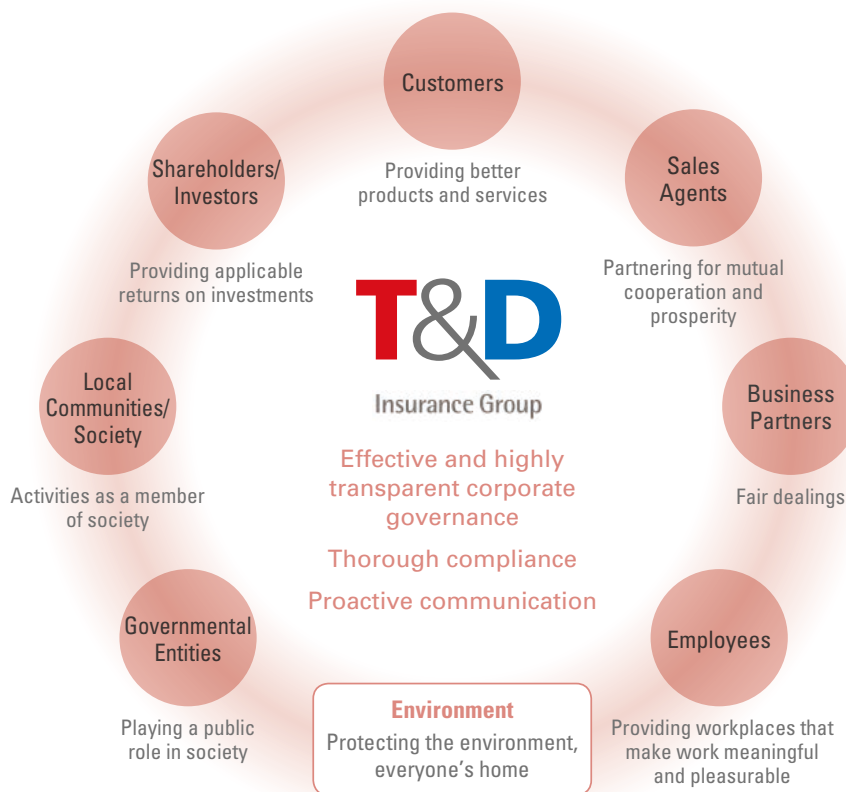
9. Stakeholder Engagement

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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 219,229 as of March 31, 2021, 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.



《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	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.
	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.

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	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.
2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	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.
2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	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.

As of July 1, 2021

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.

FY2020		
Excellence Award at the 2nd Platinum Career Award Sponsored by TOYO KEIZAI INC. Supported by Cabinet Secretariat and Ministry of Health, Labour and Welfare	Excellence Award at the 6th Sustainable Finance Awards Research Institute for Environmental Finance (RIEF)	Special Award Japan Financial Innovation Award 2021
Certified Health and Productivity Management Organization White 500 Ministry of Economy, Trade and Industry	Top quality rating of "3 stars" Telephone support desk (customers/agents) HDI Japan	BCP Award Contact Center Award 2020

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.

As a concrete action, we established the “T&D Insurance Group Human Rights Policy,” which expresses the Group's views on respect for human rights, under which we conduct human rights due diligence. The Policy was formulated in accordance with the Guiding Principles on Business and Human Rights, a standard of conduct for all nations and companies developed 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.

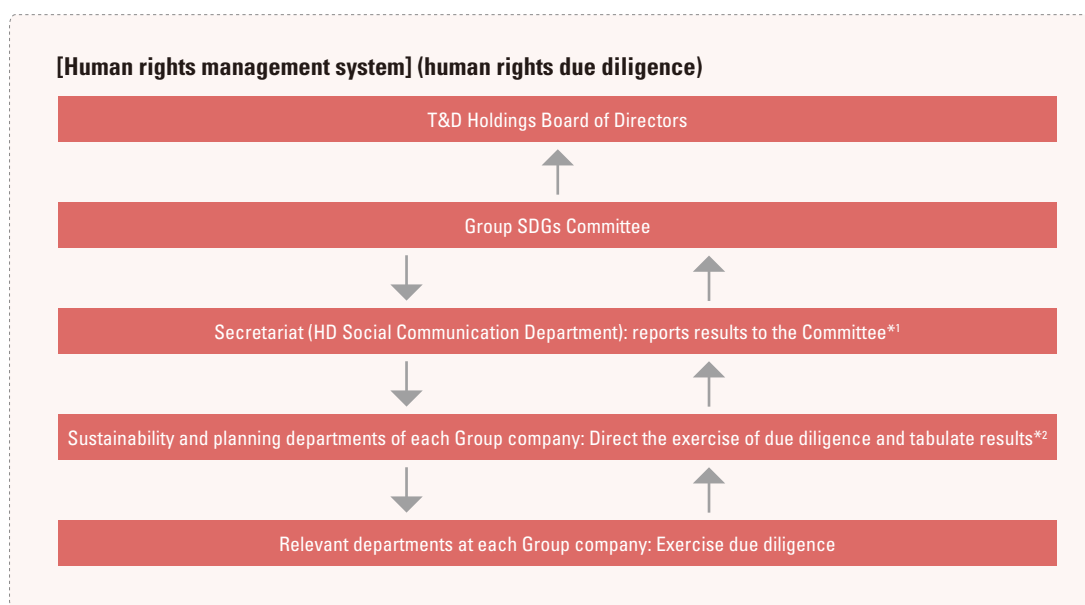
* The term “all executives and employees” includes employees across all employment forms, including contract employees, fixed-term employees, part-time employees, in addition to full-time employees.

Established July 1, 2020

Exercising Human Rights Due Diligence

We exercised human rights due diligence at the Company and its directly owned subsidiaries covering the period up to March 31, 2021. 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.



*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 see our website.

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

III Priority Theme 1

103-2

103-3

Promote Healthy and Abundant Lives for All People

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.



Connected social issues and group initiatives to solve them

 Social Issues	 Primary Stakeholders	 Initiatives
Reduce economic and social risks in an aging society	Customers, local communities	Provide insurance to support the prevention of dementia and insurance that covers a wide range of conditions requiring long-term care
Help people maintain good health	Customers, investors, local communities	Help spread and promote “Health and Productivity Management” and enhance welfare systems among SMEs Invest in funds that support businesses that contribute to improving people’s health
Promote the use of insurance and financial services for all	Customers	Integrate internet-based insurance enrollment with face-to-face customer services
Encourage all people to engage in social and economic activities	Customers, local communities	Deliver asset formation products for seniors to enjoy their lives post retirement

Policy

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

Results for FY2020

- Provision of “Infectious disease plus hospitalization insurance (lump-sum payment type),” which covers COVID-19
- Free provision of COVID-19 mutual aid insurance in collaboration with justInCase Co., Ltd.
- Deployment of Taiyo’s GENKI Project
- Provision of KENCO SUPPORT PROGRAM (health and productivity management support)
- Expansion of product lineups to meet diversifying customer needs, etc.

Planned for FY2021

- Continue to provide products and services that meet the needs of society
- Offer *Cancer/Critical Illness Prevention Insurance*
- Offer “Hybrid Asset Life” single-premium variable whole life insurance
- Expand lineup of products offering a full range of protection to meet the needs of SME owners, modernize coverage, improve the flexibility and convenience of various procedures, etc.



1. Offering Products and Services That Address Social Needs

103-2

103-3

1-1 Initiatives by Taiyo Life

Taiyo Life's vision is to situate itself as an insurance company that helps as many customers as possible live safe and prosperous lives by delivering the best products and services to families in preparation for a society in which more and more people are living past the age of 100—"the era of the 100-year life." We are committed to offering high-quality products and services to further accelerate efforts to build the top brand in the senior market, helping more customers live healthier and longer lives, and providing our customers with peace of mind throughout their entire lives. In FY2020, in order to pay out benefits in a quick, hassle-free way to customers affected by the COVID-19 pandemic, we implemented a variety of support measures, such as ensuring that customers could still receive hospitalization benefits even when, for example, they were missing certain required documents when claiming benefits, or when they could not be admitted due to circumstances at medical institutions. In addition, we continually strive to fulfill our social mission to provide peace of mind by staying on top of changing customer needs in the midst of the coronavirus pandemic. To achieve this, we are thoroughly protecting the health and safety of our employees, while at the same time employing new initiatives that will help us live with coronavirus, including products, work style reform, and application procedures that can be done remotely.

《Initiatives under Taiyo's GENKI Project》

Looking ahead to the full-blown arrival of the era of the 100-year life, Taiyo Life has been promoting Taiyo's GENKI Project, an initiative that began in June 2016 to energize all of our employees, customers, and society. The aim is to address the social issue of longer, healthy lifespans, that is, living a long, healthy life. As for specific approaches, we have been working on introducing a system of employment that allows employees to work until the age of 70, offering disease prevention services, and sponsoring dementia seminars throughout Japan. These activities have been highly acclaimed by external institutions. For instance, Taiyo Life has earned the "White 500" health management excellence certification for five years running under the Certified Health and Productivity Management Organization Recognition Program sponsored by the Ministry of Economy, Trade and Industry.



《Product Development which Preempts the Changes of the Times》

In September 2020, Taiyo Life newly launched our infectious disease plus hospitalization insurance (lump sum payment type), which was developed as a way of giving our customers peace of mind and helping them live healthier, longer lives by taking the lead in providing life insurance with generous coverage for hospitalization due to COVID-19 infection during the pandemic. This product can also support people's daily lives in terms of responding to the impact of medical costs, as well as other expenses and reductions in income following hospitalization, which are a concern for customers. It was well-received by many of our customers, with over 10,000 new policies sold within only 13 days after launch. Moreover, in November 2020 we began offering relaxed underwriting-type insurance, so even those worried about their health status, such as persons with chronic disease or a pre-existing medical history, are now able to enroll with a simple declaration. This allowed us to better meet the diverse needs of a wide range of customers—both young and old—and had a huge impact on our business, with over 100,000 policies sold in April 2021.

In addition, in October 2018, we launched *Himawari Dementia Prevention Insurance*, an insurance industry first that takes into account the risks posed by the era of the 100-year life. This product does not only cover customers in the case that they develop dementia, but helps customers prevent the onset of dementia from the prevention stage. In November 2020, we raised the limit on the insurance claim paid out for dementia diagnosis, which allowed us to meet our customers' diverse needs even more than ever. At the end of June 2021, total sales of our series of dementia-related products exceeded 700,000 policies*, which shows that these products are well-received by many people, particularly by our senior customers.

* Total combined sales of *Himawari Dementia Treatment Insurance*, dementia treatment insurance, *Himawari Dementia Prevention Insurance*, and increasing dementia treatment whole life insurance.

Furthermore, in June 2021, we launched our cancer and critical illness prevention insurance, the second in our series of prevention insurance plans following *Himawari Dementia Prevention Insurance*. Customers enrolled in this policy are guaranteed coverage of up to 20 million yen for certain conditions due to 19 diseases, including cancer, acute myocardial infarction, strokes, and diabetes. The policy is meant to help cover the early treatment of diseases, and benefits can be paid out not only when a cancer diagnosis has been confirmed, but also for acute myocardial infarction or



strokes in cases where certain conditions continue for 60 days or more, as well as in cases requiring undergoing surgery. In addition, by adding special survival benefit provisions, customers can receive “preventive benefits” every two years starting one year after the policy begins. These preventive benefits can also be used to take advantage of disease prevention services, etc., recommended by our company. By encouraging customers to make use of these disease prevention services, leading to the prevention and detection of cancer and other critical illnesses at an early stage, we can help customers live longer, healthier lives. These products were well received by a wide range of customers of all ages, including the carer generation, with over 10,000 policies sold in less than a month after the product went on sale.

As a financial institution agent, we launched *My Kaigo Best Plus* as a successor to our basic policy *My Kaigo Best* in April 2020. In addition to the coverage guaranteed by *My Kaigo Best*, customers will be paid insurance claims for a dementia diagnosis if they are ever diagnosed by a doctor with certain forms of dementia, and whole life dementia treatment benefits if conditions continue for 180 days due to certain forms of dementia.

As for the corporate insurance sector, in April 2020 we began selling benefit riders that can be added to our *group life nursing-care insurance*, namely, the three major diseases benefit rider and disability income benefit rider. By introducing these riders, we have been able to meet the needs of individuals belonging to companies and organizations, along with their spouses, who wish to prepare financially for balancing medical treatments with work. By combining it with the existing life nursing-care insurance rider (for parents), customers can now arrange for coverage for parents requiring long-term care, the three major diseases, and loss of income with one product.

《Delivering Peace of Mind to Families》

As a response to the COVID-19 pandemic, Taiyo Life offered an extension of up to six months for the grace period for payment of premiums and the period for policy renewal procedures, and applied special interest rates (interest reduction and exemption) to new policyholder loans. In addition, we have worked to improve customers’ convenience through simple treatment of claims and benefits, along with special treatment when receiving care outside of a hospital that would ordinarily require hospitalization. By doing so, customers affected by the COVID-19 pandemic will have peace of mind when continuing their policies and claiming benefits.

In addition, we are continuously working on various reforms and improvements in order to deliver trustworthy and reliable services to customers over the long term, from enrollment and contract period, up to until a policy pays out. We proactively recommend the family members of a senior customer to be present when he or she concludes a contract to prevent misunderstanding. Also, our in-house sales representatives make use of the video phone function of our *Taiyo Life Concierge* for mobile devices to contact customers directly and reconfirm the intention of the contract, application details, and more through our support desk, which offers ease-of-mind to our senior customers. We have also introduced the Family Registration Program, which allows the prior registration of contact information of customers’ family members as preparation in case it ever becomes difficult to communicate with the policyholder due to the onset of dementia or hospitalization.

We are also implementing our *Senior Visit Service*, which involves visiting senior customers at least one a year during the enrollment period to confirm contract details and encourage customers to claim their benefits. Using our dedicated customer service Web portal *Taiyo Life My Page*, customers can complete procedures from anywhere without having to visit a Taiyo Life Office, including address changes and other insurance maintenance procedures, use of loans and other funds, hospitalization benefits claim procedures, and more. It is also possible to complete various procedures and benefit payments online.

When a payment is to be made, office workers with specialized knowledge visit customers and/or their families directly to help them with the procedures for claiming benefits as part of our *Kaketsuke-Tai* Service. This service, which makes use of the *Taiyo Life Concierge* to reduce paper consumption when claiming benefits, allows benefit payments to be made in as little as ten minutes. In addition, in October 2020, claims for death benefits went paperless, and we aim to expand this service by digitalizing all major procedures for benefits and claims.

《Prevention initiatives》

Our goal at Taiyo Life is to help create a bright society with longevity where everyone can live long, healthy lives. Toward this goal, we are working on initiatives that not only support customers in the detection and improvement of critical illnesses at an early stage, but also help prevent disease, as well as improve our customers’ health. For customers eligible for payment of preventive benefits through our *Himawari Dementia Prevention Insurance*, we recommend dementia prevention services such as MCI Screening, which determines the risk of mild cognitive impairment (MCI) through a simple blood test, and the Kurort Health Walking Experience Tour, which can prevent disease and improve health, among others. In March 2021, we entered into a business agreement with Ajinomoto, H.U. Frontier, and Sel mesta (now H.U.Wellness), and began offering Aminoindex® Risk Screening, which can simultaneously evaluate the possibility of an individual currently having cancer and whether they are at risk of future strokes, myocardial infarction, or diabetes. Moreover, we also began offering the Taiyo Life Health Promotion App in March 2021. Our Dementia Prevention App, which was previously provided as an extra service for *Himawari Dementia Prevention Insurance* policyholders, will be updated as a freely available app for anyone to use, and new functions, such



as a function to measure sleeping conditions, as well as free health consultations, will be added. In this way, we will be able to help even more customers prevent illness and improve their health.

《New Sales Channel: *Sma-Hoken*》

In October 2019, we launched *Sma-Hoken*, which enables customers to apply for insurance online.

Sma-Hoken, our completely new Internet-based insurance system with extensive after-sales follow-up, combines a convenient online insurance quoting and application process that can be carried out any place and time a customer desires, with attentive service from our personable 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. In September 2020, we began selling the infectious disease plus hospitalization insurance (lump sum payment type) and advanced medical care insurance, and even customers concerned about their health status could begin applying for the infectious disease plus hospitalization insurance (lump sum payment type) in November 2020. We are aiming to enhance our lineup of suitable products; in March 2021, we began selling a medical care and whole life insurance plan and raised the maximum coverage amount of dementia treatment insurance benefits.

《Introduction of online registration (non-face-to-face solicitation)》

In January 2021, we introduced Remote Application, which combines *Sma-Hoken* with consultations with sales representatives and support with application procedures, becoming the first* major insurance company in Japan to digitalize everything from application procedures to benefits payment. Through this Remote Application service customers requiring remote services due to the impact of the COVID-19 pandemic can now easily complete enrollment from their own smartphones or computers.

* With respect to the sales representative channels of the nine domestic insurance companies with company names written in Japanese characters, we were the first to realize the remote completion of application and benefit payment procedures using digital technologies. (Research valid as of 8 December 2020)

《Development of the Life Insurance Business in Myanmar》

Taiyo Life is expanding its overseas business 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.



1-2 Initiatives by Daido Life

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

《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.



《Kaigo Relief α》

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, in April of 2019, 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, as well as psychological, burdens associated with nursing care.

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

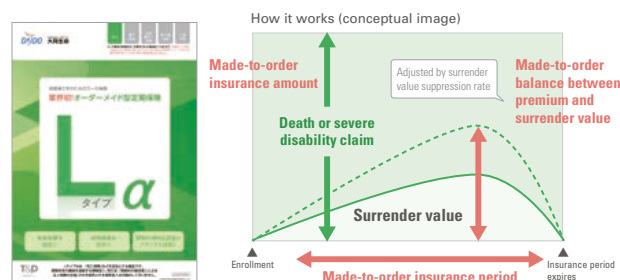
Product <i>Kaigo Relief α</i> (For financial burdens)	Service <i>Kaigo Concierge</i> (For psychological burdens)
<ul style="list-style-type: none"> ● Lifelong nursing-care benefits with inexpensive insurance premiums ● Coverage from the public long-term care insurance system "Care Level 1" ● High level of benefits of up to 100 million yen ● Multiple persons can be designated as beneficiaries, in accordance with needs 	<ul style="list-style-type: none"> ● Care manager referrals ● Nursing-care facility referrals and visit arrangements ● Provision of dementia-related services and information through <i>Dementia Plus</i> + ● Proxy applications for certification for long-term care certifications, etc.

* 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.



《L-type α , J-type α , and T-type α Products》

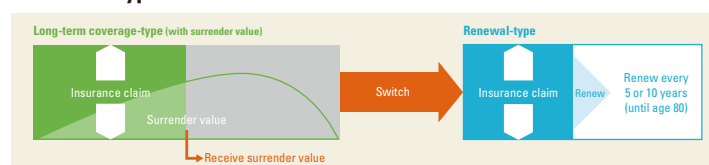
With the arrival of the era of the 100-year life and facing a serious lack of successors, a phenomenon including the aging of SME owners and the lengthening of their working careers is advancing. Meanwhile, structural changes in society and industry are presenting SMEs with more diverse management challenges and risks. These changes in the environment have brought about 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 strokes), and severe physical disability. Specifically, in July 2019, we began offering *L-type α* [non-participating age-specific maturity term life insurance (specified surrender value suppression rate type)], *J-type α* [non-participating critical illness insurance (specified surrender value suppression rate type)], and *T-type α* [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)》

To respond more flexibly to changes in needs after enrollment, in April 2020 we introduced the Policy Conversion System (Switch) that allows products in the same benefit field with different coverage periods to be switched (converted) between one another. The system applies not only to the traditional death benefit, but also to 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 cancer stage limited J-type product》

In December 2020, in order to ensure critical illness protection for more customers while keeping pace with medical technology advances and other changes, we launched our stage-limited cancer J-type product [non-participating critical illness insurance (stage III, IV cancer protection only, no surrender value type)], which focus on serious cancers (equivalent to stage III and IV) that have a significant impact on the running of a business.

Launch of HALFIT service

Since April 2020, free access to up to three sessions of 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. 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)

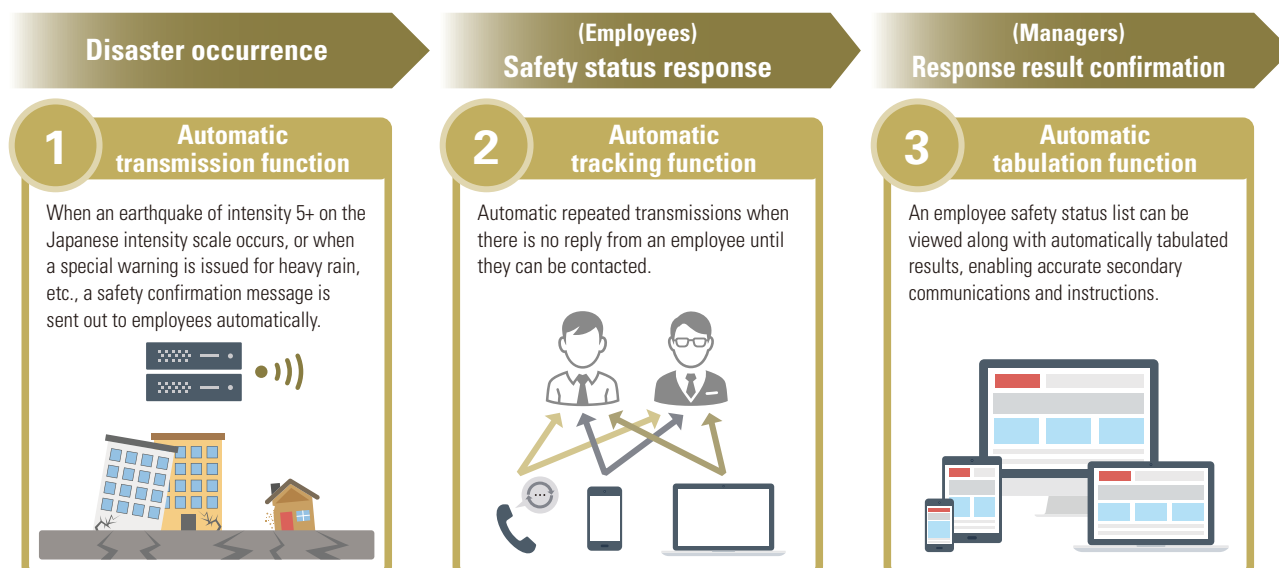


(HAL single joint type)

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》

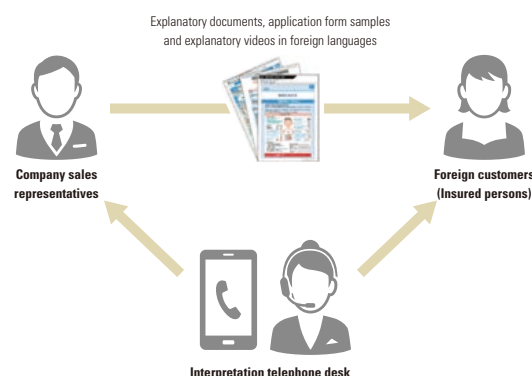
Insurance needs are expected to increase due to further increases in the number of foreign workers. However, life insurance policies could not previously be purchased in cases where the application details could not be understood in Japanese. In order to respond to the wishes of SME owners to care for 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

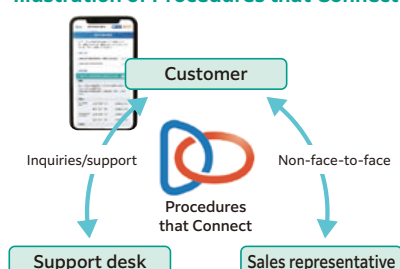
(Languages of the top eight countries, in terms of the number of foreign workers)



《Procedures that Connect》

In order to improve the convenience of customer procedures and adapt to the “new normal” of coexistence with the coronavirus, we are trying to make all insurance procedures non-face-to-face as part of our Procedures that Connect initiative, so that customers can choose between “the security of face-to-face” and “the convenience of non-face-to-face” according to their needs. When purchasing an insurance policy, after deciding on coverage, customers can complete the enrollment procedure on their smartphone or PC at home or at work at their own leisure without any restrictions on time or place.

Illustration of Procedures that Connect



Advantages of remote procedures

■ Anytime, anywhere

Customer completes the procedure on their smartphone without meeting with a sales representative

■ Easy and convenient

Remote procedures such as verifying identity and explaining important matters can be done on a smartphone by taking a photo or watching a video

■ Procedure support by the operator

If the customer has any questions, the operator can facilitate progress by sharing the screen and demonstrating how to enter the information

1-3 Initiatives by T&D Financial Life

《Development of Products in Response to Changes in the Social and Economic Environment》

To respond to diversifying customer needs, T&D Financial Life has bolstered its product lineup and provides insurance products in a timely manner through banks and other financial institutions, as well as insurance shops where customers can drop in for consultations. For senior customers, it provides asset formation products for supporting a comfortable post-retirement life through the preparation of post-retirement expenditures and the need for protection of bereaved family members. For the working and childrearing generation, it offers protection-oriented products at an affordable price. In April 2020, we launched *Kakei Ni Yasashii Shushin Iryo*, which is a medical insurance product updated from a prior product that enables customers to fully prepare necessary insurance coverage for everything from one-day hospitalization to long-term hospitalization, lifestyle diseases, and advanced medical care. Moreover, in September 2020, we began offering *Shogai Premium Japan 5*. This product is the latest renewal of our *Shogai Premium Japan* series of yen-denominated whole life insurance, and enables customers to leave money for their family members while receiving money to use for themselves. In response to a rising awareness of nursing care and dementia coverage, we have newly established a Nursing Care and Dementia Prepayment Rider, which, in addition to the prior Nursing Care and Dementia Annuity Payment Transfer Rider, offers advance payment of death benefits in the case that "Care Level 4" or above of the public long-term care insurance system has been authorized or a diagnosis of certain types of dementia has been confirmed. In addition to eliminating any initial fees previously borne by customers, we have made reforms such as introducing a discount system for high costs.

Furthermore, in February 2021, we launched *Hataraku Anata Ni Yasashii Hoken 2*, a product that eliminates the death benefit and provides protection against loss of income and increase in expenses due to illness and injury. Customers may choose from two courses: the "annuity course," which provides for a continuous loss of income due to the three major diseases or injury, and the "lump-sum payment course," which provides for a temporary increase in expenses for treatment costs, etc., due to the three major diseases.

We launched *Hybrid Asset Life* in June 2021. This product is yen-denominated, single-premium variable whole life insurance that supports asset formation through self-provision in the era of the 100-year life by combining an investment trust with life insurance. We developed the product to help individuals enjoy life to the fullest by drawing down assets in a planned manner and to prepare them and their families for nursing care, dementia and inheritance while continuing to invest, with a focus on long-term diversified investment.



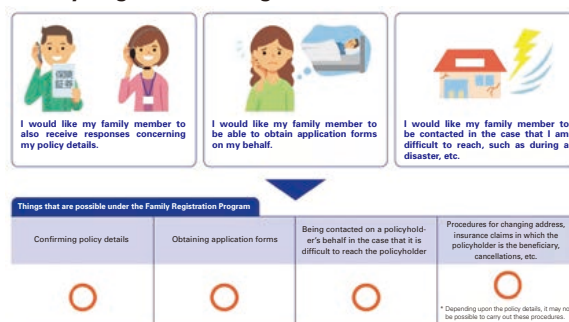
《Initiatives for Improvement in Response to Customer Feedback》

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 fiscal 2020, we introduced an automatic assessment system for paperless application procedures, enabling customers to confirm whether they are eligible to enroll in an insurance policy on the spot. Furthermore, the company also launched a service in which a text message is sent to a customer's registered cell phone number when, for example, correspondence sent from us has been returned due to the addressee being unknown.

《Initiatives for Improving Customer Service Quality》

T&D Financial Life is pushing ahead with various efforts to further improve customer satisfaction. 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 nursing care and dementia support services that are optimally tailored to a customer's individual circumstances, including referrals to care managers and dementia prevention tools. In addition, in order to improve services for elderly customers and customers with disabilities, we established the new Family Registration Program, a system that allows a family member registered by a customer in advance to act as a proxy to verify policy details, obtain various claim forms, and carry out certain claim procedures on the customer's behalf.

Family Registration Program Outline



1-4 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.

1-5 Initiatives with Pet & Family Insurance

《Insurance Protection for Precious Family Members》

With the increased demand for pets due to the COVID-19 pandemic, more pet owners recognize their pets as family members, therefore interest in pet healthcare and its associated costs is growing. With our Pet & Family Insurance, we have taken these circumstances into consideration and have worked to address needs concerning pet healthcare costs. We provide *Genki Number One*, *Genki Number One Slim*, and *Genki Number One Best*, products that compensate for a portion of the cost of treatments for pets at veterinary clinics due to illness or injury. These products help to ensure that pet owners can receive 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.

1-6 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.

《Major Initiatives by 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 family members whose contact information has been registered are entitled, on behalf of the policyholder, to inquire about coverage and the procedure for claiming benefits, and depending upon the circumstances of the policyholder, may also obtain application forms (some forms excluded).

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 124,000 customers had utilized this service (as of the end of March 2021) 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 by recommending that a family member accompanies the customer, providing sufficient time for the customer to fully consider the features of a product, and similar. 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 helps customers to accurately understand the contents, systems, and important matters regarding recommended products. The *Shogai Premium World 5* and *Shogai Premium Japan 5* pamphlets have earned the "easy to look at" design certification from the 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

We established the new Family Registration Program, which is a system that enables family members registered in advance by a policyholder (registered family) to act as a proxy to verify policy details, obtain various claim forms, and carry out certain claim procedures on behalf of the policyholder. In addition, the company implements its policy inspection system over the telephone for policyholders of a certain age and older to verify changes in contact information and identify unnoticed cases of eligibility for benefit claims, among other matters. Furthermore, the company does not use automatic voice guidance at its call center, which is the point of contact with customers. Instead, customers are directly connected with an operator. This allows customers to 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.

2. Providing Wholehearted Reassurance

102-43

2-1 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.

2-2 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. |
|---|---|

2-3 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 2020 UCDA "Another Voice Award"》

At the 2020 UCDA Awards, held by the Universal Communication Design Association (UCDA) to honor superior communication design, the company received three awards, including the highest award.

Award	Explanation	What was Subject to Evaluation
2020 UCDA Award	Award equivalent to the highest award	<ul style="list-style-type: none"> • Benefit claim procedure screen on Taiyo Life Concierge mobile terminal
Another Voice Award	Awarded for something highly evaluated by consumers	<ul style="list-style-type: none"> • Claim form for requesting insurance claims and benefits
Another Voice Award		<ul style="list-style-type: none"> • Preventive benefits flyers • Prevent the Onset of Dementia: MCI Screening (video)

《Daido Life》

《Received the Highest Rank of “3 Stars” in HDI-Japan’s “Quality Rating” for Multiple Points of Contact at One Time》

Daido Life’s call center (point of contact for customers) and support desk (point of contact for sales agents) both received the highest rank of “3 Stars” in HDI-Japan’s 2020 “Quality Rating,” scoring full marks in all five quality evaluation categories. This is the first time in Japan for multiple points of contact at one company to receive a “3 Stars” ranking with full marks at the same time.

《Received the “BCP Award” at the 2020 Contact Center Awards》

The company’s integrated advancement of workplace environments, working systems, and incoming call control during the COVID-19 pandemic greatly contributed to increasing customer satisfaction and improving the engagement of incoming callers. These efforts were cumulatively recognized as a textbook example of stable, reliable call center operation, with the company receiving the “BCP Award.”

《Received the 2020 UCDA “Another Voice Award,” “Easy-to-Understand Information Award,” and “Special Award”》

Daido Life has been working on improvements based on customer feedback and the opinions of third parties from external organizations in order to provide easy-to-understand pamphlets and application forms. As a result, the company received the following three awards at the 2020 UCDA Awards.

Award	Explanation	What was Subject to Evaluation
Another Voice Award	Awarded for something highly evaluated by consumers	Claim form for requesting insurance claims and benefits
Easy-to-Understand Information Award	Awarded for something highly evaluated by specialists in design, information, etc.	Medical insurance pamphlets (for corporations)
Special Award	Awarded for devising a unique approach to something, such as an original perspective	Medical insurance pamphlets (for individuals)

《Received Japan Financial Innovation Award 2021 Honorary Mention》

The company received the Japan Financial Innovation Award 2021 Honorary Mention for its initiative to freely provide COVID-19 Mutual Aid Insurance (in collaboration with justInCase Inc.), which brings peace of mind to everyone at SMEs as a part of Daido Life’s social contributions. This was awarded from the perspective of its potential for innovation, growth, and financial industry reform.

● 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” 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)

2-4 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).

2-5 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 to the policyholders of the three life insurance companies and Pet & Family Insurance that are useful in daily life and enhancing free time activities. T&D Club Off members can take advantage of a varied selection of 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 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. The M3 Patient Support Program (also from T&D Financial Life) is a health consultation and support service.

● 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.

● Dedicated Pet Consultation Center "Wan Nyan"

We have established a pet consultation service that is only available to insurance policyholders and insured members (pet owners). The service handles inquiries on everyday issues that arise when owning a pet or requests for information. It is available 24 hours a day online. Advisors with specialized qualifications can respond to a variety of concerns.

● 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., change of name 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
- Registration and changes to Family Registration Program

Pet & Family Insurance

- Online application for *Genki Number One Slim* pet insurance
- Inquiries on contents of insurance policies
- Changes and procedures related to contracts (pet naming and correction, changes to address/telephone number, changing first or last name of policyholder, changing credit card information, etc.)
- Renewal procedures (reducing value of enrollment plan, changing number of insurance premium payments (changing between yearly and monthly payments), changing enrollment type (dog's weight))

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

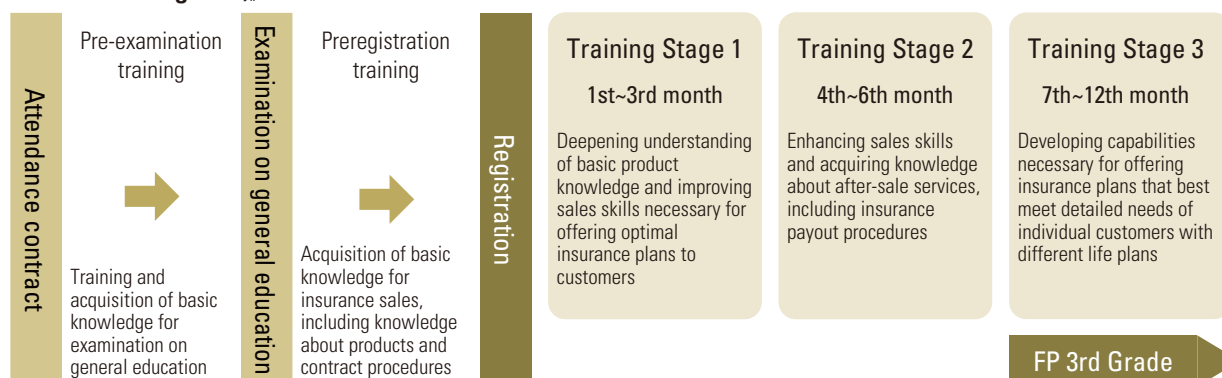
2-6 In Order to Provide Better Services

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.

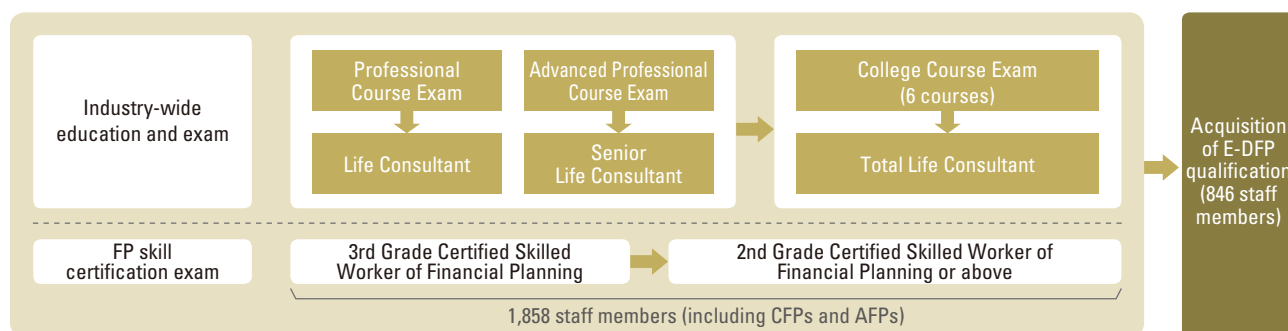
《Education Programs for New Sales Representatives (New-employee Education Programs and Financial Planner Education Programs)》



[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 2021)》



2-7 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.

3. Improving Customer Satisfaction

102-44

3-1 Initiatives to Respond to Customer Feedback

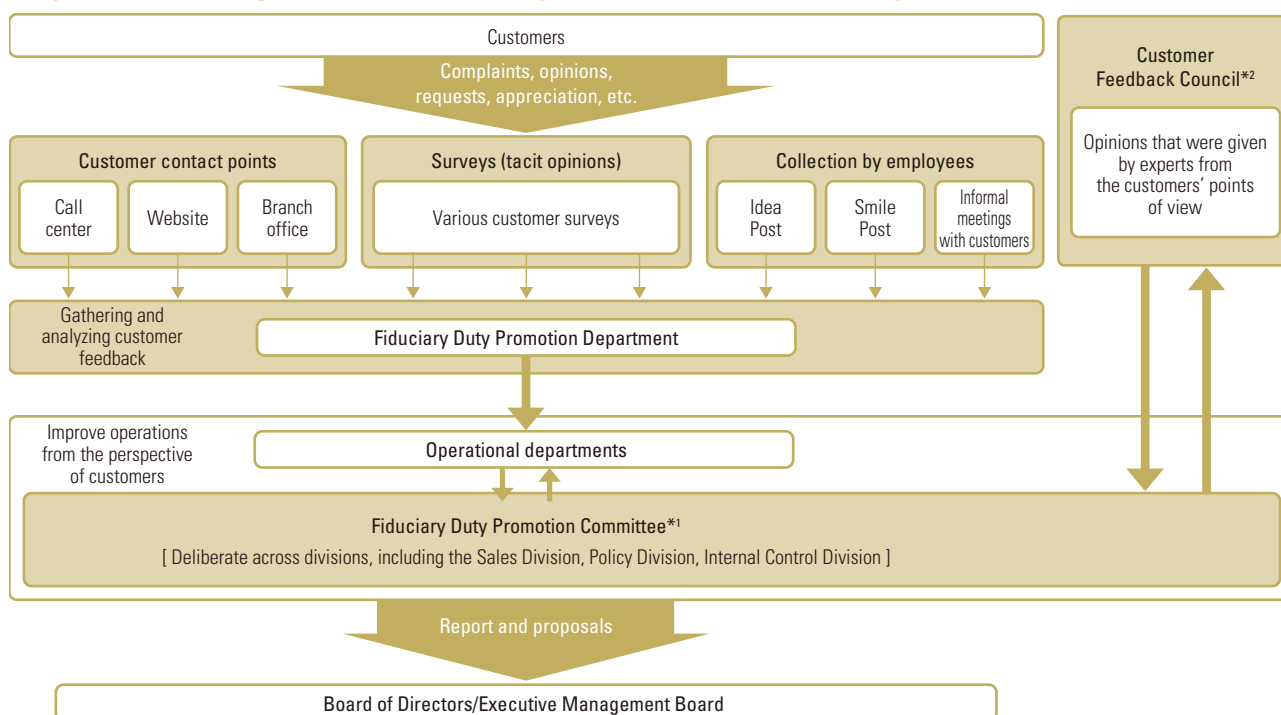
● Customer Feedback Collected from Daily Sales Activities

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 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. At Customer Information Meetings, the company explains its management policy and yearly performance, information regarding the services it offers to customers, new products, and similar. The valuable opinions we have received from participating customers are used to improve our business practices and customer services.

● 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 2021, following on from March 2020, 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	FY2017		FY2018		FY2019		FY2020	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	1,448	30.7	1,719	30.4	2,052	31.3	1,907	31.7
Payment of premiums	312	6.6	380	6.7	406	6.2	355	5.9
Conservation work	906	19.2	1,032	18.2	1,211	18.5	1,203	20.0
Insurance claims and benefits	950	20.1	1,127	19.9	1,272	19.4	1,060	17.6
Others	1,104	23.4	1,399	24.7	1,616	24.6	1,498	24.9
Total	4,720	100.0	5,657	100.0	6,557	100.0	6,023	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)

	FY2017	FY2018	FY2019	FY2020
Very satisfied	87.0% 12.4%	84.7% 10.8%	80.0% 9.0%	82.3% 9.3%
Satisfied	35.7%	30.6%	28.0%	28.5%
Fairly satisfied	38.9%	43.3%	43.0%	44.5%

* 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.

Satisfaction Level for Each Case

At the time of enrollment	After enrollment	At the time of claim payment
87.7% (+7.0pt)	80.2% (+1.3pt)	87.3% (+3.7pt)

* The figures in the brackets is the comparison with fiscal 2019

● Customer Complaints by Type

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

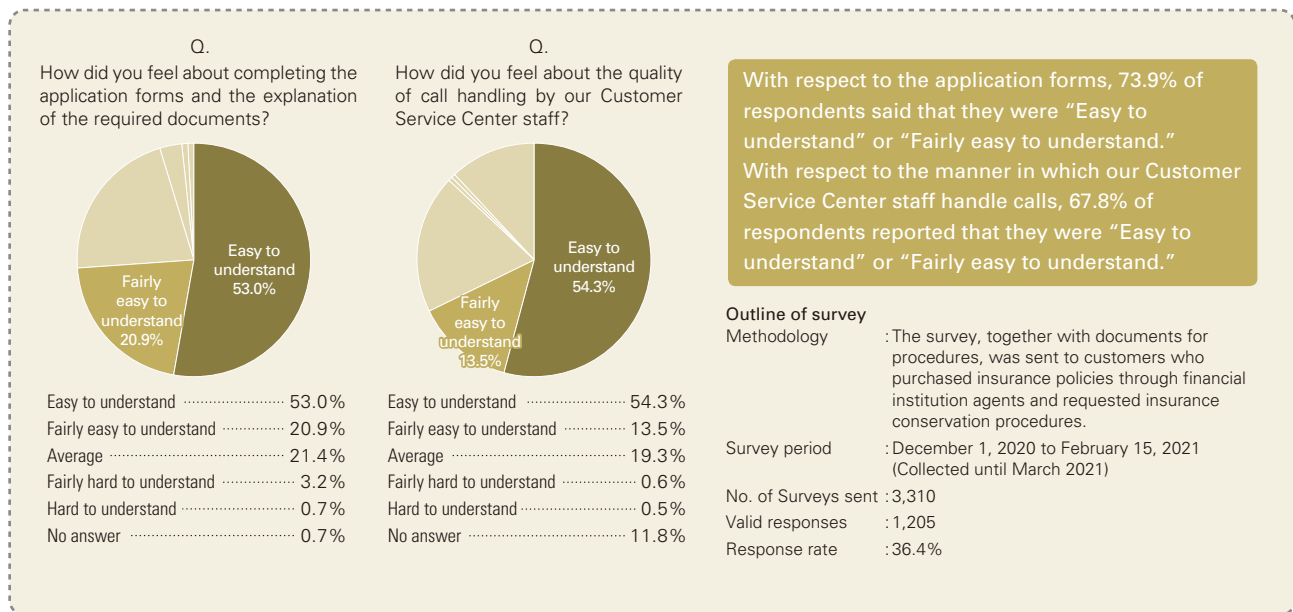
Type of feedback	FY2017		FY2018		FY2019		FY2020	
	No. received	%	No. received	%	No. received	%	No. received	%
Purchase of life insurance policy	1,385	13.1	1,203	11.8	919	11.8	809	13.1
Payment of premiums	847	8.0	736	7.2	639	8.2	429	6.5
Procedures after making a contract	4,023	37.9	3,816	37.5	2,685	34.4	2,200	35.6
Payment of insurance claims and benefits	2,255	21.3	2,169	21.3	1,475	18.9	980	15.9
Other	2,094	19.7	2,240	22.0	2,091	26.8	1,763	28.5
Total	10,604	100.0	10,164	100.0	7,809	100.0	6,181	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	FY2017		FY2018		FY2019		FY2020	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	159	13.0	205	17.6	295	24.0	209	23.6
Payment of premiums	75	6.2	80	6.9	95	7.7	60	6.8
Procedures after making a contract	481	39.5	506	43.5	500	40.6	371	41.9
Insurance claims and benefits	275	22.6	176	15.1	156	12.7	146	16.5
Others	229	18.8	195	16.8	185	15.0	100	11.3
Total	1,219	100.0	1,162	100.0	1,231	100.0	886	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

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.



Connected social issues and group initiatives to solve them



Social Issues



Primary Stakeholders



Initiatives

Respect worker personalities and diversity
Support human resources and skills development

Employees

Education and training centered on on-the-job training, group training, and support for personal development
Promoting employment of persons with disabilities, implementation of training on LGBT related issues (sexual minorities), and establishment of a consultation desk to respect and promote diversity

Promote the advancement of women
Create healthy and safe workplace environments

Employees

Establishment and implementation of action plans for encouraging the active participation of women and targets for promoting female employees to management positions
Establishment of systems for returning to the workplace from childrearing, including returning to work after childcare leave

Policy

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

Results for FY2020

- Revised personnel and compensation systems and introduced various support systems to enhance the work-life balance, including balancing work with nursing care
- Encouraged male employees to take childcare leave
- Received the "Excellence Award" at the Platinum Career Awards organized by Toyo Keizai Inc. and other organizations
- Developed IT infrastructure necessary for telework and introduced and encouraged online conferencing systems, etc.

Planned for FY2021

We will continue to create a flexible and dynamic workplace where diverse personnel can demonstrate their abilities with job satisfaction and a desire to grow



1. Utilization and Development of Human Resources

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1-1 Human Resources Development Policy

Since its foundation, the T&D Insurance Group has promoted the nurturing of a corporate culture where a diverse workforce can feel job satisfaction and reach its potential, and has established a Group Human Rights Policy which aims to clarify the basic policy for human resource management within the Group. Under this policy, in which T&D Holdings and each Group company aim to improve their corporate value by leveraging the unique and specialized nature of their respective business strategies, each company formulates its own education and training plan and strives to develop and enhance the skills of its employees.

1-2 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 3rd “Platinum Career Award”

In recognition of the initiatives undertaken by the three life insurance companies, T&D Holdings, Inc.—as the holding company of the three life insurance companies—took home the Excellence Award for the third year running at the 3rd Platinum Career Awards hosted in June 2021 by the Mitsubishi Research Institute’s Innovation Network for Co-Creating the Future (with cooperation from Toyo Keizai Inc. and supported by the Ministry of Health, Labour and Welfare (MHLW) and Tokyo Stock Exchange, Inc.).



● 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
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- 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)
- Not held in fiscal 2020 to prevent the spread of COVID-19

● 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 employees the opportunity to undertake internships at overseas companies and MBA studies overseas.

● Management Training

Taiyo Life

For managers and managerial candidates, year-round training is offered to impart management knowledge and skills for managerial positions. In addition, study materials have been introduced to support personal development for branch general managers (video-based seminars) with the goal of providing new educational opportunities that contribute to the improvement of branch management. From fiscal 2020, Taiyo Life has been bolstering educational opportunities and strengthening initiatives for manager development.

Daido Life

At both the head office and branches, newly appointed managers are given training with the goal of improving managerial capabilities, and a select number of newly appointed managers are sent outside the company to graduate schools and business schools for further training. Furthermore, to support the flexible career development of junior employees, the company provides training on ways to reduce unconscious biases regarding age and gender and skill acquisition under guidance.

T&D Financial Life

Training for newly appointed key managers is conducted to help them acquire the foundational management skills required for key management positions and reinforce their understanding of risk management, compliance, accounting operations, personnel evaluations, work management, and more. Furthermore, training for newly appointed managers is provided to reinforce their understanding of the role of managers, personnel evaluations, and work management.

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 Planning

Since fiscal 2020, Daido Life has implemented D-Career Planning, an initiative through which each employee visualizes what they want to become based on their own experiences and values and develops a career plan accordingly. Employees can then independently engage in personal development and work toward achieving their goals. Moreover, the company and its managers offer assistance to each employee taking up the challenge of realizing their vision.

1-3 Promoting the Active Participation of the Elderly

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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.

2. Diversity Promotion Initiatives

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2-1 Employment of Persons with Disabilities

As of the end of March 2021, a total of 384 employees with disabilities, including 36 new recruits for fiscal 2020, worked at the three life insurance companies, which account for 2.60% 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

	FY2018	FY2019	FY2020
Employment rate of people with disabilities (%)	2.56	2.52	2.60

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 17 members (as of March 2021).

* 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.

2-2 Human Rights Education

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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, including dispatch workers, receive training on human rights awareness. In fiscal 2020, workplace training and manager training sessions were held on the themes of penetration of the T&D Insurance Group Human Rights Policy and harassment prevention. The sessions focused on the key topics of: (1) preventing harassment, and (2) workstyle reforms and creating workplace environments in which a diverse workforce can thrive. In addition, awareness on various human rights issues was raised through participating in lectures on human rights awareness outside the company, and similar activities. Further, following the enactment of revisions to Japan's anti-harassment laws, messages were communicated to all employees from top management, and Daido Life continued to conduct harassment prevention training sessions in accordance with changes in the environment by conducting training sessions that blended the main points of the legal revisions with examples of harassment. In addition, each year the company accepts in-house proposals for a human rights slogan and carries out initiatives to deepen employees' knowledge of human rights through awarding prizes and displaying posters at the company.

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 2020, 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.

2-3 Initiatives to Support Active Participation of Women

The T&D Insurance Group has accelerated efforts to create a corporate culture where a diverse workforce can feel job satisfaction and reach their potential. Among these, the Group recognizes that enabling women to further reach their potential is an important driver of sustainable growth in corporate value, and that their active participation is a crucial management priority for the Group. With this in mind, the Group's three life insurance companies are working to revise their respective personnel and compensation systems, as well as introducing various support systems to enhance employees' work-life balance, including balancing work with childcare and nursing care. In addition, by fostering a Group-wide collaboration to reduce total working hours and encourage male employees to take childcare leave, we are making an effort to create rewarding workplace environments where everyone is motivated to play an active role. To steadily advance these initiatives and promote the active participation of female employees, the Group's three life insurance companies have each formulated 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

Maintain at
20% or over
(March 2024)

DAIDO LIFE

Promote diverse work styles and support new challenges

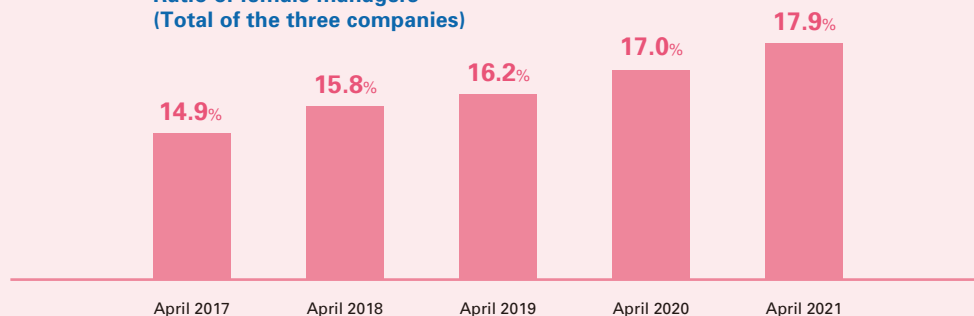
Maintain
at above **15%**
(March 2022)

T&D FINANCIAL LIFE

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

More than
15% or over
(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 for Participation

Daido Life is working to support the career formation of female employees and improve managers' capabilities in supporting them. 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. Further, opportunities are provided for employees to discuss balancing work with family life with colleagues who already have experience in such matters. Also, in April 2021, Daido Life appointed a new female executive officer, and in June 2021, it promoted its first female executive officer (appointed in April 2018) to Director and Managing 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.

2-4 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), etc.

[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

3. Worker-friendly Work Environment

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3-1 Work-Life Balance Initiatives

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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 time off in units of 10 minutes 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 childcare 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 to reduce working hours, such as the implementation of automatic computer shutdown. In addition, the company is promoting work styles that allow employees to balance their jobs with life at home, such as encouraging employees to take paid leave and make use of the home-based work system. In 2017, the company was recognized by the Ministry of Internal Affairs and Communications (MIC) for initiatives such as its home-based work system, receiving the MIC Award as one of the Top 100 Telework Pioneers. Later, in February 2019, Daido Life was awarded the Excellence Award at the Telework Promotion Awards held by the Japan Telework Association, and in November 2019, the company took home the Shiny Telework Prize Excellence Award implemented and selected by the Ministry of Health, Labour and Welfare. Further, in January 2021, the company introduced an hourly leave system for paid leave and caring for sick family members/nursing care leave which enables employees to take leave in units of one hour. Also, in April 2021, the company launched its Work Experience Challenge system with the goal of supporting the development of each employee by providing them the opportunity to undertake work experience outside the company, and further, has been promoting initiatives for new working styles, such as the introduction of private shared offices which provides locations for employees to work outside of the office.

T&D Financial Life

As part of its pledge to proactively promote the creation of workplace environments where employees can participate actively in good health, T&D Financial Life has formulated the T&D Financial Life Health Declaration. In line with the Declaration, the company has implemented measures to improve employees' health, including initiatives to reduce working hours by implementing a "No Overtime Day" and a "Leave Work Early Day" and automatically shutting down computers used for work. It is fully implementing regular health checkups, conducts stress checks aimed at preventing mental health issues, has abolished in-house smoking areas, and prohibits smoking during working hours. Moreover, the company subsidizes the costs of engaging in sports through in-house club activities and similar. It is also engaged in specified medical check-ups and the provision of health insurance guidance based on Data Health Plans in collaboration with the Health Insurance Association.

● Acquisition of Maternity and Childcare Leave

	FY2017	FY2018	FY2019	FY2020
No. of employees taking maternity leave	333	383	386	372
Number of employees eligible to take childcare leave	455	483	499	456
Men	122	100	113	84
Women	333	383	386	372
No. of employees taking childcare leave	444	465	484	415
Men	121	100	113	84
Women	323	365	371	331

* 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 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%))

Fiscal 2020 172 (96.1%) (Men 84 (98.8%), Women 88 (93.6%))

● Acquisition of Nursing-Care Leave

	FY2017	FY2018	FY2019	FY2020
No. of employees taking nursing care leave	20	6	1	3
Men	1	0	0	1
Women	19	6	1	2

● Number of Administrative Personnel Taking Paid Leave

	FY2017	FY2018	FY2019	FY2020
Average number of paid leave days taken	13.2	14.0	15.4	16.1

* 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					
		FY2018		FY2019		FY2020*		FY2018		FY2019		FY2020*	
		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	305	5.30%	277	4.85%	283	4.94%	295	5.13%	315	5.52%	258	4.50%
	Under 30	271	4.71%	247	4.33%	258	4.50%	62	7.90%	97	11.29%	70	7.22%
	30-50	30	0.52%	23	0.40%	20	0.35%	101	2.98%	100	3.16%	66	2.18%
	Over 50	4	0.07%	7	0.12%	5	0.09%	132	8.37%	118	7.00%	122	7.02%
Men	Total	110	1.91%	103	1.81%	113	1.97%	160	5.04%	144	4.60%	140	4.51%
	Under 30	92	1.60%	86	1.51%	99	1.73%	26	7.65%	35	9.49%	24	5.80%
	30-50	15	0.26%	11	0.19%	10	0.18%	53	2.76%	46	2.58%	34	2.01%
	Over 50	3	0.05%	6	0.11%	4	0.07%	81	8.87%	63	6.43%	82	8.25%
Women	Total	195	3.39%	174	3.05%	170	2.97%	135	5.23%	171	6.64%	118	4.49%
	Under 30	179	3.11%	161	2.82%	159	2.77%	36	8.09%	62	12.65%	46	8.27%
	30-50	15	0.26%	12	0.21%	10	0.18%	48	3.27%	54	3.92%	32	2.40%
	Over 50	1	0.02%	1	0.02%	1	0.02%	51	7.67%	55	7.79%	40	5.38%

* 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 2020.

* 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



● 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, 2019	March 31, 2020	March 31, 2021
Total (men and women)	Total	17,979	17,457	17,945
	Under 30	2,473	2,420	2,880
	30-50	8,455	7,900	8,000
	Over 50	7,051	7,137	7,065
Men	Total	3,514	3,380	3,379
	Under 30	371	397	438
	30-50	2,026	1,784	1,779
	Over 50	1,117	1,199	1,162
Women	Total	14,465	14,077	14,566
	Under 30	2,102	2,023	2,442
	30-50	6,429	6,116	6,221
	Over 50	5,934	5,938	5,903

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

[Officer Composition by Age Group] (as of July , 2021)

		Under 30	30-50	Over 50	Total
Men		0	3	68	71
	Outside officers	0	2	12	14
Women		0	0	5	5
	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

3-2 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 includes gathering opinions from employees regarding the degree of penetration and operation status of current HR systems, as well as understanding employee satisfaction, a critical element leading to greater customer satisfaction. Furthermore, the T&D Insurance Group Long-Term Vision has established employee satisfaction as a non financial KPI among the Vision's key performance indicators, with the Group working to improve employee satisfaction.

[Employee Awareness Surveys]

One of the most crucial driving forces that will allow each T&D Insurance Group company to maintain stable and sustainable growth is human resources. Improving satisfaction and motivation levels among employees is indispensable for the realization of the Group's various measures. In response to changes in personal values and society as a whole due to the COVID-19 pandemic, in fiscal 2020, the Group's three life insurance companies conducted employee awareness surveys that would lead to improving employee satisfaction in the Group and at each Group company by regularly making an effort to understand Group employees' mindsets and leveraging these results with respect to the various Group measures.

3-3 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	24.4%
(2) Provide workplace environments that enable all people to participate actively	20.4%
(3) T&D Insurance Group Vision	14.0%
(4) Message from the President	11.3%
(5) Help mitigate and adapt to climate change	9.6%
(6) Social Activities	9.1%
(7) Invest to help build a sustainable society	3.8%



《Opinions and Requests Received》

Questionnaire respondents rated the report's comprehensibility, amount of information, as well as their level of 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 be further expanded upon and improved going forward: contributions to the response against the COVID-19 pandemic and preventing the spread of infection, etc.; initiatives for employees (initiatives aimed at improving HR systems and workplace environments, etc.); and overall Group management (business outline and future vision of each Group company, etc.). In response to the comments and requests, the Group will make an effort to improve the content of these 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.

4. Health Promotion for Employees

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4-1 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

Taiyo Life promotes Taiyo's GENKI Project*, an initiative for energizing employees, customers, and society. This project provides various forms of support to encourage employees to maintain their health with the aim of preventing lifestyle diseases. The company cooperates with Kaminoyama City in Yamagata Prefecture to offer Kurort Health Walking and Smart Life Stay (accommodation packages that incorporate health guidance specified by the Japanese government) 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 to determine the future risk of dementia. In addition, beginning in fiscal 2021, Taiyo Life's health and productivity management initiatives also include AminoIndex® Risk Screening, which can assess the current likelihood of cancer and the future risk of strokes, myocardial infarction, or diabetes, all at once. Taiyo Life concluded cooperative agreements on health promotion with Gifu City, Gifu Prefecture in February 2020, and with Seki City, Gifu Prefecture in January 2021. It aims to support people's health and well-being in regional communities through Kurort Health Walking, buoyed by the active participation of Taiyo Life employees.

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

Daido Life

Daido Life's "DAIDO COCO-KARA" is a variety of initiatives for improving the health of employees under the "COCO-KARA Declaration," a declaration of health and productivity management and a commitment from top management. Through its active promotion, it aims to realize a workplace where all employees can participate actively with good physical and mental health. These include initiatives to reduce working hours by automatically shutting down computers used for work, as well as planned yearly leave and leave taken in conjunction with weekends or national holidays, regular preventive health checkups for all employees, establishment of consultation desks to discuss second opinions and cancer, the provision of wearable devices which allow the wearer to measure their health status during everyday activities such as heart rate and number of steps taken, and talks on health topics.

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 "Leave Work 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 five 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 fifth 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 COCO-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.



4-2 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

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Help Mitigate and Adapt to Climate Change

A globally shared long-term target was established by the Paris Agreement, adopted at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in December 2015, to keep the rise in global average temperature fully below 2°C in comparison to before the Industrial Revolution and pursue efforts to limit this rise to 1.5°C. Achieving net zero emissions and carbon neutrality by 2050 is required to realize this target. To transition to a low carbon/decarbonized society and adapt to climate change, it will be necessary to transform the industrial structure on a large-scale and modify our behavioral patterns. The T&D Insurance Group also remains cognizant of the fact that we must do our part as a member of society.

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.

* For more information, please see our website.

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



Connected social issues and group initiatives to solve them



Social Issues



Primary Stakeholders



Initiatives

Strengthen resilience to climate change	Local communities	Set common Group goals and reduce CO ₂ emissions, electricity usage, and office paper consumption
Improve energy efficiency	Local communities	Various initiatives to save electricity, utilization of power demand monitoring systems, energy-saving through implementing "no overtime days"
Enhance efficiency of resource use	Local communities	Promotion of "green purchasing" that contributes to protecting the environment, promotion of reduction and recycling of waste

Policy

To contribute to climate change mitigation and adaptation through our own business activities as a provider of insurance products and services to customers and through our actions as an institutional investor

Results for FY2020

- Established CO₂ emission reduction targets and positioned them as non-financial KPIs in the newly formulated Group Long-Term Vision
- Established a new Climate Change Risk Subcommittee to strengthen our response to climate change
- Conducted quantitative scenario analysis of physical risks to enhance compliance with TCFD, etc.

Planned for FY2021

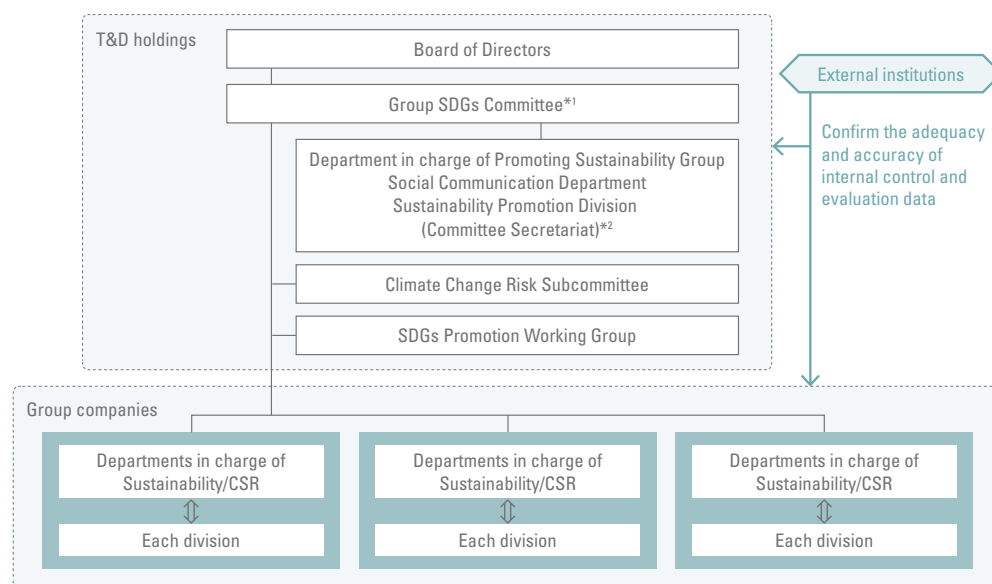
- Further reduction of CO₂ emissions by promoting the introduction of renewable energy
- Further expansion of 2050 net-zero goal
- Quantitative scenario analysis of transition risks to further enhance compliance with TCFD, etc.

1. Promotion Framework

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1-1 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

2. 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 actions of government, corporations, and consumers in the process of carrying out the transition to a low carbon/decarbonized society (through a significant reduction of greenhouse gas emissions)

[Scenario analysis: what the world looks like under each scenario]

Assumptions:

1.5°C scenario: Strict measures are taken against climate change. By the end of the century, the average annual temperature will increase by between 1.0°C and 1.8°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 3.3°C and 5.7°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 1.5°C scenario	The world under the 4°C scenario
<p>■ Overview</p> <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. 	<p>■ Overview</p> <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 (1.5°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 (1.5°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】

		1.5°C scenario	4°C scenario
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 1.5°C scenario. Both of these increases will be gradual over a long period of time, but will be larger than under the 1.5°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	Impact on asset management income	<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 1.5°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.

Reference data: physical risks—Climate Change Adaptation Information Platform; transition risks—NGFS and Bank of England scenarios

【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.

Metrics and targets

- The Group establishes its environmental protection-related targets and is working on initiatives to achieve them in its daily business activities. The four targets are "to reduce CO₂ emissions," "to reduce electricity consumption," "to reduce office paper consumption," and "to improve the green purchasing ratio." Progress toward the achievement of these targets is measured semi-annually, and disclosed in various reports and websites.
- 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.
- The Group is working toward reducing CO₂ emissions with an achievement deadline of FY2025, targeting a 40% reduction (Scope 1 + 2; compared to FY2013; per unit of floor space). In addition, we are aiming to achieve net zero emissions by 2050, which includes investees and borrowers of the Group (Scope 3: Category 15).
- 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.

3. Environmental Impact-reduction Initiatives

301-1	302-1	302-3	305-1
	305-2	305-3	306-2

3-1 Environmental Initiatives

● 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 four targets are to reduce CO₂ emissions, reduce electricity consumption, reduce office paper consumption, and improve the green purchasing ratio.

《CO₂ Emissions》Targets and Results ▶ Page 75

As over 90% of the Group's CO₂ emissions (Scope 1 + 2) arise from electricity use, we are taking actions to reduce CO₂ emissions by setting targets for reducing electricity consumption and curbing energy usage.

《Electricity Consumption》Targets and Results ▶ Page 75

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 75

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 75

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.

● 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 2020, this initiative was conducted in August 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.

● 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. Further, in light of the increase in working from home due to the COVID-19 pandemic, we are working on eliminating the use of *inkan* (employee seals) in workflows and other processes.

● 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								
FY2018	313	325	542	86	345	0.1	1,200	411
FY2019	241	561	602	97	303	0.1	1,146	658
FY2020	402	328	563	97	51	0.0	1,016	425
System equipment and office automation equipment								
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
FY2020	4,372	457	12,001	112	26	0.4	16,399	570
Real estate equipment								
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
FY2020	39	1,018	0	0	2,995	5,889	3,034	6,908

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

3-2 Environmental Performance Data

303-1 303-2 303-3

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 76 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 78 “3-5 Independent Assurance Report”)

	FY2018	FY2019	FY2020
Scope 1 (Direct emissions)	1,816 t	1,746 t	1,882 t ★
Scope 2 (Indirect emissions)	47,553 t*	44,501 t	43,233 t ★
Scope 3 (Others)	24,997 t	48,856 t	34,035 t ★
Category 1 (Purchased goods and services)	239 t	237 t	184 t ★
Category 2 (Capital goods)	11,363 t	35,316 t	16,630 t ★
Category 3 (Fuel- and energy-related activities)	4,021 t	3,967 t	7,784 t ★
Category 5 (Waste generated in operations)	46 t	40 t	33 t ★
Category 6 (Business travel)	2,486 t	2,478 t	2,550 t ★
Category 7 (Employee commuting)	6,843 t	6,818 t	6,854 t ★
Total	74,365 t	95,103 t	79,150 t ★

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

Electricity Consumption

★ indicates limited verification has been carried out by a third party. (page 78 “3-5 Independent Assurance Report”)

	FY2018	FY2019	FY2020
Electricity consumption	98,929 MWh	96,191 MWh	96,711 MWh ★
Total floor space (including portion for tenant use)	935,830 m ²	940,757 m ²	954,207 m ²

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

Water Consumption

★ indicates limited verification has been carried out by a third party. (page 78 “3-5 Independent Assurance Report”)

	FY2018	FY2019	FY2020 ★
Water consumption (Utility + reclaimed water)	48,300 m ³	49,900 m ³	44,200 m ³
Reclaimed water usage rate	1.6%	1.6%	1.2%

Note 1: Water usage from our Group's business operations is limited to water withdrawal and effluent discharge (wastewater, etc.) at offices within Japan. Water is withdrawn using public utilities, and the amount of effluent is rigorously measured by a third party. Effluent is discharged into publicly managed drainage channels in accordance with effluent standards.

Note 2: Since the Group's water usage is limited to water withdrawal and effluent discharge at offices within Japan, no water is withdrawn from water stressed areas.

Data coverage: fraction of Group employees included in the target employee set (45.57%)

Waste Generated & Recycling Rate

★ indicates limited verification has been carried out by a third party. (page 78 “3-5 Independent Assurance Report”)

① Paper waste	FY2018	FY2019	FY2020 ★
Total amount	346 t	301 t	249 t
Recycling rate	75.4%	71.8%	71.8%
② Non-paper waste	FY2018	FY2019	FY2020 ★
Total amount	101 t	81 t	76 t
Recycling rate	57.1%	62.6%	61.1%

• The Group is aiming to reduce its environmental burden by making efforts to reduce waste and by recycling office paper, beverage cans, and plastic bottles. We will continue working toward this endeavor by thoroughly ensuring that recycling is carried out.

Data coverage refers to the fraction of Group employees included in the target employee set (45.57%). Since business sites of the subsidiary Daido Life were added to the aggregation target, the values of ② non-paper waste have been amended. Accordingly, the amount of ② non-paper waste generated increased by five tons 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 76 in “3-4 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results.”)

● CO₂ Emissions

Baseline: CO₂ emissions in 2013 (value per unit of floor space) = 0.0674 t/m²

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

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

	Baseline (FY2013)	FY2020
CO ₂ emissions (Scope 1 + 2)	59,908 t	44,714 t
Total floor space	888,529 m ²	950,959 m ²
Per unit of floor space	0.0674 t/m ²	0.0470 t/m ²
Compared to baseline	—	69.7%(-30.3%)

● Electricity Consumption

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 78 “3-5 Independent Assurance Report”)

	Baseline (FY2016)	FY2018	FY2019	FY2020
Electricity consumption	97,223,000 kWh	97,998,000 kWh	95,360,000 kWh	95,813,000 kWh ★
Total floor space	875,682 m ²	932,685 m ²	937,567 m ²	950,959 m ²
Per unit of floor space	111.0 kWh/m ²	105.1 kWh/m ²	101.7 kWh/m ²	100.8 kWh/m ²
Compared to baseline	—	94.7%	91.6%	90.7%(-9.3%)

* 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.

* 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 78 “3-5 Independent Assurance Report”)

FY2019	FY2020 ★	Progress made (average from FY2019 to FY2020)
129.43 t	100.70 t	80.9% (19.1% 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 (88.57%)

● Green Purchasing Ratio

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

FY2018	FY2019	FY2020
94.5%	94.2%	91.9% (Target exceeded by 11.9%)

Applies to purchases through online purchasing systems.

Data coverage: fraction of Group employees included in the target employee set (88.42%)

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)
		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
Group-wide targets and results	Waste Generated & Recycling Rate		Major Group buildings
	CO ₂ Emissions, 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	Main Group companies, business sites, and buildings included in the scope of calculation
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, 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	Calculations are based on the Basic Guidelines Ver. 2.3 (December 2017; Ministry of the Environment and the Ministry of Economy, Trade and Industry) regarding the measurement of greenhouse gas emissions generated by the supply chain. Regarding the predetermined coefficient, in principle, the most recent Intensity Database (Ministry of the Environment) for each fiscal year has been used.
	Scope 3 (Others)	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.
		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 2020 data presented in section "3-2 Environmental Performance Data" on page 74 and section "3-3 Group-wide Targets and Results" on page 75 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 17, 2021

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 or the year ended March 31, 2021 as included in "Environmental Performance Data" and "Group-wide Targets and Results" of the Company's "Sustainability Report 2021" (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 (1 office);
- Performing analytical procedures concerning the Indicators at the headquarter and one major subsidiary (1 office);
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the headquarter and one major subsidiary (1 office);

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 life insurance pamphlets, policy provisions, and other documents, in the course of their business operations. To restore forest resources and preserve greenery, Taiyo Life conducts forest conservation activities. It has established *Taiyo Seimei no Mori* (the Forests of Taiyo Life) in Nasushiobara City (Tochigi Prefecture) and Takashima City (Shiga Prefecture).

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 continuously conduct forest maintenance activities such as thinning trees and maintaining walking trails, in addition to inviting members of the Japan Down Syndrome Society and their families to take part in forest studies classes.

Taiyo Seimei Kutsuki no Mori (Kutsuki Forest of Taiyo Life) was established in Takashima City, Shiga Prefecture, in November 2007. In collaboration with the Asosatoyama Center, a local NPO, we carry out forest maintenance activities, including maintaining forest roads and clearing fallen leaves from Japanese red pine forests. We also collaborate with local elementary schools to host the *Donguri Project* (Acorn Project), wherein elementary school students grow broad-leaf seedlings from acorns and then plant them in the forest upon their graduation.



Name of Forest	"Taiyo Seimei no Mori" (the Forests of Taiyo Life) (Tochigi Prefecture)	"Taiyo Seimei Kutsuki no Mori" (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 473,935 pairs of chopsticks in aggregate from September 2006 to March 2021. 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.



VI Priority Theme 4

103-2

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Invest to Help Build a Sustainable Society

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.



Connected social issues and group initiatives to solve them



Social Issues

Promote investments in sustainable development



Primary Stakeholders

Investors/local communities



Initiatives

Performing various ESG investments in accordance with the Principles for Responsible Investment (PRI), and conducting promotion aimed at investment targets based on the Principles for Responsible Institutional Investors

Policy

To secure stable long-term investment income and contribute to the realization of a sustainable society through investment activities undertaken in consideration of the environment, society and corporate governance, with the aim of growing sustainably in partnership with society

Results for FY2020

- Established the T&D Insurance Group ESG Investment Policy, which expresses the Group's stance towards ESG investment
- Established the ESG Investment Committee to strengthen support for ESG investment
- Made investments in Green Bonds, which contribute to solving environmental problems, and Social Bonds, which contribute to measures against the spread of COVID-19, etc.

Planned for FY2021

- Continue to make various ESG investments that contribute to the resolution of social issues and the realization of a sustainable society



1. Responsible Institutional Investor

1-1 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

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

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

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=¶metrics=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 4,200 financial institutions worldwide, and by 95 in Japan (as of August 2021).

[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.

1. Integration of ESG Issues into Investment and Financing Processes

ESG Integration

When investing in 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 financing. 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.

- **Integration of ESG assessments into investment and financing decisions**

When investing and financing stocks, bonds and other securities as well as real estate and loans, we assess, for example, that organization’s initiatives relating to ESG and incorporate that into our investment and financing decisions.

- **Real estate investment that considers the environment and the senior society**

When conducting the new construction or large-scale repair of a real estate property, we investigate and introduce initiatives that are considerate of the environment and the senior society. Moreover, while paying consideration to the beautification of cityscapes and harmony with the surrounding area, with regard to existing real estate properties as well, from the perspective of giving attention to environmental protection, we conduct continuous environmental initiatives such as monitoring, for example, the energy efficiency of all properties, both for operations and investments, and taking energy-saving measures as needed for lighting equipment, air conditioning equipment, etc.

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 problem with ESG issues, etc. occurs at a business partner or the recipient of investment and financing, we will consider whether or not to invest or provide financing based on these Criteria, after confirming the situation through direct communication or other methods, as necessary.

* Biological weapons, chemical weapons, and, of weapons 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, those that are sanctioned by the Government of Japan.

2. ESG-Themed Investment and Financing

We are working toward investment and financing in, for example, property involving a theme which enables paying consideration to issues in environment, society, and corporate governance and contributing to the realization of a sustainable society.

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.

1-2 T&D Insurance Group ESG Investment Policy

In accordance with the T&D Insurance Group's Corporate Philosophy, the Group has established the T&D Insurance Group ESG Investment Policy, which expresses the Group's stance towards ESG investment.

As an institutional investor, contributing to achieving a sustainable society through investment is one of the most fundamental roles of the Group.

The Group focuses on the impact that the investment activities of institutional investors have on efforts to achieve a sustainable world. Through investment activities undertaken in consideration of the environment, society and corporate governance, the Group strives to grow continuously together with society while contributing to ensuring stable, long-term profitability and the formation of a sustainable society.

● T&D Insurance Group ESG Investment Policy

The T&D Insurance Group strives to grow continuously together with society while contributing to ensuring stable, long-term profitability and the formation of a sustainable society through promoting investment and financing that considers ESG issues, namely, environmental (E), social (S), and governance (G) issues, in line with the Group's management philosophy.

1. Investment and financing activities that consider ESG issues

We incorporate ESG issues into the asset management process and make investment and financing decisions that promote our asset management to achieve a sustainable society.

2. Constructive dialogue on ESG issues with investees

We undertake appropriate stewardship activities that integrate ESG factors, with the aim of improving the corporate value of investee companies and contributing to resolving social issues.

3. Cooperation in ESG investment and financing and support for the development of a sound market

Through cooperation with Group companies in ESG investment and financing activities and sharing information with industry organizations, we strive to sophisticate the asset management process of ESG investment and financing, and support the sound development of its market.

4. Enhancement of disclosure regarding ESG investment and financing initiatives

We will appropriately disclose the status of our ESG investment and financing activities.

1-3 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).

1-4 Examples of ESG Investment and Financing

Taiyo Life, Daido Life, and T&D Financial Life carry out initiatives for 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.

- **Conducting of green loans**

We are endeavoring to conduct financing with the goal of supporting sustainable economic activities from an environmental aspect. Examples include the promotion of renewable energy, the development of eco-efficient technologies, reduction of the environmental burden, and the conservation of biodiversity.

In particular, we have put efforts toward donation-containing green loans which include support for medical organizations in Myanmar.

- **Investment in and financing of 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.

- **Financing 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 education and employment in developing countries, supporting COVID-19 infection countermeasures, etc.**

We are endeavoring toward investment and financing which can contribute to the realization of a sustainable society. Examples include “Social Bonds” aimed at supporting education and employment in developing countries, supporting COVID-19 infection countermeasures, etc.

In particular, we are investing in and financing COVID-19 vaccine bonds, educational bonds, and the like.

- **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).

1-5 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 proposals 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 mid- to 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

Taiyo Life, Daido Life

Taiyo Life and Daido Life exercised their voting rights on proposals at Shareholders' Meetings held between July 2020 and June 2021. 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 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 Shareholders' Meetings held by domestically listed companies between July 2020 and June 2021 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	182	3	0	0	185	446	4	0	0	450
Surplus appropriation	40	0	0	0	40	96	0	0	0	96
Director appointment* ¹	64	2	0	0	66	123	3	0	0	126
Corporate auditor appointment* ¹	34	0	0	0	34	110	1	0	0	111
Partial change to Articles of Incorporation	14	0	0	0	14	33	0	0	0	33
Payment of retirement bonus	1	1	0	0	2	5	0	0	0	5
Change to officer compensation	13	0	0	0	13	21	0	0	0	21
Issue of stock acquisition rights	12	0	0	0	12	41	0	0	0	41
Appointment of accounting auditors	1	0	0	0	1	1	0	0	0	1
Reconstruction related* ²	0	0	0	0	0	2	0	0	0	2
Other company proposals* ³	3	0	0	0	3	14	0	0	0	14
Of which, antitakeover measures	0	0	0	0	0	1	0	0	0	1
Shareholder proposals	0	6	0	0	6	0	30	0	0	30
Total	182	9	0	0	191	446	34	0	0	480

*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.

《Status of Dialogue》

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

Furthermore, in exercising voting rights, Taiyo Life and Daido Life emphasize dialogue with investment targets and endeavor, through proactive dialogue with those investment targets, to verify the management situation and share the awareness of issues, as well as to continuously conduct initiatives which contribute to the improvement of 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

《Self-evaluation》

Between July 2020 and June 2021, 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 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 661 proposals submitted by the companies (8.7% of the total) between July 2020 and June 2021. 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 in the case of a certain number of independent outside directors not being selected.
- 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 Regarding proposals concerning the Articles of Incorporation, it opposed proposals for which there was a possibility of shareholder profits or rights being limited. Examples included a proposal for the broad expansion of the total number of authorized shares and a proposal for a change to enable the holding of Shareholders' Meetings without stipulating locations.

《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 and shareholder return, and ESG. In the period between July 2020 and June 2021, meetings were held with 270 companies. Examples of the resulting dialogues are presented below.

- ① We held a dialogue with a chemical manufacturer regarding the point that while its coal-fired in-house power generation was a cost-competitive power source, the issue of greenhouse gas emissions was a managerial risk factor. Recently, we saw a certain degree of progress in that we reached a decision for the partial reduction of coal-fired power generation for the in-house power generation. On the other hand, as some of the equipment for which it was decided power generation capabilities would be reduced is still present and no drastic measures for greenhouse gas emission reduction have been decided yet, we plan to continue dialogues regarding further steps to be taken.
- ② We held a dialogue with a major medical equipment manufacturer regarding business initiatives which would contribute to the improvement of access to medical care. The company responded that they were advancing the development and sales of a testing device for malaria, one of the world's three major infectious diseases, which improved on existing devices which investigate the number and function of red blood cells/white blood cells. The company explained that at the current time, the diagnosis of malaria is often conducted using simple testing kits with low accuracy, and that the latent demand for the company's device was extremely great. We conveyed to the company that we wish to follow up on the development status of the product in the future, and that we would like the company to consider development of a low-cost device that could be actively purchased by hospitals in local areas.
- ③ We asked a company which provides solutions such as IT equipment and software to strengthen its group management structure, including subsidiaries, based on a trend of increasing scandals at the group subsidiaries of listed companies. The company responded that in the past, there had been illicit conduct by an employee at one of its consolidated subsidiaries, and that as a result, the company had strengthened audit functions within its subsidiaries and increased the number of audits by its auditing corporation. Furthermore, we confirmed that recently, the company had changed its internal reporting system: while the system used to be operated solely for the company, this system had been applied to its consolidated subsidiaries as well, enabling subsidiary employees to utilize shared reporting and consultation desks, steadily advancing the strengthening of group governance. We conveyed to the company that we wish to follow up on the management situation of such systems in the future as necessary.

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 2020, a total of 272 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 8,235 members as of March 31, 2021. 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 FY2020》

- Support for the Japan Down Syndrome Society
- Environmental conservation activities in *Taiyo Seimei no Mori* (the Forests of Taiyo Life)
- Collection and donation of CDs and DVDs, used books, PET bottle caps, and other items

2-3 Daido Life Employees’ Community Contribution Club

Established in 1992, the Daido Life Employees’ Community Contribution Club is a voluntary activity organization composed of Daido Life’s executives and employees; it works to promote and support fund-raising activities and volunteer activities. The club has held a One-day Outing Volunteer Activity for the Physically Disabled since 1994, which is run by executives and employees taking volunteer work leave (the activity was cancelled in 2020 due to COVID-19). The club provides participants with opportunities to deepen their understanding of disabilities by directly interacting with disabled people, for example by assisting wheelchair users or providing walking assistance.

《Major Activities in FY2020》

- Fundraising and donations: Donations from executives and employees and revenues from the charity calendar exhibitions were used to make contributions to social welfare organizations, as well as to facilities for the disabled affected by natural disasters such as the Heavy Rain Event of July 2020.
- Volunteer activities: The club provided operational and other support for a music concert played by persons with disabilities.
- Other activities: Used postage stamps and other items collected from branches nationwide were donated to organizations that support social contribution activities, for the benefit of international medical cooperation; the club also made 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》

Established by Daido Life in 1974, the foundation aims to contribute to the promotion of public health and welfare. It provides grants to research on health problems arising from worsening living conditions and various issues associated with the sharp increase in the elderly population.

《Main Activities》

● Subsidies for Regional Health and Welfare Research and Volunteering

- Subsidies for regional health and welfare research: The foundation subsidizes research relating to community health, medical care, and welfare, which are carried out by public health and welfare professionals with close ties to local communities.
- Subsidies for volunteer activities by seniors: The foundation subsidizes volunteer exchange activities that promote the development of healthy minds in children and the welfare of the elderly and persons with disabilities, which are conducted by groups of people aged 60 and older.
- Subsidies for volunteer activities by business people: The foundation subsidizes volunteer exchange activities that promote the development of healthy minds in children and the welfare of the elderly and persons with disabilities, which are conducted by groups of people working at a company or other organization on their days off.



《Cumulative Grants from Establishment in 1971 to FY2020》 4,241 grants; 1,683.57 million yen

● Publication of the “Environment and Health” Series Brochures

The foundation publishes the “Environment and Health” series of compact brochures, which contain articles written by experts on the environmental, health, and welfare issues of high public interest; a total of 74 brochures have been published thus far. To ensure that these brochures are accessible to as many people as possible, recent editions have been digitized and made publicly available on the foundation’s website free of charge.

● Home Care/Nursing Consultation and Workshop

The foundation has made DVDs depicting scenes from practical workshops available for rent 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 FY2020》 2,249 grants; 1,298.83 million yen

● Main Activities in FY2020

In order to fulfill its mission of improving social welfare, in fiscal 2020, the foundation continued providing grants to projects undertaken by volunteer groups working resolutely to enhance the welfare of local communities; it also subsidized study and research programs related to the welfare of the elderly.

In fiscal 2020, the foundation offered grants worth 19.42 million yen to 59 volunteer/NPO projects, and grants worth 2.62 million yen to six research projects; in total, the foundation provided 65 grants worth a combined 22.04 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. Our employees are united in their commitment to contributing to society and conduct the cleanups as a way to thank 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 the promotion of junior high school rugby competitions in Japan in cooperation with the JRFU.



3-3 Supporting Sports for People with Disabilities Daido Life

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

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

Every year, Daido Life sets up a company booth in the *Fureai Hiroba* (Get-Together Plaza), a venue for interacting with participating athletes; executives and employees from Daido Life, Taiyo Life, and other affiliated organizations work as volunteers to support this event. The 20th National Sports Festival for People with Disabilities was scheduled to be held in Kagoshima Prefecture in 2020, but was postponed to 2023 due to COVID-19.

We have been official partners of the Japanese Para Sports Association since January 2015 and of the Japan Para Archery Federation since January 2018. In our capacity as a partner, we work to further popularize and develop sports for persons with disabilities.



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 The GDH Together Movement Daido Life

Daido Life established the GDH Together Movement in fiscal 2017 as a company-wide regional and social contribution initiative.

In fiscal 2020, the theme of the initiative was reducing single-use plastic waste. Divisions at head office and branches throughout Japan promoted community-based cleaning and recycling activities, made donations to developing countries, and engaged in various activities aimed at contributing to SDGs.

* GDH (Gross Daido Happiness) measures the satisfaction levels of all Daido Life stakeholders.



3-6 Endowed Open Courses at Universities Daido Life

Daido Life began endowing annual open courses at universities in fiscal 2002, as part of its centenary celebrations. With topics combining theory and practice, the courses provide managers of small and medium-sized enterprises (SMEs) and their successors with opportunities for acquiring knowledge and skills relevant to management and business.

Since their inception, the courses have been attended by more than 15,400 people and have been extremely well received. In fiscal 2020, courses were held online at Kansai University and the *Hito wo Taisetsu ni Suru* (Taking good care of people) Institute of Business Administration.



3-7 The Daido Life Foundation

《Purpose of Establishment》

Established by Daido Life in 1985, the foundation seeks to promote international mutual understanding through cultural exchanges with or grants to other countries and thus contribute to the internationalization of Japan.

《Main Activities》

● Presentation of Daido Life Foundation Awards for Area Studies

The foundation seeks to encourage academic research related to various regions around the world; to this end, it presents 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 distinguished contributions to deepening international mutual understanding.

● Translation and Publication Activities

In order to help Japanese people deepen their understanding of the history, culture, and customs of other Asian countries, the foundation undertakes translations of modern literature published in the region; thus far, a total of 76 works from 14 countries have been translated into Japanese for publication and donated to universities and public libraries across Japan. Since fiscal 2012, the foundation has digitized these publications and made them available on their website free of charge, with a view to increasing readership of these works.

The foundation also translates Japanese literature into various other Asian languages, in a bid to help people in the region to develop a better understanding of Japan. A total of 46 Japanese works have been translated for publication in eight countries and donated to local universities and libraries.

● Educational Support Activities

The foundation provides support for improving educational awareness in Southeast Asian countries; it has sponsored 20 school construction projects in 5 countries and donated books and school supplies as part of its efforts to establish learning environments. In recognition of its contributions to education over many years, the foundation was awarded the Third Order of Labor Merit by the government of Laos in February 2013.



3-8 Hosting Internship Program Daido Life

Daido Life provides college students with internship opportunities, so they can deepen their understanding of the life insurance business.

In fiscal 2020, the program was held both in person and remotely and attracted many participants from across Japan. The introduction of “online branch visits” helped create opportunities for participants to communicate with many different Daido Life employees.

The program gives students the chance to visualize themselves at work, to consider whether they are suited to working in the life insurance business, and thus to map out future career paths.



3-9 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 response to the Heavy Rain Event of July 2020, the Group made donations to aid reconstruction work in disaster areas and to support people affected by the disaster.

3-10 Supporting the Studies of Ambitious and Capable Students (donations to the Japan Student Services Organization)

In July 2020, T&D Holdings made donations to the Japan Student Services Organization (JASSO) to help ensure that the young people who represent Japan’s future do not give up on continuing their education for financial reasons, such as the sudden fall in household incomes in the wake of COVID-19.

JASSO provides equal study opportunities to all students. It also offers comprehensive support for all manner of student support projects, with the goal of encouraging international exchanges and helping students with disabilities attend universities and other forms of higher education.

T&D Holdings plans to continue making donations from fiscal 2021 onward, to support the studies of ambitious and capable students.

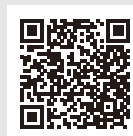
3-11 Daido Life Survey Daido Life

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.

Thus far, Daido Life sales representatives have visited a total of approximately 12,000 SMEs across the country to hear the unfiltered opinions of their business owners. Survey reports are sent to customers across Japan and also made available to the general public.



Daido Life website
[Daido Life Survey]

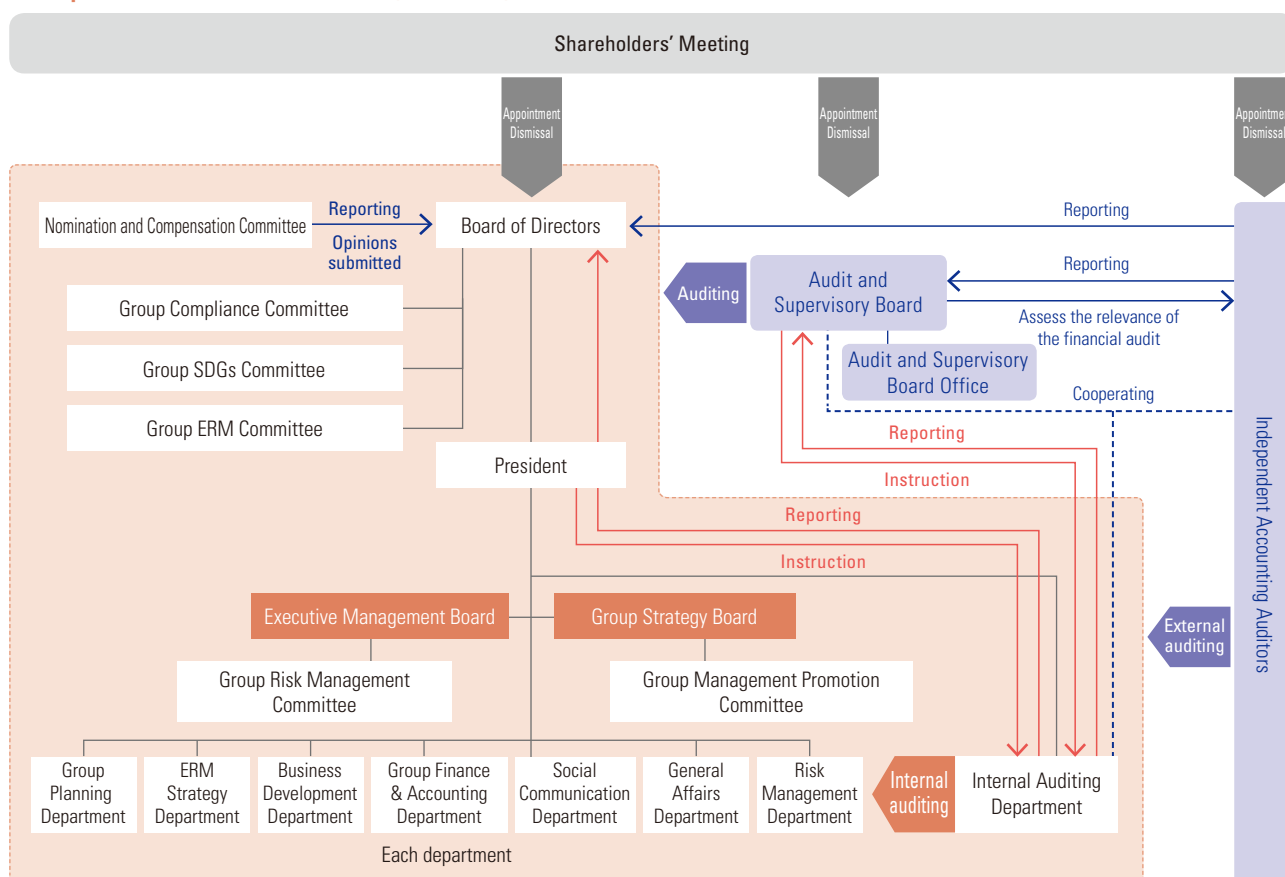


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WEB <https://www.td-holdings.co.jp/en/company/governance/>

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, an executive officer system 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, T&D Holdings has established a Nomination and Compensation Committee as an advisory body to the Board of Directors. The Committee deliberates on the fairness and appropriateness of the appointment, dismissal, succession planning, and compensation of directors and executive officers, thereby strengthening the corporate governance framework of T&D Holdings and the Group by ensuring the transparency of management and enhancing accountability. In addition, an Executive Management Board has been established to deliberate and resolve important matters related to the management of T&D Holdings and the management control of the Group. In parallel, the Group Strategy Board has been established to deliberate matters related to the Group’s growth strategy and other relevant and important matters from the perspective of the Group as a whole, in order to achieve a sustainable improvement in the Group’s corporate value.

● Corporate Governance Framework (June 2021)



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 addition, as a company with an Audit and Supervisory Board, some important business execution decisions are delegated from the Board of Directors to the directors by resolution of the Board of Directors pursuant to the provisions of the Articles of Incorporation. By doing so, the Company aims to separate management and oversight from business execution in order to further strengthen the management function (deciding on management policies and overall strategy) and oversight function of the Board of Directors and promote greater agility and efficiency in business execution. The Board of Directors met 16 times in fiscal year 2020.

Composition

The number of directors (excluding directors serving as Audit and Supervisory Board members) shall be no more than 9, and the number of directors serving as Audit and Supervisory Board members shall be no more than 5, as stipulated by the Articles of Incorporation. 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. In addition, T&D Holdings shall appoint two or more directors (excluding directors serving as Audit and Supervisory Board members) who concurrently serve at T&D Holdings and its directly owned subsidiaries. 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	12
Men	11
Women	1
Outside directors	5 (including one woman)
Activities of outside directors (Fiscal 2020)	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 certified public accountant or 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 appointment, dismissal, and compensation of directors and executive officers of T&D Holdings 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 the representative directors, the accounting auditors, the heads of the departments under their supervision, and the presidents 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 the Board of Directors as a Whole in Fiscal 2020》

1. Scope	T&D Holdings conducted an analysis and evaluation of the Board of Directors based on self-evaluations (questionnaires) and interviews of directors 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 2020. (T&D Holdings transitioned to a company with an Audit and Supervisory Board in June 2020.)
2. Areas Evaluated (5)	① Functioning ② Composition ③ Operation ④ Provision of information to outside directors ⑤ Overall evaluation
3. Overall Evaluation	The Company has determined that its 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 items recognized as issues in the fiscal 2019 evaluation have, for the most part, been improved. Those items included the further enhancement of discussions on the Group's management strategy from the perspective of integrated Group management, further deliberations on agenda items of the Nomination and Compensation Committee, and creation of concise and easy-to-understand materials and explanations.
5. Issues from Current Evaluation and Future Initiatives	Regarding the development of a framework for enhancing the effectiveness of the Board of Directors, the Company continues to recognize the necessity for improvement. For example, we will continue to work on strengthening the functions of the Nomination and Compensation Committee, ongoing consideration of the composition of the Board of Directors, further description of information necessary to deepen discussions at the Board of Directors meetings, preparation of easy-to-understand materials that focus on key points, and efficient management of the Board of Directors meetings. Based on this effectiveness evaluation, we will work on further enhancing the oversight function and the decision-making process of the Board of Directors.

● Audit and Supervisory Board

The Audit and Supervisory Board, as an independent body entrusted by shareholders, performs such roles and responsibilities as auditing the performance of the duties of directors in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules. In accordance with its audit plans, the Audit and Supervisory Board exchanges opinions with the accounting auditors, inspects and examines important documents, and conducts other audits aimed at verifying the Company's internal control system. In addition, the Audit and Supervisory Board members attend important meetings of T&D Holdings, including the meetings of the Board of Directors, and audit the directors' performance of their duties. In fiscal 2020, the Audit and Supervisory Board met 14 times (Of which, Audit & Supervisory Board met 6 times before transitioning to a company with an Audit and Supervisory Board by resolution of the 16th Ordinary General Meeting of Shareholders on June 25, 2020).

Audit & Supervisory Board members	5
Men	4
Women	1
Outside Audit & Supervisory Board members	3 (including one woman)
Activities of Outside Audit and Supervisory Board members (Fiscal 2020)	Outside directors serving as Audit and Supervisory Board members make necessary statements as appropriate at meetings of the Board of Directors and the Audit and Supervisory Board based on their wealth of experience and insight as legal experts, accounting experts, and individuals with experience in corporate management. In addition, their activities include exchanges of views with the representative directors, the accounting auditors, and the heads of the departments under their supervision, as well as the presidents of major subsidiaries and the Audit & Supervisory Board members of each Group company.

● 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. Executive Compensation System (Fiscal 2020)

(1) Policies Concerning the Determination of Executive Compensation

In its Basic Policy on Corporate Governance (henceforth, "the Policy"), T&D Holdings has established the policies regarding executive compensation enumerated below. The Policy may be amended or repealed by the Board of Directors of T&D Holdings at its discretion.

- ① The executive compensation system and compensation amounts shall be designed to function as a sound incentive for the Group to enhance its performance and corporate value over the medium- to long-term. The compensation of directors (excluding outside directors and other part-time directors and directors serving as Audit and Supervisory Board members) shall consist of monthly compensation and bonuses that vary according to their roles and performance and trust-type stock compensation which delivers Company shares and utilizes a trust structure (non-residents of Japan are ineligible).

- 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 part-time directors, including outside directors, and directors serving as Audit and Supervisory Board members shall consist of monthly (fixed) compensation.
- ⑤ Monthly compensation and bonuses of each director shall be calculated based on the compensation table determined by the Board of Directors and each director's individual evaluation within the limit established by the resolution of the Shareholders' Meeting, and through a resolution of the Board of Directors, finalized by the President after deliberations among representative directors.

Individual officer evaluations shall be conducted based on the evaluation of corporate performance and the evaluation of the division the officer is in charge of in accordance with the evaluation criteria established by the Board of Directors. The evaluation results shall be deliberated at the Nomination and Compensation Committee, and then finalized by the President after deliberations among representative directors

- ⑥ In order to clearly evaluate the degree of achievement toward corporate performance, the evaluation of corporate performance shall use multiple key performance indicators determined based on the Group's medium- to long-term management strategies. The key performance indicators shall be calculated by multiplying coefficients according to their achievement rates in each item.

As for the evaluation of the division the officer is in charge of, points are calculated for each division based on the achievement status of the execution plan in each division, among other factors.

The scores of the evaluation of corporate performance and the evaluation of the division the officer is in charge of shall be computed as a weighted average, where the weights are determined according to the responsibilities of each position.

In the case of representative directors, the evaluation of corporate performance shall be weighted 100%.

- ⑦ Trust-type stock compensation shall be granted annually to directors (excluding outside directors and other part-time directors, directors serving as Audit and Supervisory Board members, and non-residents of Japan) within the limits established by the resolution of the Shareholders' Meetings based on points allotted in accordance with position.
- ⑧ The monthly compensation of individual directors serving as Audit and Supervisory Board members shall be decided in consultation with the directors serving as Audit and Supervisory Board members within the limit established by the resolution of the Shareholders' Meeting.
- ⑨ Monthly compensation shall be paid in cash monthly and the bonuses shall be paid in cash annually. Trust-type stock compensation is based on the accumulated points granted, and is delivered in the form of Company shares and monetary payments upon retirement.

With respect to trust-type stock compensation, T&D Holdings shall not deliver Company shares or provide monetary benefits to any director who, prior to the date of determination of beneficiary rights, has committed an act of misconduct (e.g., significant neglect of duties, violation of laws and regulations, leakage of confidential information, etc.) as determined by the Company. If the grantee engages in misconduct after the date of determination of beneficiary rights, moreover, the Company can seek a reimbursement amount, obtained by multiplying the calculated number of basic shares by the calculated stock price.

(2) Composition of Compensation

T&D Holdings has designed its compensation system and compensation amounts to function as a sound incentive for the Group to enhance its performance and corporate value over the medium- to long-term. The total compensation of directors (excluding outside directors and other part-time directors and directors serving as Audit and Supervisory Board members) shall consist of monthly compensation and bonuses that vary according to their roles and performance, and trust-type stock compensation which delivers Company shares and utilizes a trust structure (non-residents of Japan are ineligible). The Company regards corporate performance-linked compensation as not suitable for part-time directors, including outside directors, who are independent from the execution of business, and directors serving as Audit and Supervisory Board members (Audit & Supervisory Board members before the transition to a company with an Audit and Supervisory Board). Therefore, a fixed amount of compensation is paid.

Compensation type	Payment period	How the amount of executive compensation, etc. is calculated for each individual officer	Payment method
Monthly compensation	Monthly	The Board of Directors has adopted a resolution that monthly compensation and bonuses shall be set based on the amounts calculated from the compensation table determined by the Board of Directors and each officer's individual evaluation within the limit established by the resolution of the Shareholders' Meeting and then finalized by Hirohisa Uehara, our Company President, after deliberations among representative directors. Individual evaluations for each officer shall be conducted based on the evaluation of corporate performance and the evaluation of the division the officer is in charge of in accordance with the evaluation criteria established by the Board of Directors. The evaluation results shall be deliberated at the Nomination and Compensation Committee and then finalized by the President after deliberations among representative directors.	Monetary payment
Bonus	Yearly		
Trust-type stock compensation	At the time of retirement	Trust-type stock compensation shall be granted to directors (excluding outside directors and other part-time directors, directors serving as Audit and Supervisory Board members, and non-residents of Japan) in accordance with the compensation table determined by the Board of Directors based on points allotted in accordance with position. At the time of retirement from the Company, officers receive shares and monetary payments in accordance with the accumulated points. The system also has malus and clawback provisions.*	70% stock 30% monetary payment

* Malus and clawback provisions

The trust-type stock compensation system stipulates that if a grantee engages in an act of misconduct (e.g., significant neglect of duties, violation of laws and regulations, leakage of confidential information, etc.) as determined by the Company prior to the date of determination of beneficiary rights, the grantee shall not receive the Company's shares or the proceeds of the sale of such shares. If the grantee engages in misconduct after the date of determination of beneficiary rights, moreover, the system stipulates that the Company can seek a reimbursement amount, obtained by multiplying the calculated number of basic shares by the calculated stock price.

(3) Reasons for delegating the decision on the amount of executive compensation (monthly compensation and bonuses) for each individual officer to the President

Our Company President, Hirohisa Uehara, oversees and supervises the Company's overall performance and business execution, and is a member of the Nomination and Compensation Committee, an advisory body to the Board of Directors. This makes him the most suitable person for determining the amount of executive compensation (monthly compensation and bonuses) for each individual officer based on, among other factors, their individual evaluations as deliberated on by the Nomination and Compensation Committee.

(4) Involvement of the Nomination and Compensation Committee and the Board of Directors

T&D Holdings established the Nomination and Compensation Committee in January 2015 as an advisory body to the Board of Directors to deliberate on the fairness and appropriateness of the appointment, dismissal, succession planning, and compensation of directors and executive officers, as well as to strengthen the corporate governance framework of T&D Holdings and the Group by ensuring the transparency of management and enhancing accountability. The Committee consists of the President and outside directors, and a majority of its members are assigned from outside directors to ensure independence, objectivity, and accountability. Furthermore, the chair of the Committee is chosen out of the outside directors by mutual vote of the Committee's members.

The Nomination and Compensation Committee deliberates on important decisions and changes related to the treatment of directors and executive officers of T&D Holdings and its directly owned subsidiaries, reports the results of such deliberations to the Board of Directors, and offers its opinions as necessary. Monthly compensation and bonuses are decided based on the individual evaluations of each officer, which are decided through deliberations by the Nomination and Compensation Committee, and the compensation table determined by the Board of Directors, among other factors.

In fiscal 2020, the Nomination and Compensation Committee deliberated on, among other topics, the results of fiscal 2019 evaluations of directors and executive officers, which serves as the basis for determining the compensation of individual officers; the results of fiscal 2019 evaluations of representative directors of directly owned subsidiaries; and the establishment of a maximum amount of compensation for directors not serving as Audit and Supervisory Board members. In addition, the Board of Directors has decided on the results of the corporate performance evaluation for fiscal 2019, among other matters.

(5) How to calculate the evaluation of corporate performance and the evaluation of the division the officer is in charge of

The weightings of the evaluation of corporate performance and the evaluation of the division the officer is in charge of are set according to the responsibilities of each officer in accordance with the criteria established by the Board of Directors and used to compute a weighted average. In the case of representative directors, the evaluation of corporate performance shall be weighted 100%.

<Calculation methods>

Corporate performance evaluation (see (6) for the key performance indicators)	<ul style="list-style-type: none"> • In order to clearly evaluate the degree of achievement toward corporate performance, multiple key performance indicators determined based on the Group's medium- to long-term management strategies shall be used, along with an evaluation of corporate performance indicator, namely total shareholder return. • 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"> • Points are calculated for the division the officer is in charge of based on the execution plan achievement status of each division, among other factors.

(6) Key Performance Indicators for Corporate Performance Evaluations (Performance-Linked Indicators) <FY2020>

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

	Target	Actual	Achievement ratio
Value of new business	¥86.3 billion	¥143.4 billion	166.1%
Corporate value (Group MCEV)	¥2,761.0 billion	¥3,377.6 billion	122.3%
Group adjusted profit	¥70.0 billion	¥77.9 billion	111.2%

The actual total shareholder return is 166.5% over one year and 155.1% over five years.

(Note) The total shareholder return is calculated as follows.

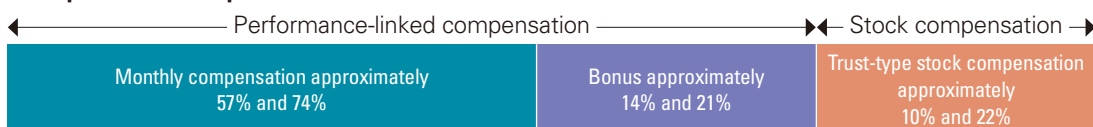
- Single year: (Share price at the end of FY2020 + Dividend per share for FY2020 / Share price at the end of FY2019)
- Five years: (Share price at the end of FY2020 + Cumulative total dividends per share from FY2016 to FY2020) / Share price at the end of FY2015

(7) Payment Ratio of Compensation by Type

With regard to the composition of compensation for the Company's officers, 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 compensation, shall vary within a range between approximately 57% and 74% of the total compensation, commensurate with the duties of each position, while bonuses shall vary within a range between approximately 14% and 21%, and trust-type stock compensation shall vary within a 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, depending on the individual evaluations of each officer. Bonuses shall be a variable amount within the range between approximately 60% and 140% of the standard evaluation, depending on the individual evaluations of each officer.

《Compensation composition ratios》



(8) Reasons for the Board of Directors' determination that the details of individual compensation of directors for the current fiscal year are in line with the Policy

The Board of Directors confirms that the individual compensation details were calculated based on the compensation table determined by the Board of Directors and the individual evaluation of each director as deliberated by the Nomination and Compensation Committee, and judges that this calculation is in line with the Policy.

(9) 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 not serving as Audit and Supervisory Board members (excluding outside directors)	10	153	4	42	4	45	10	241
Directors serving as Audit and Supervisory Board members (excluding outside directors)	2	44	0	—	0	—	2	44
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	2	13	0	—	0	—	2	13
Outside directors not serving as Audit and Supervisory Board members	4	22	0	—	0	—	4	22
Outside directors serving as Audit and Supervisory Board members	3	27	0	—	0	—	3	27
Outside Audit & Supervisory Board members	2	4	0	—	0	—	2	4
Total	23	266	4	42	4	45	23	354

- The monthly compensation and bonus reserves of directors (excluding outside directors and other part-time directors and directors serving as Audit and Supervisory Board members) constitute performance-linked compensation, and the trust-type stock compensation constitutes non-monetary compensation. The total amount of performance-linked compensation for directors not serving as Audit and Supervisory Board members (excluding outside directors and other part-time directors) (7 people) is ¥167 million, and the total amount of non-monetary compensation is ¥45 million.
- T&D Holdings transitioned from a company with a Board of Auditors to a company with an Audit and Supervisory Board on June 25, 2020.
- The number of persons paid and the amount of compensation above include three directors and two Audit & Supervisory Board members who stepped down from their posts, as of the close of the 16th Ordinary General Meeting of Shareholders held on June 25, 2020. As of March 31, 2021, the Company has nine directors not serving as Audit and Supervisory Board members and five directors serving as Audit and Supervisory Board members.
- The number of persons paid and the amount of compensation for directors not serving as Audit and Supervisory Board members include directors from before the company transitioned to a company with an Audit and Supervisory Board.
- The number shown under "Total" in the "Number of persons paid" column represents the cumulative total number of people.
- The amount of trust-type stock compensation represents the cost accrued for the points granted during the fiscal year under review based on the relevant system.
- Since there is no person with total consolidated compensation of ¥100 million or more, individual compensation amounts are not shown.

(10) Resolutions of the General Meeting of Shareholders

<Maximum amount of compensation for directors after the transition to a company with an Audit and Supervisory Board>

In a resolution at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020, the maximum amount of compensation for directors not serving as Audit and Supervisory Board members was set to ¥450 million per year, of which ¥40 million per year is for outside directors (at the conclusion of the Shareholders' Meeting, there were 9 directors not serving as Audit and Supervisory Board members (including 2 outside directors)). This amount includes bonuses, and the total amount of bonuses per year has been determined by the Board of Directors. Apart from the above annual compensation limit for directors not serving as Audit and Supervisory

Board members, another resolution at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020 set the maximum aggregate amount of trust fund to be contributed for the trust-type stock compensation to ¥500 million (covering the three fiscal years from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021). The total number of points to be granted to directors each year was limited to 215,000 points (one point is equivalent to one share in the Company). (At the conclusion of the Shareholders' Meeting, there were 4 directors not serving as Audit and Supervisory Board members eligible for trust-type stock compensation.) At the 16th Ordinary General Meeting of Shareholders, the maximum amount of compensation for directors serving as Audit and Supervisory Board members was set to ¥150 million per year (at the conclusion of the Shareholders' Meeting, there were 5 directors serving as Audit and Supervisory Board members (including 3 outside directors)). Compensation is set in consultation with the directors serving as Audit and Supervisory Board members within this limit.

<Maximum amount of compensation for directors and Audit & Supervisory Board members before the transition to a company with an Audit and Supervisory Board>

In a resolution at the 13th Ordinary General Meeting of Shareholders held on June 28, 2017, the maximum amount of compensation for directors before the transition to a company with an Audit and Supervisory Board was set to ¥500 million per year, of which ¥40 million per year was for outside directors (at the conclusion of the Shareholders' Meeting, there were 12 directors (including 3 outside directors)). This amount included bonuses, and the total amount of bonuses per year was determined by the Board of Directors. Apart from the above annual compensation limit for directors, another resolution at the 14th Ordinary General Meeting of Shareholders held on June 27, 2018 set the maximum aggregate amount of trust fund to be contributed for the trust-type stock compensation to ¥500 million (covering the three fiscal years from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021). The total number of points to be granted to directors each year was limited to 215,000 points (one point is equivalent to one share in the Company). (At the conclusion of the Shareholders' Meeting, there were 6 directors eligible for trust-type stock compensation.) In a resolution at the 8th Ordinary General Meeting of Shareholders held on June 27, 2012, the maximum amount of compensation for Audit & Supervisory Board members was set to ¥130 million per year (at the conclusion of the Shareholders' Meeting, there were 4 Audit & Supervisory Board members (including 2 outside Audit & Supervisory Board members)). Compensation is set in consultation with the Audit & Supervisory Board members within this limit.

● Executive Management Board and Group Strategy Board

Please see "Executive Management Board and Group Strategy Board" under "8. Management Approach" on page 30.

● 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 in 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 in 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 in 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 in 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

T&D Holdings established the non-statutory Nomination and Compensation Committee in January 2015 as an advisory body to the Board of Directors to deliberate on the fairness and appropriateness of the appointment, dismissal, succession planning, and compensation of directors and executive officers, as well as to strengthen the corporate governance framework of T&D Holdings and the Group by ensuring the transparency of management and enhancing accountability. The members of the Nomination and Compensation Committee deliberate on matters related to the appointment, dismissal, and compensation of directors and executive officers of T&D Holdings and its directly owned subsidiaries, and matters related to succession planning for the Company's President, among other topics, and report the results of such deliberations to the Board of Directors, while expressing their opinions as necessary. The Committee consists of the President and at least three outside directors, and a majority of the members are assigned from outside directors to ensure independence, objectivity, and accountability. The outside directors to be named as members are determined by the President after deliberations by the Nomination and Compensation Committee, and the chair of the Committee is chosen from among the outside directors by mutual vote of the Committee's members.

《Major Deliberations and Reports by Nomination and Compensation Committee (Fiscal 2020)》

Major Deliberations and Reports	
1st meeting	<ul style="list-style-type: none"> • Selection of directors not serving as Audit and Supervisory Board members, directors serving as Audit and Supervisory Board members, and directors serving as substitute Audit and Supervisory Board members, and selection of representative directors and directors with executive titles • Selection and appointment of director candidates, Audit & Supervisory Board member candidates, and executive officers at directly owned subsidiaries • Establishment of maximum amount of compensation for directors not serving as Audit and Supervisory Board members
2nd meeting	<ul style="list-style-type: none"> • Results of fiscal 2019 evaluations of directors and executive officers • Results of fiscal 2019 evaluations of representative directors of directly owned subsidiaries • Internal rules on executive treatments
3rd meeting	<ul style="list-style-type: none"> • Selection of outside directors to serve on the Nomination and Compensation Committee
4th meeting	<ul style="list-style-type: none"> • Selection of the chair of the Nomination and Compensation Committee
5th meeting	<ul style="list-style-type: none"> • Succession plan
6th meeting	<ul style="list-style-type: none"> • Internal rules on executive treatments at directly owned subsidiaries
7th meeting	<ul style="list-style-type: none"> • Change of president of directly owned subsidiary (Daido Life)
8th meeting	<ul style="list-style-type: none"> • Selection and appointment of executive officers • Selection and appointment of executive officers at directly owned subsidiaries • Revision of the Basic Policy on Corporate Governance in accordance with the revision of the Companies Act
9th meeting	<ul style="list-style-type: none"> • Selection and appointment of directors and executive officers of directly owned subsidiaries

《Committee Member Attendance Record (Fiscal 2020)》

Name	Position	Attendance
Haruka Kato* (Chair)	Outside Director	Attended all 9 meetings
Naoki Ohgo	Outside Director	Attended all 9 meetings
Kensaku Watanabe	Outside Director	Attended all 6 meetings
Hirohisa Uehara	Representative Director and President	Attended all 9 meetings

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

● Group Compliance Committee

Please see "Group Compliance Committee" under "8. Management Approach" on page 30.

● Group SDGs Committee

Please see "Group SDGs Committee" under "7-1 Sustainability Promotion Framework" on page 29.

● Group Risk Management Committee

Please see “Group Risk Management Committee” under “8. Management Approach” on page 30.

● Group ERM Committee

Positioned under the Board of Directors, 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 ERM Strategy Department. In fiscal 2020, the Committee held 15 meetings and reported the results of its deliberations to the Executive Management Board, Group Strategy Board, and Board of Directors.

1-6 Internal Audit System

● Group Internal Auditing

Internal auditing is the task of evaluating the appropriateness and effectiveness of the internal management of the operating units and providing advice and recommendations with the aim of contributing to the effective achievement of the organization’s management targets.

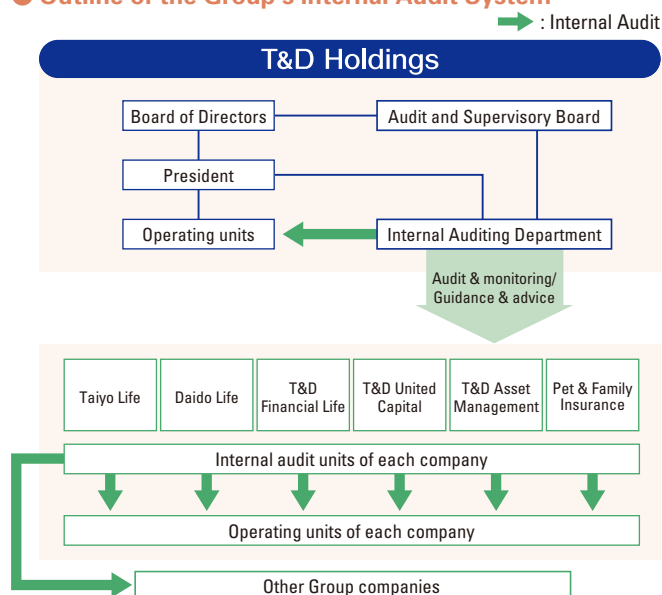
In the Group Basic Policy on Internal Audits formulated by the Board of Directors, T&D Holdings has established a basic policy to ensure the effectiveness of the Group’s internal audit system. In accordance with this policy, T&D Holdings and its directly owned subsidiaries have established internal audit units that are independent from other operating units. As of the end of fiscal 2020, the number of employees in the internal audit units was 6 at T&D Holdings and 73 in total for the Group, including 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, in addition to reporting to the President. In addition, to ensure the independence of internal audits, a system has been established whereby the Internal Auditing Department is directed by and reports to the Audit and Supervisory Board and obtains the Board’s consent with respect to matters such as the formulation of the annual internal audit plans and the appointment of the manager of the Internal Auditing Department.

Meanwhile, the Internal Auditing Department of T&D Holdings, in addition to conducting internal audits of each division of the Company, grasps the status of the internal management system of the Group as a whole through monitoring of the internal audits implemented by its subsidiaries. The Internal Auditing Department also provides guidance and advice as necessary to strengthen the internal audit system of the Group as whole.

● 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.

● Integrated Report

The Integrated Report is an annual report issued to investors, shareholders, and other stakeholders. It provides a summary of financial, corporate, ESG, and other key information to enable our shareholders and investors to understand the T&D Insurance Group.

● 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.

Starting from the fiscal year ended March 31, 2021, the Company has been making submissions earlier (prior to the Shareholders' Meeting) with the aim of promoting dialogue with shareholders.

For more details about these reports, please see "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 see "For Individual Investors," "IR Library," and "IR Events" under "Investor Relations" on our website.

WEB <https://www.td-holdings.co.jp/ir/individual/> (Japanese only)
<https://www.td-holdings.co.jp/en/ir/document/>
<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. Note that in fiscal 2021, as a measure against the spread of COVID-19, we encouraged shareholders to exercise their voting rights in advance and to refrain from attending the meeting in person. Furthermore, on the day of the event, we broadcast the Shareholders' Meeting live so that distant shareholders could observe the proceedings from their homes. The meeting itself was also held with appropriate infection prevention measures in place, including a shorter agenda and the wearing of masks by shareholders, officers, and employees.

2-5 Shareholders

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● Proportion of Shares Held (as of March 31, 2021)

Shareholder category	Financial institutions	Financial product dealers	Other corporations	Foreign corporations	Individuals and others	Total
No. of shares held (1,000 shares)	201,014	35,068	107,307	207,589	40,124	633,000
Proportion of shares held (%)	31.76	5.54	16.95	32.79	6.34	100.00

● Principal Shareholders (as of March 31, 2021)

Name of shareholders	Number of shares held (1,000 shares)	Percentage of total shares outstanding (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	57,852	9.79
Custody Bank of Japan, Ltd. (Trust Account)	30,274	5.12
Custody Bank of Japan, Ltd. (Trust Account 7)	16,950	2.87
MUFG Bank, Ltd.	10,325	1.75
Custody Bank of Japan, Ltd. (Trust Account 5)	9,041	1.53
JPMorgan Securities Japan Co., Ltd.	8,656	1.46
STATE STREET BANK WEST CLIENT - TREATY 505234	8,634	1.46
Custody Bank of Japan, Ltd. (Trust Account 6)	8,012	1.36
SSBTC CLIENT OMNIBUS ACCOUNT	7,419	1.26
Custody Bank of Japan, Ltd. (Trust Account 1)	7,190	1.22
Total	164,357	27.81

Note: The Company holds 41,895 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

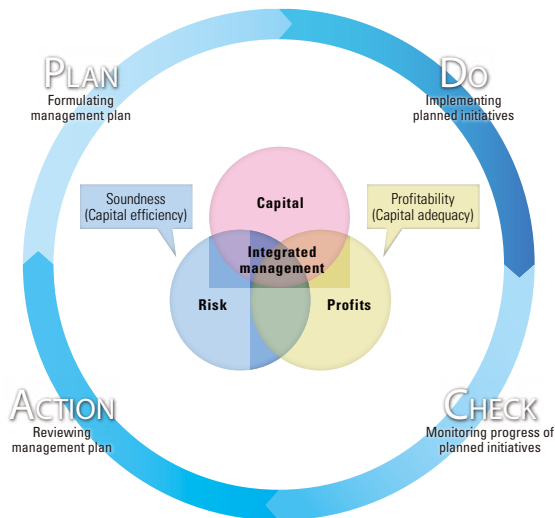
ERM stands for Enterprise Risk Management and refers to a strategic method of corporate management that seeks to maximize corporate value and profits while ensuring the soundness of business through integrated management of capital, profit and risk.

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

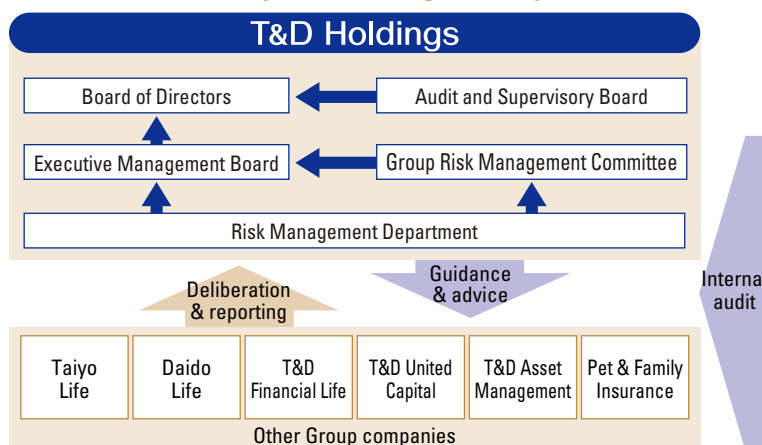
At the T&D Insurance Group, T&D Holdings has formulated a Group Risk Management Policy setting forth the Group's basic approach to risk management and, based on this Policy, the directly owned subsidiaries and other Group members have developed their risk management system that covers their affiliates 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 directly owned subsidiaries 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 various management risks such as financial market disruptions, catastrophes, pandemics, climate change, and cyber attacks as indicated below. We have established risk management policies for each risk category and strive to prevent the occurrence of risks or control them within certain tolerances.

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 see 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 Complemental 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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205-2

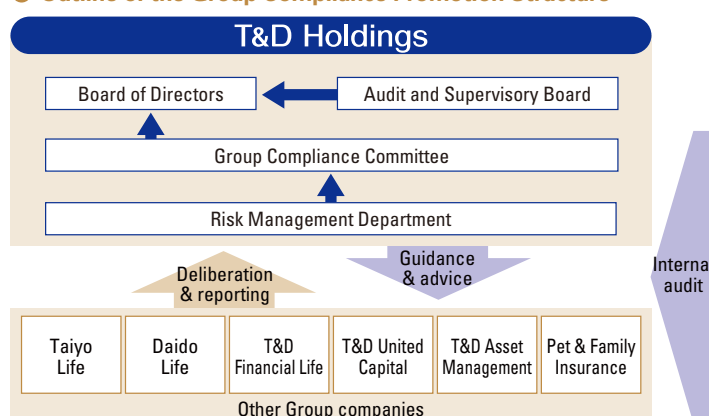
3-1 Our Concept of Compliance

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.15.) 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 2020, 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

The T&D Insurance Group clearly states its commitment to strict compliance with applicable laws and regulations in the T&D Insurance Group CSR Charter and the T&D Insurance Group Compliance Code of Conduct. With regard to taxation, we have established the T&D Insurance Group Basic Tax Policy in accordance with these CSR policies.

《T&D Insurance Group Basic Tax Policy》

T&D Insurance Group (the “Group”) establishes the following basic tax policy, ensures proper handling of tax matters, and fulfills its corporate social responsibility.

1. Basic Idea

Based on the Group’s management philosophy, the Group aims to contribute to people and society through its business activities in order to realize a sustainable society.

In addition, for the purpose of conducting corporate activities that are sincere, fair and appropriate for all stakeholders, the Group stipulates compliance with laws and regulations in its Compliance Code of Conduct.

Also, the Group will strive to further improve governance and compliance, and in order to ensure proper handling of tax matters, the Group will deal with them in a sincere and responsible manner in line with the tax laws and regulations of each country or region and the purport thereof when conducting its business.

2. Appropriate Tax Burden

The Group strives to realize an appropriate tax burden through the elimination of double taxation based on the use of tax treaties and the appropriate use of various tax systems.

The Group will not interpret the laws and regulations in a way that deviates from the purport thereof or conduct tax planning that is solely intended for tax avoidance.

3. Responding to Transfer Pricing Taxation

The Group will conduct international transactions between Group companies at arm’s length prices in accordance with the OECD Transfer Pricing Guidelines and will pay appropriate taxes based on appropriate income reflecting the economic activities conducted in the relevant country or region.

4. Establishment of Tax Payment System

The Group will establish a system to properly conduct tax operations applicable in each country or region.

T&D Holdings is working to strengthen its tax governance system in cooperation with domestic and overseas Group companies.

5. Relationships with Tax Authorities

The Group strives to build sound relationships with tax authorities by responding to them sincerely and providing timely and appropriate explanations that are based on facts.

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

We have established rules to ensure that whistleblowers are not treated unfavorably after they make a report to the T&D Insurance Group Helpline, and we are working to build an effective system that allows reporting by phone, website, etc. through an external reporting company and that also accepts reports anonymously. The reports and the results of the investigations into them are reported to the Audit and Supervisory Board and to management.

In addition, in March 2021, the T&D Insurance Group Helpline was registered with the Whistleblowing Compliance Management System (WCMS)*, Self-Adaptation Declaration Registration System, under the jurisdiction of Japan's Consumer Affairs Agency.

* Under this system, a business evaluates its own whistleblowing system, and if it complies with the Consumer Affairs Agency's "Guidelines for Private Enterprises Regarding the Development and Operation of Internal Reporting Systems Based on the Whistleblower Protection Act," then it is certified with the WCMS logo after examination and confirmation by the designated registration agency (Japan Institute of Business Law).

《WCMS mark》



● Number of Calls Received by the T&D Insurance Group Helpline

FY2018	243
FY2019	258
FY2020	320

* 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 2021, 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 Group Long-Term Vision

I have read about the T&D Insurance Group Long-Term Vision described in the message from the President. I commend the fact that the Company has redefined its vision (how it wants to be) as a corporation that is not affected by environmental changes, has considered (conceived) what might be necessary in light of that vision, and has acknowledged the importance of being flexible and speedy in its thinking and actions to put them into practice based on the understanding that as the SDGs continue to gain traction worldwide, the idea that a good company is one that not just generates profits but also makes society a better place and can co-exist with society is growing mainly among millennial and Z generations.

I also paid attention to the fact that the Company raised a statement "Sow happiness, make change with boldness," as well as "SDGs management and creation of value" as a primary issue. It is true that it is difficult to define what "happiness in society" actually means, considering that money can buy some things, but not others. Going forward, I am hoping that the T&D Insurance Group will provide more detail on what it considers "happiness" to be.

2 Group Human Rights Policy

I also commend the Company's formulation of a Group Human Rights Policy in July 2020. However, I focused on the report the Company has made, saying that "We did not identify the instances of human rights abuses that require corrective actions in the Group's business activities." The Group's life insurance companies are expanding its business operations overseas. The Group's Human Rights Policy states "*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.*" As such, I particularly hope that subsequent editions more actively disclose information about countries where there are concerns of government-led human rights violations.

3 Climate Change Crisis Response and Information Disclosure in line with TCFD Recommendations

One major characteristic of the T&D Insurance Group is that the specialized and differentiated business models of its core life insurance companies all function effectively. I commend the Company's quick rollout of products and services in response to the COVID-19 pandemic, which have delivered particularly noteworthy results in the industry.

On the other hand, I felt there is still room for the Company to do more regarding its initiatives for tackling the global climate change crisis. One example would be measuring, and managing the progress of reducing, the carbon density of financial products offered in the asset management portfolios and investment-related businesses of each life insurance company. Also, if significant progress is made with the decarbonization of the economy up ahead, some industry sectors might fall into decline and especially small and mid-size companies in such industry supply chains will find themselves in a vulnerable position. I strongly expect the T&D Insurance Group, which boasts strengths in the SME market segment, to better demonstrate its consulting services to help businesses innovate or switch to a different line of business.

An industry body known as the Net Zero Insurance Alliance (NZIA) has already been established under the umbrella of GFANZ, which is also mentioned in the three-way conversation between experts. The NZIA is calling on insurance companies to set targets for achieving net-zero greenhouse gas emissions across scopes 1–3 by the year 2050. In May 2021 the world was shocked by the news that the District Court of the Hague in the Netherlands recognized climate change as a human rights issue in a case brought against an Anglo-Dutch multi-national oil and gas company by environmental NGOs and thus ordered the energy major to reduce its emissions. I therefore hope the Company will set even more ambitious targets to tackle climate change, step up its initiatives, and disclose even more information about its efforts.

Eiichiro Adachi Senior 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. 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, as a member of the Advisory Board of The Research Institute for Local Public Transport, as a Japan expert in ISO/TC322 and ISO 32210 working groups, and as a member of the Financial Services Agency's Expert Panel on Sustainable Finance. 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 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* (Kinzei, 2017), and *The Business Person's Guide to SDGs* (Nikkei Business Publications, 2018).



Index | GRI Standards

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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, 2021)	
	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, 2021)	
	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 2021	
	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, 2021)	
	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 II Sustainability Management ► 9. Stakeholder Engagement	
	102-43 Approach to stakeholder engagement	III Priority Theme 1 Providing Better Products and Services ► 2. Providing Wholehearted Reassurance IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ► 3. Worker-friendly Work Environment ► 3–2 Initiatives Reflecting Employee Feedback IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ► 3. Worker-friendly Work Environment ► 3-3 Employee Questionnaire on Sustainability and CSR	
	102-44 Key topics and concerns raised	III Priority Theme 1 Promote healthy and abundant lives for all people ► 3. 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 2021	
	102-51	Date of most recent report	About Corporate Responsibility Report 2021	
	102-52	Reporting cycle	About Corporate Responsibility Report 2021	
	102-53	Contact point for questions regarding the report	About Corporate Responsibility Report 2021	
	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 ► 2. 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	
			“Total number and percentage of operations assessed for risks related to corruption” are not disclosed, as risks are managed by category.	
			Matters required for reporting include items awaiting the collection of information. The items will be disclosed within a few years.	

GRI Standards		Disclosed Items	Publication Location (Titles of items on the report/web)	Omission
Material Topics				
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	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 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A	
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	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	V Priority Theme 3 Help mitigate and adapt to climate change V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Promotion Framework	
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	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	V Priority Theme 3 Help mitigate and adapt to climate change V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Promotion Framework	
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 and Effluents				
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 V Priority Theme 3 Help mitigate and adapt to climate change	
	103-3	Evaluation of the management approach	▶ 1. Promotion Framework	
GRI 303: Water and Effluents 2018 Topic management disclosures	303-1	Interactions with water as a shared resource	V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives ▶ 3-2 Environmental Performance Data	
	303-2	Management of water discharge-related impacts	V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives ▶ 3-2 Environmental Performance Data	
GRI 303: Water and Effluents 2018 Topic disclosures	303-3	Water withdrawal	V Priority Theme 3 Help mitigate and adapt to climate change ▶ 3. Environmental Impact-reduction Initiatives ▶ 3-2 Environmental Performance Data	
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	

GRI Standards		Disclosed Items		Publication Location (Titles of items on the report/web)	Omission
Material Topics					
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	The management approach and its components	II Sustainability Management ▶ 7. Sustainability promotion framework V Priority Theme 3 Help mitigate and adapt to climate change		
	103-3	Evaluation of the management approach	V Priority Theme 3 Help mitigate and adapt to climate change ▶ 1. Promotion Framework		
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		
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	The management approach and its components	II Sustainability Management ▶ 7. Sustainability promotion framework V Priority Theme 3 Help mitigate and adapt to climate change		
	103-3	Evaluation of the management approach	▶ 1. 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	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. Promotion Framework		
	103-3	Evaluation of the management approach	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	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 ▶ 3. Worker-friendly Work Environment		
	103-3	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 ▶ 3. Worker-friendly Work Environment ▶ 3–1 Work-Life Balance Initiatives		
	401-2	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 ▶ 3. Worker-friendly Work Environment ▶ 3–1 Work-Life Balance Initiatives		
	401-3	Parental leave	IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 3. Worker-friendly Work Environment ▶ 3–1 Work-Life Balance Initiatives Matters required for reporting include items awaiting the collection of information. The items will be disclosed within a few years.		

GRI Standards		Disclosed Items		Publication Location (Titles of items on the report/web)	Omission
Material Topics					
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	The management approach and its components	II Sustainability Management ▶ 7. Sustainability promotion framework		
	103-3	Evaluation of the management approach	IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System		
GRI 403: Occupational Health and Safety 2018 Topic management disclosures	403-1	Occupational health and safety management system			
	403-2	Hazard identification, risk assessment, and incident investigation	IV Priority Theme 2 Provide workplace environments that enable all people to participate actively		
	403-3	Occupational health services	▶ 3. Worker-friendly Work Environment		
	403-4	Worker participation, consultation, and communication on occupational health and safety	▶ 3–1 Work-Life Balance Initiatives		
	403-5	Worker training on occupational health and safety	IV Priority Theme 2 Provide workplace environments that enable all people to participate actively		
	403-6	Promotion of worker health	▶ 4. Health Promotion for Employees		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
GRI 403: Occupational Health and Safety 2018 Topic disclosures	403-9	Work-related injuries	Sustainability Library ▶ Initiatives to address the working environment ▶ Occurrence of Occupational Accidents		Managed based on the number of occupational accidents.
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 ▶ 1. 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 ▶ 1. 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		
	103-3	Evaluation of the management approach	II Sustainability Management ▶ 7. Sustainability promotion framework IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 2. 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	IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 3. Worker-friendly Work Environment ▶ 3–1 Work-Life Balance Initiatives VIII Governance and Internal Control ▶ 1. Corporate Governance		

GRI Standards		Disclosed Items	Publication Location (Titles of items on the report/web)	Omission
Material Topics				
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	
	103-3	Evaluation of the management approach	II Sustainability Management ▶ 7. Sustainability promotion framework 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 ▶ 2. Diversity Promotion Initiatives ▶ 2–2 Human Rights Education	Human rights training is conducted for all employees. “Total hours of employee training” are not disclosed.
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	
	103-3	Evaluation of the management approach	II Sustainability Management ▶ 7. Sustainability promotion framework	
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	
	103-3	Evaluation of the management approach	IX Management Control ▶ 3. Compliance ▶ 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	
	103-3	Evaluation of the management approach	IX Management Control ▶ 2. Risk Management ▶ 2–7 Cyber Security Initiatives 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	
	103-3	Evaluation of the management approach	IX Management Control ▶ 2. Risk Management 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	

GRI Standards	Disclosed Items		Publication Location (Titles of items on the report/web)	Omission
Material Topics				
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	
	103-2 103-3	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	
			III Priority Theme 1 Promote healthy and abundant lives for all people Sustainability Library ▶ Other Initiatives ▶ Activities to Respond to the Customer Feedback	
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	
	103-2 103-3	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	
			III Priority Theme 1 Promote healthy and abundant lives for all people ▶ 1. Offering Products and Services That Address Social Needs IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 4. 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	
	103-2 103-3	The management approach and its components Evaluation of the management approach	II Sustainability Management ▶ 7. Sustainability Promotion Framework	
			III Priority Theme 1 Promote healthy and abundant lives for all people ▶ 1. Offering Products and Services That Address Social Needs ▶ 1–6 Best Senior Service	
			IV Priority Theme 2 Provide workplace environments that enable all people to participate actively ▶ 1. Utilization and Development of Human Resources ▶ 1–3 Promoting the Active Participation of the Elderly IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System	