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November 30, 2023 (Previous Issue: November 30, 2022; Next Issue: Scheduled for November 2024) 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.

Please refer to "Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results" on P76 for the scope of environmental performance data and Group-wide targets and results.

Period covered April 2022 to March 2023 (annual)

* Also includes reports on some significant activities and events having occurred in and after April 2023.

Contact Information 2-3

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Regarding Third-party Opinion

As representative director of the Kamakura Sustainability Institute, Ms. Ai Aonuma has extensive knowledge on sustainability. She was asked to offer her opinion and advice on the contents of the Sustainability Report 2023 from a third-party standpoint.

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 approach to sustainability, in addition to its sustainability initiatives. For fiscal 2023, the Group has created two different reports in order that a wider range of stakeholders can learn about the Group's initiatives. In addition to the Sustainability Report 2023, we have released a digest edition of the Sustainability Report 2023. The Sustainability Report 2023 comprehensively covers the management, social, and environmental initiatives being promoted by the Group in conformity with GRI standards (For details, please refer to the "Index"). Further, in the digest edition, we present the Group's approach to sustainability and the main sustainability initiatives taken by the Group in an easy-to-understand format. The report is written in a more casual, easy-to-read manner with a reduced number of pages and many photographs and illustrations.

Overview of the Digest Edition of Sustainability Report 2023

- T&D Insurance Group's Corporate Philosophy/T&D Insurance Group's Management Vision/Group Structure
- Message from the President
 ●T&D Insurance Group Sustainability Statement/CSR & Sustainability Trajectory of the T&D Insurance Group
 ● Sustainability Advisory Committee
- Priority Theme 1 Promote Healthy and Abundant Lives for All People
- Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively
- Group Employee Dialogue
 Priority Theme 3 Help Mitigate and Adapt to Climate Change
- Priority Theme 4 Invest to Help Build a Sustainable Society
 Social Activities
- External evaluation/Principles That the T&D Insurance Group Endorses and Supports



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

Under the banner of the Group Long-Term Vision "Try & Discover 2025 – In Pursuit of the Happiness of All Stakeholders," which demonstrates our medium-to long-term goals and strategic policies to achieve them, we defined the T&D Insurance Group's Management Vision as "Sow happiness, make change with boldness," and we set five primary themes to work on in order to achieve this vision. Among them, we highlight SDGs management and creation of value. We have established quantitative non-financial KPIs to measure the creation of social value, and we are actively pursuing the creation of shared value that achieves a balance between economic and social value.

As a Group whose core business is life insurance, we are committed to sustainable business practices that offer long-term peace of mind and safety to our customers through our products and services. This is the essence of our operations. Additionally, our asset

management operations as an institutional investor are closely tied to economic development and the achievement of a sustainable society, making it a business that has a significant public relevance. The Group recognizes that it bears a responsibility to contribute to society through these operations.

■ Addressing Climate Change: The Significance of the Life Insurance Business

In May 2023, the classification of COVID-19 shifted from "Category II-equivalent" to "Category V," marking a significant milestone for both social life and economic activity. Throughout this period, each life insurance company within the Group has broadened its assurance provisions related to COVID-19 for customers in an effort to make contributions through our core business. We have also made payments, including benefits, to those who were unable to receive essential hospital treatment and instead recuperated at home or other accommodations, treating these cases the same

as hospitalized patients. While the Group champions to "promote healthy and abundant lives for all people" through the delivery of life insurance products and services as one of its sustainability priority themes, through recent initiatives, we have fulfilled our societal duty by providing protection for unforeseen circumstances, which is at the heart of life insurance.

The progression of climate change and the loss of biodiversity have been identified as factors that could increase the risk of global outbreaks or pandemics such as that of COVID-19. Should another pandemic arise in the future, the Group acknowledges the potential financial impact that may result from increased payments of hospitalization benefits. Traditionally, the Group has determined to help mitigate and adapt to climate change as one of its sustainability priority themes, and we have forged ahead with initiatives aimed at decarbonization. However, we now recognize the need to accelerate these efforts upon incorporating biodiversity conservation perspectives as well.

T&D Insurance Group Sustainability Report 2023

Message from the President

In pursuit of this goal, the Group is committed to achieving net-zero emissions by 2050, with a focus on reducing CO_2 emissions produced by both the Group and those we invest in and finance. With regard to our own emissions, we have joined the international initiative RE100, which involves aiming to source 100% of the electricity used in business activities from renewable energy. Given the nature of our business as a Group whose core business is life insurance, the majority of our CO_2 emissions stem from power consumption. We are further promoting the use of power derived from renewable sources and are fast-tracking reductions in CO_2 emissions, with a particular focus on fiscal 2025, the final fiscal year of the Group Long-Term Vision.

Moreover, as a responsible institutional investor, we have set interim goals to be achieved by FY2030 concerning the reduction of CO₂ emissions from our investment and financing recipients, and we are actively engaged in making this reduction a reality. To achieve these goals, we will encourage our investment and financing recipient companies to advance their decarbonization efforts through engagement, as well as provide support via initiatives such as green bonds and transition financing.

In addition to focusing on decarbonization, we want to have a positive impact on society through our business activities. To this end, in 2023, we established the Social Impact Study Subcommittee to begin specific considerations. The life insurance business, which

is the Group's core business, is one with significant public relevance that embodies the principle of mutual assistance. Through our business, we will exert a positive influence on the world and contribute to the achievement of a sustainable society.

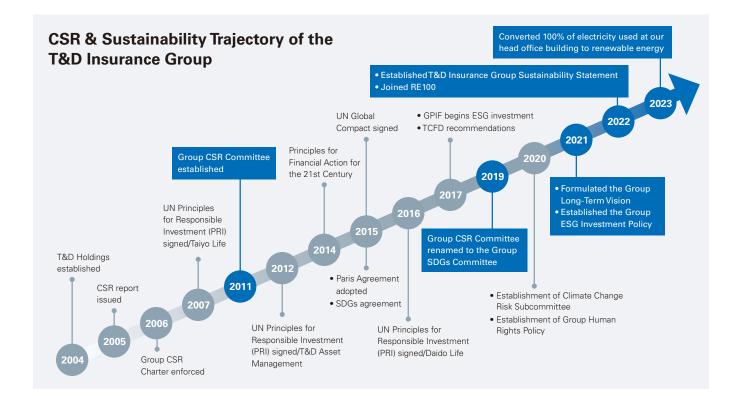
■ Human Capital Management Initiatives

One of the Group's sustainability priority themes is to "provide workplace environments that enable all people to participate actively," and we are taking steps to enhance our human capital. Under our human resources development policy of nurturing autonomous individuals who think for themselves, take proactive action, and achieve the expected results, we are promoting the development of a leadership base to drive the Group's growth, as well as providing educational opportunities for growth and supporting active roles for female employees. We will adopt a multi-dimensional, ongoing approach to create an environment where all employees, regardless of gender, can work comfortably and with enthusiasm. This includes efforts such as promoting diversity, practicing health management, and enhancing work-life balance. In the life insurance business, which is the Group's core business, improving individual employee engagement directly leads to improving the Group's performance. We will continue to enhance our human capital management to achieve growth for executives and employees as well as the Group.

In addition, in an effort to respect human rights, we have established the T&D Insurance Group Human Rights Policy and conduct human rights due diligence every year. Specifically, to maintain and improve a workplace environment where employees can fully utilize their abilities, we have identified long working hours and harassment as key areas for human rights due diligence, and we are striving to identify and correct human rights issues.

■ The T&D Insurance Group Vision

We believe that our commitment to SDGs management and addressing social issues will lead to us creating shared value and sowing happiness in the world. We, the T&D Insurance Group, aim to be an insurance group that grows sustainably alongside society, and we will continue to advance toward this goal step by step.



T&D Insurance Group Sustainability Statement

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





Basic Concepts

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

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

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

Group's Management Vision/Group Long-Term Vision

Group's Management Vision

保険を通じて、"ひとり"から、世の中のしあわせをつくる。 ていねいに向き合い、大胆に変えるグループへ。

Sow happiness, make change with boldness

Group Long-Term Vision "Try & Discover 2025"

Creation

of Shared

Value

Pursuing Financial KPIs

Financial Values

Expanding group revenue through improvement of capital efficiency

(Adjusted profit/Adjusted ROE/Value of new business/ROEV)

Pursuing Non-Financial KPIs

Social Values

Providing solution to social issues through business activities

(Customer satisfaction/Employee engagement score*/CO₂ emissions)

5 primary themes of Group growth strategy

- (1) Strengthening of core business
- (2) Diversification and optimization of business portfolio
- (3) Further advancement of ERM
- (4) Promoting integrated Group management
- (5) SDGs management and creation of value

The name was changed from "Employee satisfaction" to "Employee engagement score" in the fiscal year ending March 31, 2024.

















Sustainability Priority Themes

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

Priority Theme 1 Promote Healthy and Abundant Lives for All People

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

Our Target

• Increase customer satisfaction year-on-year* until fiscal 2025

For details, please see P.32









Priority Theme 3 Help Mitigate and Adapt to Climate Change

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

Our Target

- Reduce our CO₂ emissions by 40% by fiscal 2025
- Reduce our CO₂ emissions to net zero by fiscal 2050

For details, please see ▶ P.68









Priority Theme 2 Provide Workplace Environments that Enable All People to **Participate Actively**

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

Our Target

• Increase employee engagement score year-on-year* until fiscal 2025 For details, please see ▶ P.54









Priority Theme 4 Invest to Help Build a Sustainable Society

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

Our Target

- Reduce the CO₂ emissions of investees and borrowers by 40% by fiscal 2030
- Reduce the CO₂ emissions of investees and borrowers to net zero by fiscal 2050

For details, please see ▶ P.79





















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

T&D Insurance Group Sustainability Report 2023 S

I 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.

T&D Insurance Group Sustainability Report 2023

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Organizational Profile Priority Theme 1 2 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

2. Philosophy and Policy of T&D Insurance Group

Philosophy and Policy of T&D Insurance Group

2-23

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]

- T&D Insurance Group Basic Policy Related to Customer-oriented Business Operations
- Basic Policy on Corporate Governance
- Basic Group Policy on Human Resources
- Group Risk Management Policy
- T&D Insurance Group Basic Tax Policy

etc.

* All of these basic policies have been established by the T&D Holdings Board of Directors as in-house regulations.

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 the Group's Corporate 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 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 appropriate 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 Communities and Society

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

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2. Philosophy and Policy of T&D Insurance Group

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 P.80.

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 P.23.

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)

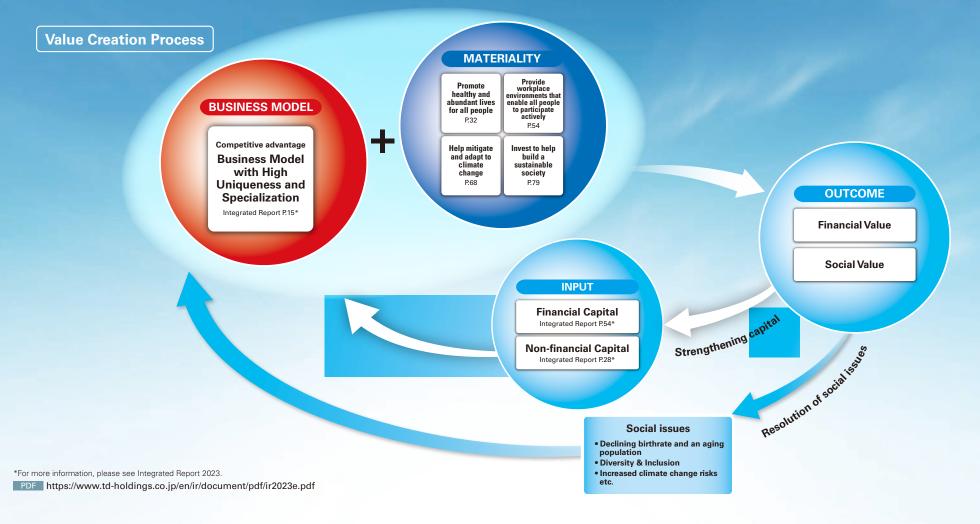
WEB https://www.jpx.co.jp/english/equities/listing/cg/

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3 The T&D Insurance Group's Value Creation Process

T&D Insurance Group's Corporate Philosophy —T&D Insurance Group's reason for existence—

With our "Try & Discover" motto for creating value, we aim to be a group that contributes to all people and societies.



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Sustainability Report 2023

Sustainability Report 2023

Organizational Profile Priority Theme 1 2 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

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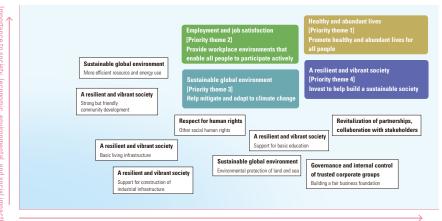
4. Priority Themes for Promoting Sustainability

4. Priority Themes for Promoting Sustainability 3-1 3-2 3

4-1 Sustainability Initiatives

Sustainability Priority Themes

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.



Relevance to the Group's business and initiatives (importance to the Group)

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 P.11.

(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 and initiatives (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 the economy, environment, and society and its contribution to the SDGs
- b) Relevance to the Group's business and initiatives: 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 key social issues and 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.

Priority Themes for Promoting Group Sustainability

Our priority themes for promoting Group sustainability, where they are described, and the corresponding GRI topics are shown below.

Shared value and sustainability theme	Important social issue	Impact of initiatives to respond to social issues	Description location	GRI topics
Healthy and abundant lives [Priority theme 1] Promote healthy and abundant lives for all	Reduce economic and social risks in an aging society Help people maintain good health Encourage all people to engage in social and economic activities	By providing insurance that supports the prevention of dementia as well as insurance that offers coverage for a wide range of conditions requiring long-term care, we will mitigate the financial and social risks faced by an aging society.	III Priority Theme 1 ▶ 1. Provision of Products and Services which Meet the Needs of Society	Measures against demo- graphic change and aging Better products and services 203: Indirect Economic
people (insurance products and services) The provision of products and services that contribute to dealing with various risks faced by our customers, which are the result of	Promote use of insurance and financial services for all	By integrating Internet-based insurance enrollment with face-to-face support service, responding to the insurance enrollment needs of foreign workers, and offering protection-oriented products at an affordable price, we will promote easier access to insurance products.	III Priority Theme 1 ▶ 1. Provision of Products and Services which Meet the Needs of Society	
societal changes such as the acceleration of Japan's declining birth- rate and aging population, is an opportunity for the Group to both grow and contribute to the health promotion of our customers.	Support the resolution of SME management issues Support the spread of SME health and productivity management	By providing products and services in response to SME needs, we will contribute to the establishment and growth of SMEs as well as the health promotion of their employees.	III Priority Theme 1 ▶ 1. Provision of Products and Services which Meet the Needs of Society ▶ 1-2 The Initiatives of Daido Life	Impacto
Employment and job satisfaction [Priority theme 2]	Support human resources and skills development	By implementing initiatives to support human resources and skills development, we will enhance employee skills, encourage career development, and increase the appetite of employees for growth.	IV Priority Theme 2 ▶ 1. Human Capital Management	401: Employment 404: Training and Education
Provide workplace environments that enable all people to participate actively (workplaces and personnel) We believe that creating a healthy and safe working environment that responds to the needs of society is necessary to achieve a sus-	Respect worker personalities and diversity Promote the advancement of women	By actively promoting both respect for worker personalities and diversity as well as the advancement of women, we will nurture a corporate culture where a diverse workforce can feel job satisfaction and reach its potential.	IV Priority Theme 2 ▶ 2. Diversity Promotion Initiatives	405: Diversity and Equal Opportunity
trianable society and simultaneously serves as an opportunity to further vitalize the Company, so we are promoting various initiatives accordingly.	Create healthy and safe workplace environments Promote decent work	By creating a healthy and safe working environment, we will reduce the mental and financial impact on employees while helping them to demonstrate their abilities and enhance their performance.	 IV Priority Theme 2 ▶ 3. Worker-friendly Work Environment IV Priority Theme 2 ▶ 4. Health Promotion for Employees 	403: Occupational Health and Safety
Sustainable global environment [Priority theme 3] Help mitigate and adapt to climate change (climate change) While climate change on a global scale is a risk for the continuity of the Group's business activities as both a provider of insurance products and services and an institutional investor, climate change is also an opportunity to undertake new activities.	 Increase use of renewable energy Strengthen resilience to climate change Improve energy efficiency 	By increasing use of renewable energy, improving energy efficiency, etc., we will considerably reduce CO ₂ emissions caused by our business activities. We will analyze the impact of physical and transition risks related to climate change on our activities as both an insurance-product provider and institutional investor, and we will strive to reduce these risks and increase our opportunities.	V Priority Theme 3 ▶ 2. Disclosure of Climate-related Financial Information Based on the TCFD Recommendations V Priority Theme 3 ▶ 3. Environmental Impact-reduction Initiatives	302: Energy 305: Emissions 201: Economic Performance
A resilient and vibrant society [Priority theme 4] Invest to help build a sustainable society	Promote investments in sustainable development Promote investments in clean energy	By conducting investing and lending activities from a long-term perspective that considers ESG factors, we	VI Priority Theme 4 ▶ 1. Basic Concept VI Priority Theme 4 ▶ 2. Our Initiatives as a Responsible Institutional Investor	Responsibilities as an institutional investor
(investment and lending) By considering the environment, society, and corporate gover- nance when conducting investment activities as an institutional in- vestor engaged in long-term fund management, we will contribute to the achievement of a sustainable society.	Promote initiatives aimed at addressing the sustainability issues of investment and loan receiving companies	will mitigate ESG risks and contribute to the sustainable growth of investment and loan recipients as an institutional investor.	VI Priority Theme 4 ▶ 3. Addressing the Issue of Climate Change VI Priority Theme 4 ▶ 4. Initiatives to Conform to the Principles for Responsible Institutional Investors (Japan's Stewardship Code)	203: Indirect Economic Impacts

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Foundational Themes for Promoting Group Sustainability

The relationships between sustainability themes that are foundational for promoting our priority themes and social issues, where they are described, and the corresponding GRI topics are shown below.

Shared value and sustainability theme	Important social issue	Impact of initiatives to respond to social issues	Description location	GRI topics
Shared value and sustainability theme	Eradicate corruption and bribery Ensure fair and free competition	By strengthening our governance and internal control related to responsible business practices to prevent corruption, we will prevent impacts on the Group itself as well as social and economic systems.	IX Management Control ▶ 3. Compliance	205 : Anti-corruption 206 : Anti-competitive Behavior
Governance and internal control of trusted corporate groups	Manage and protect personal information Information security	By strengthening our information security systems, we will prevent impacts due to the leakage of personal information.	IX Management Control ▶ 2. Risk Management ▶ 2-8 Cyber Security Initiatives IX Management Control ▶ 2. Risk Management ▶ 2-9 Protection of Customer Privacy	419: Socioeconomic Compliance 418: Customer Privacy
Building a fair business foundation	Tax approach focused on tax compliance	Regarding taxes regarded by the UN as playing an essential role in terms of achieving the Sustainable Development Goals, we will implement suitable tax payment and information disclosure in line with relevant laws and ordinances.	IX Management Control ▶ 4. Tax Approach and Management	207: Tax
	Provide proper information on products and services	To avoid possible impacts of customers not being able to obtain accurate or sufficient information, we will promote the <i>provision of suitable product and service information</i> while also strengthening our initiatives to respond to <i>customer feedback</i> .	III Priority Theme 1 ▶ 2. Providing Wholehearted Reassurance III Priority Theme 1 ▶ 3. Improving Customer Satisfaction	417: Marketing and Labeling
Respect for human rights • Other social human rights	Stop discrimination against women and violence Prevent harassment	By preventing discrimination and harassment based on gender, disabilities, race, and sexual orientation, we will prevent related impacts on human rights.	I Sustainability Management ▶ 11. Initiatives on Respect for Human Rights	412: Human Rights Assessment
Sustainable global environment (biodiversity, resources, forests, and pollution prevention) • Efficiently using resources and energy	Enhance efficiency of resource use Increase reuse and recycling activities	By pursuing office paper and other initiatives to enhance the efficiency of resource use and increase reuse and recycling activities, we will reduce environmental impacts, such as natural resource depletion, environmental problems, and pressure on waste disposal sites.	V Priority Theme 3 ▶ 3. Environmental Impact-reduction Initiatives	301: Materials 303: Water and Effluents
Sustainable global environment (biodiversity, resources, forests, and pollution prevention) • Environmental protection of land and sea	Protect marine resources and prevent marine pollution Conserve terrestrial biodiversity Conserve forests	By promoting the recycling of plastic bottles, we will prevent ocean pollution. By promoting tree planting, we will contribute to the preservation of biodiversity.	V Priority Theme 3 ▶ 4. Forest Conservation Activities V Priority Theme 3 ▶ 5. Environmental Communications and Educational Activitie	304: Biodiversity 306: Waste
Resilient and vibrant society (community contribution activities)	Provide equal access to education	By conducting social contribution activities, we will con-	VII Social Activities ▶ 3. Developing a Sound Society (Education, Sports, Local Community Contribution, etc.)	Measures against demo- graphic change and aging
Support for basic educationBasic living infrastructure	Improve nutrition in poor households Take measures to combat infectious and contagious diseases Support use of health services	tribute to improving the social environment in terms of aging, health, education, poverty, and the environment.	VII Social Activities ▶ 2. Improving Health and Welfare (Health, Medical Care, Welfare, etc.)	Promoting community and employee health 413: Local Communities
Revitalization of partnerships / Collaboration with stakeholders	Collaborate with stakeholders	By engaging with stakeholders, we will enhance our organizational transparency to gain their trust, which is essential for our long-term growth.	I Sustainability Management ▶ 9. Stakeholder Engagement ▼ Governance and Internal Control ▶ 2. Disclosure of Information to Shareholders and Investors	414: Supplier Social Assessment

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Organizational Profile Priority Theme 1 2 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion

The Different Priority Theme 1 2 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion

5. Contribution to SDGs

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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	Initiatives
Promote healthy and abundant lives for all people	1 ** TOWART AND MELETINE AS THE PROPERTY AND A SECONDARY SHOWS AND A SECONDARY SHOWN AND A SECONDARY SHOWS AND	We will contribute to the sustainable growth of society and to the solution of social issues through the insurance business by offering high-quality, optimal products and services that meet customer needs.
2. Provide workplace environments that enable all people to participate actively	4 multi Simulti Simult	To respect the human rights of all people and respect the personality and diversity of our employees, we ensure a healthy and safe working environment and develop our human resources.
3. Help mitigate and adapt to climate change	7 COMMINISTRATE TO THE PROPERTY OF THE PROPERT	We will contribute to climate change mitigation and adaptation and work to create a net zero society and conserve biodiversity through our own business activities as a provider of insurance products and services to customers.
4. Invest to help build a sustain- able society	2 money 3 money and production 7 money and production 8 money work and production 13 charter 14 money 15 charter 15 charter 16 charter 17 charter 17 charter 18 money work and and a charter 19 charter 10 charter	As a responsible institutional investor, we will secure stable long-term investment income and contribute to the realization of a sustainable society through investment activities undertaken in consideration of the environment, society, and corporate governance, with the aim of growing sustainably in partnership with society.

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)
Exective summary	Why do the SDGs matter for business? What is the SDG Compass?	P.2: Message from the President P.13: 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.13: 5. Contribution to SDGs
Step 2 Defining priorities	Map the value chain to identify impact areas Select indicators and collect data Define priorities	P.10: 4. Priority Themes for Promoting Sustainability
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.58: 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.10: 4. Priority Themes for Promoting Sustainability • Initiatives for solving social issues and creating shared value P.9: 3. The T&D Insurance Group's Value Creation Process
Step 5 Reporting & communicating	Effective reporting and communication Communicating on SDG performance	Publication of Sustainability Report (this report) Website https://www.td-holdings.co.jp/en/csr/ Integrated Reports https://www.td-holdings.co.jp/en/ir/document/annual.html

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

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

Sustainability Management Organizational Profile Priority Theme 1 2 3 4 Social Activities 14 T&D Insurance Group Sustainability Report 2023

6. Status of Sustainability Promotion

Status of Sustainability Promotion

FY2022 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 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.

FY2022 Group Sustainability Promotion Progress Report (Partial Account of Activities)

Plan Initiatives	Do FY2022 results/performance	Check/Act Activities planned for FY2023
Priority Theme 1: Promote health	ny and abundant lives for all people	
Providing insurance products and services that meet the needs of society Support for maintaining good health	Provided the Preventive Insurance Series Himawari Dementia Prevention Insurance and Cancer/Critical Illness Prevention Insurance to prevent diseases with insurance Provided children's medical insurance, which enables the policyholder to differ from the insured person Provided Kaisha Minnade KENCO+, a new health promotion-type full range of protection that promotes health-oriented management by SMEs Provided Hybrid Asset Life single-premium variable whole life insurance Deployed Taiyo's GENKI Project to encourage good health Commenced Dodai?, a web service for working on resolving social issues with SMEs Bolstered product lineups to respond to diversifying customer needs	Continue contributing to resolving social issues and developing and providing high-quality, optimal in surance products and services that meet custome needs Continue to provide services to support initiatives aimed at maintaining the health of our customers and society as a whole
Priority Theme 2: Provide workpla	ce environments that enable all people to partici	pate actively
Creating a flexible and vibrant workplace where diverse human resources can demonstrate their abilities with a motivation to work	• Implemented Group-internal human resource training and exchange, the in-house open recruitment of employees seeking specific positions, and a support system for studying in Japan and overseas	Continue to advance th creation of a flexible an

- and grow
- of a diverse workforce)
- Creating a healthy and safe working environment
- Set a target ratio of female managers and en-(work style reforms, promotion of couraged the promotion of women
- active roles for women, promotion Extended the retirement age to 65, introduced an employment system enabling people to work until they are 70, and held life planning seminars
 - · Helped SME owners confirm employee safety in the event of a large-scale disaster
- vibrant workplace where diverse human resources can demonstrate their abilities with a motivation to work and grow

Plan Initiatives	Do FY2022 results/performance	Check/Act Activities planned for FY2023			
Priority Theme 3: Help mitigate and adapt to climate change					
[Reduction in CO ₂ Emissions]					

ſRe Period: FY2021-FY2025

Scope: Buildings owned or leased and used by Group compa-

Baseline: CO₂ emissions in FY2013 (value per unit of floor space)

Target: At least 40% reduction from baseline by FY2025

• Reduced CO₂ emissions by setting targets for reducing electricity consumption, controlling energy consumption, and advancing the introduction of renewable energy

• FY2022 results: 0.0435 t/m², 64.6% of baseline

(35.4% reduction from baseline)

[Reduction in power consumption]

FY2018-FY2027

Buildings owned or leased and used by Group compa-

Baseline: Power consumed in FY2016 More than 10% reduction

in power consumption per floor space

[Reduction in office paper use]

Baseline: Average of office paper usage between FY2014 and FY2018

Target: 12% reduction from baseline

Implemented a multitude of measures, including enforcing lights-out before business hours and during lunch breaks, turning off office appliances, setting a "no overtime day," and investing in energy conservation when newly constructing or renewing the facilities of real estate holdings (including investment buildings)

 FY2022 results: 98.8 kWh/m², 89.0% of base line (11.0% reduction from baseline)

• Reduce CO2 emissions by continuing to promote efforts to reduce power consumption through the measures listed on the

• Initiate a new five-year

ther reduce paper usage

target from FY2019 to fur-

• Reduced CO₂ emissions

by continuing to promote

initiatives to reduce elec-

tricity consumption and

promote the introduction

of renewable energy

· Reduced usage by promoting paperless meet-Period: FY2019-FY2023 ings, reducing storage documents, adding PC sub-monitors, installing PC connection monitors Scope: Paper used at head offices of Group companies

to meeting tables, managing the number of copies, promoting digitization of insurance policy provisions, etc.

Reduced by 25.0% from baseline in FY2022

Priority Theme 4: Invest to help build a sustainable society

- Contributing to the realization of a sustainable society through ESG investments that take into account environmental, social, and corporate governance issues
- · Exercising voting rights as a responsible institutional investor and promoting dialogues with investees
- Invested in and provided loans for projects aimed at contributing to the resolution of various ESG issues, including green bonds and social bonds
- Implemented initiatives aimed at engaging in dialogues with investment and loan recipients to help them achieve net zero emissions as well as green finance (investment in and loans for projects in the environmental field)
- Continue conducting investment, lending, and engagement activities based on the T&D Insurance Group ESG Investment Policy as well as the Principles for Responsible Institutional Investors (Japan's Stewardship Code)

Communication

- Disseminating information related ability
- Issued a sustainability report and expanded the information disclosed on the website
- to the promotion of Group sustain- Disseminated sustainability/CSR-related information within the Group through Group newsletters and training including e-learning
- · Expand report disclosure information and the dissemination of sustainability-related information
- Continue measures to raise the sustainability awareness of executives and employees through education and training

Contribution to local communities and society

- Group joint blood donations
- · Charity calendar exhibitions
- 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
- · Continue the efforts to contribute to society listed on the left

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7. Sustainability Promotion Framework (FY2022)

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2-13	2-14

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 Sustainability Promotion Department. In fiscal 2022, the Committee met four 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 Sustainability Promotion 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.

The Group SDGs Committee mainly reviews sustainability report changes compared to the previous fiscal year and approves information to be disclosed for the current fiscal year. In addition, the Group SDGs Committee is instrumental in terms of obtaining external assurance for major indicators related to priority sustainability themes, obtaining third-party opinions related to sustainability reports, engaging in dialogues with experts regarding sustainability issues, and taking other steps to increase the reliability of sustainability reports.

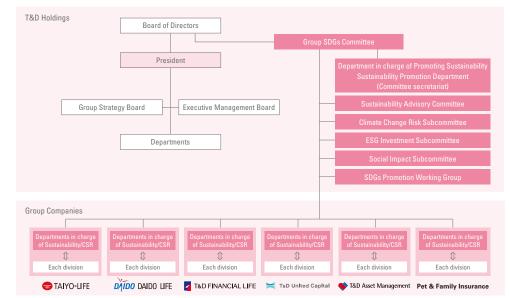
Sustainability Advisory Committee

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.

- Executive officer in charge of sustainability at T&D Holdings
 - Executive officer: Shuichi Nakamura (fiscal 2022)

 100% attendance at Group SDGs Committee meetings in fiscal 2022
- Department in charge of promoting sustainability at T&D Holdings
 Sustainability Promotion Department, T&D Holdings
- \bullet 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, 2023)



Sustainability Advisory Committee

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Sustainability Advisory Committee

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





From left

Kenji Fuma

Neural, Inc. CEO / Specially Appointed Professor, Shinshu University

Masahiko Moriyama

T&D Holdings, Inc. Representative Director and Senior Managing Executive Officer

Takejiro Sueyoshi

UNEP Finance Initiative Special Advisor

Hirohisa Uehara

T&D Holdings, Inc. Representative Director and President

Mari Yoshitaka

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

Yasuhiro Mori

T&D Holdings, Inc. Executive Officer

T&D Insurance Group Sustainability Report 2023

Sustainability Advisory Committee

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Recommendations on overall sustainability

A global policy debate is underway that views climate change not only as a means and cost of reducing CO₂ emissions, but also as a human rights issue that affects human life, health, and living areas. Furthermore, the younger generations are calling for climate justice, and they are speaking out from the perspective of creating an equal society with an eye to human rights, race, and poverty issues. The age where their values influence society is right before us, which will bring a big impact on business moving forward.







Recommendation 1

Toward decarbonization

- (1) The Group Long-Term Vision indicates a CO₂ emissions reduction target with a deadline of FY2025 (40% reduction from FY2013), but there is no mention of net-zero emissions. That the T&D Insurance Group has not yet adopted the 2050 globally-championed Net Zero goal is a lag behind the global trend. The global trend is already changing from "low carbon" to "decarbonization." In view of the recent severity of climate change, we presume that the target date will be moved earlier than 2050.
- (2) In the financial industry, there is a trend toward a shift to a net-zero investment and financing portfolio by 2050. Since the T&D Insurance Group has made the effort to sign the Principles for Responsible Investment (PRI), it should consider a proactive course of action, such as committing to net zero CO₂ emissions and interim targets for its investees and borrowers, and release them.

Response

While we had set a target to reduce CO₂ emissions (Scope 1 and 2) by 40% by FY2025 compared to FY2013 in the non-financial KPIs in our Group Long-Term Vision, established in 2021, the Committee commented on the fact that no net-zero targets or targets for investees and borrowers had been established. In response to this, on September 30, 2021, an additional target was set to achieve net zero in FY2050, including own investment and borrowers (Scope 3, Category 15). In addition, an interim target was set on April 11, 2022 for own investees and borrowers.

Reference: T&D Insurance Group CO2 emissions reduction target

Subject	Target
Own emissions (Scope 1 and 2)	FY2025: 40% reduction (compared to FY2013) FY2050: Net zero
Investees and borrowers (Scope 3, category 15)	FY2030: 40% reduction (compared to FY2020) * Subjects are stocks, corporate bonds, and loans of domestic listed companies. FY2050: Net zero

Recommendation 2

Sustainability Statement

- (1) It is necessary to discuss one's values in the preparation of a statement. The company should determine where in the world the problems related to its business are and how it can contribute to the world through its business, and then communicate its stance to the world. Japanese companies' lack of issue awareness regarding why they are tackling these issues is a weakness. To simply list responses without an underlying message would result in a disconnect between stance and evaluation. The company should clarify what its purpose of existence is, and communicate products and investment policies based on that purpose.
- (2) Any sustainability initiatives to be described in the statement should be noted with an awareness of their connection to the sustainability priority themes. In addition, because prime market listing standards require Task Force on Climate-related Financial Disclosures (TCFD) or equivalent disclosure of climate change measures, the T&D Insurance Group, as a prime listed company, should prepare its statement with TCFD in mind.

Response

In response to the opinions of the committee, we started writing a statement in September 2021. We exchanged opinions with the committee midway through this process, and the statement was completed and disclosed on May 23, 2022.

We have established four sustainability priority themes, which reflect the Group's basic approach to sustainability and the issues to be addressed in the future, and have communicated to our stakeholders the direction and specifics of the Group's initiatives. We report on related results and progress via media such as our website and the Sustainability Report.

In May 2023, we updated our statement in light of changing social attitudes and initiatives to date

Sustainability Advisory Committee

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Recommendation 3

ESG investment

- (1) The T&D Insurance Group invests in a variety of bonds, but it would be better to link its position as an institutional investor with its position as an insurance company, and to make investments that can explain what the bond means to the T&D Insurance Group. Take, for example, the large number of female customers that Taiyo Life has. In this context, it would mean investing in gender bonds that support women's advancement in society and help reduce gender disparities.
- (2) When it comes to engagement, it is important to continue doing business with companies that are committed to Net Zero. In order for our business partners to build a net-zero portfolio, it is important for us to have a basic attitude toward our own net-zero portfolio. It may be a good idea to consider showing, as an indicator, the actual amount of ESG investments and financing from the perspective of the overall portfolio.

Response

The Group has already been considering the effect of its investment activities as an institutional investor on realizing a sustainable society, and has invested with consideration to environment, society, and corporate governance. In response to the committee's recommendation, in FY2023, we will set up focus areas for ESG investments and financing based on the business characteristics of the Group and the concept of our Sustainability Statement. Aiming to make further contributions to solving social issues in focus areas, we will strengthen our investments, financing, and engagement activities. In particular, we will aim to expand information disclosure and improve the contribution of our investment and financing activities to sustainability issues, etc. by quantitatively understanding their social outcomes (positive impact).

Recommendation 4

Support to small to medium enterprises

- (1) Observing the actions of the Japanese government, we feel that rapid changes are coming to Japan, and we fear that some people may not be able to keep up with these changes. Communicating global trends in sustainability to SMEs will further strengthen the relationship of trust between the T&D Insurance Group and its customers. While the Corporate Governance Code only covers listed companies, the mandatory disclosure on sustainability will have a knock-on effect on SMEs that make up the supply chain. This means that SMEs also have to understand and address global trends. One of the future material issues is that the T&D Insurance Group, which has access to SMEs, will support the industry.
- (2) Whether or not policyholders will be able to continue to enroll insurance in the event of future financial hardship could be viewed as a risk as an insurance company. Furthermore, in order for SMEs to survive, it is necessary to consider whether we can contribute in a different way than insurance and investment, such as engagement and consulting.

Response

Group company Daido Life has been engaged in various initiatives to support SMEs in resolving their business issues, namely: "KENCO SUPPORT PROGRAM," which supports SMEs in their Kenkokeiei®* (Health and Productivity Management); Sustainability Management Support Program to encourage SMEs' efforts to tackle the SDGs; starting to provide "Dodai?" an online service for managers of SMEs to gather and work on resolving social issues together.

In March 2023. Daido Life formulated and announced their Sustainability Promotion Plan aiming to become a company that contributes to a society where the wellbeing of SME workers and their families is realized. Based on this plan, we will work with SMEs to solve social issues and realize a sustainable society through the continuous development of SMEs.







^{*}The Japanese term for "Health and Productivity Management" refers to a corporate management style of paying additional attention to employees' health and strategically implementing policies aimed at employees' health management and maintenance, and is a registered trademark of Non-Profit Organization Kenkokeiei.

8. Committees that Respond to Sustainability Issues

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O. Sustainability Issues

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

Meeting Body	Chairperson	Core Subje	ects and Themes of ISO 26000
Executive Management Board Group Strategy Board	President of T&D Holdings	Organizational governance	Organizational governance
	President of T&D Holdings	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 (number of meetings held in fiscal 2022: 4)		Community involvement and development	Community involvement
		Human rights	Due diligence, human rights risk situations, avoidance of complicity, discrimination and vulnerable groups
Group Compliance Committee (number of meetings held in fiscal 2022: 5)	President of T&D Holdings	Fair operating practices	Anti-corruption, responsible political involvement, fair competition, respect for property rights
Group HR Committee (number of meetings held in fiscal 2022: 12)	Executive officer in charge of personnel at T&D Holdings	Labor practices	Employment and employment relationships, conditions of work and social protection, social dialogues, health and safety at work, human resource development and training in the workplace
Group Risk Management Committee	Executive officer in charge of the Risk Management Department at T&D Holdings	Fair operating practices	Corporate social responsibility in the value chain
(number of meetings held in fiscal 2022: 17)		Consumer issues	Consumer data protection and privacy
Customer service depart- ment and product develop- ment department of each major group company	_	Consumer issues	Consumer service, support, and complaint and dispute resolution, education and awareness-raising

The activities of committees other than the Group SDGs Committee related to the core subjects and themes of ISO 26000 are described below.

Executive Management Board and Group Strategy Board

For details, see *Corporate Governance Framework: Executive Management Board and Group Strategy Board* on P.94.

Group Compliance Committee

This committee was established under the Board of Directors to strengthen the T&D Insurance Group's compliance structure. Its chairperson is the president, and its 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, violations of laws and ordinances during the execution of duties, 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 promotion situation in terms of fair operating practices and deliberations on them. The committee also reports any issues it deliberates on or considers as well as information it shares 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 to cooperatively conduct surveys, formulate plans, and hold 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 Group HR Committee 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 both monitoring the situation of compliance with labor regulations as well as 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 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. The committee also reports the results of its deliberations to the Executive Management Board and the Board of Directors.

Customer service department and product development department of each major group company

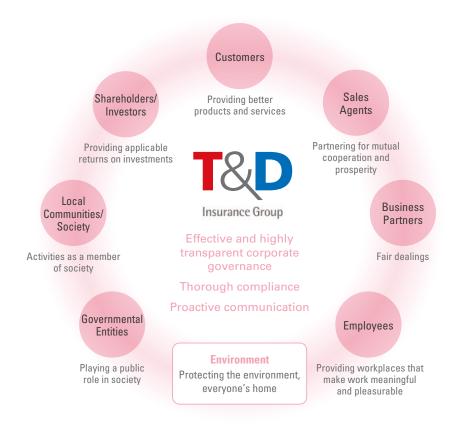
The customer service department and product development department of each Group company, including the three life insurance companies, constantly work on customer service, support, complaint and dispute resolution, and education and awareness-raising.

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9. Stakeholder Engagement



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

Dialogues With	Dialogues with Main Stakeholders			
Shareholders and investors	Shareholders' meetings, financial results briefings, individual meetings for institutional investors, and publication of shareholder newsletters In addition to shareholders' meetings, we hold information meetings, teleconferences, and individual meetings for institutional investors. T&D Holdings informs its shareholders, numbering 209,198 as of March 31, 2023, of the status of Group operations and other matters twice a year, in June and December, through shareholder newsletters.			
Customers	Customer feedback, customer surveys, customer information meetings, business reporting meetings, Service Quality Improvement Committee, Service Supervision Committee, etc. 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.			
Employees	Education and training, human rights training, employee awareness surveys, dialogues and consultations with labor unions, an internal reporting system, etc. 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.			
Protecting the environ- ment and contributing to local communities	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, implementing Forests of Taiyo Life activities, supporting activities by The Nature Conservation Society of Japan, etc. 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 contribu-			

tion through support of and participation in the activities of NPOs active in each field.

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

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

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 vielste	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.
Human rights	Principle 2	Businesses should make sure that they are not complicit in human rights abuses.
	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Labour	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.
	Principle 7	Businesses should support a precautionary approach to environmental challenges.
Environment	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:



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* 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 investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues 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.



T&D Insurance Group Sustainability Report 2023 S

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

Principles for Financial Action for the 21st Century

[Principle 1] Basic stance

Recognizing the responsibilities and roles that financial institutions themselves play in creating a sustainable society, we will take the initiative in implementing the best possible activities through our respective businesses, with the aim of creating positive environmental, social, and economic impact and mitigating negative impact.

[Principle 2] Contribute to a sustainable global society

We will lead the formation of a sustainable global society by developing and providing financial products and services that contribute to the creation and development of industries and businesses through innovation for the steady and just transition of society.

[Principle 3] Contribute to the formation of sustainable local communities

We will lead the formation of sustainable local communities by supporting solutions to environmental, social, and economic challenges based on local characteristics and by improving local inclusiveness and resilience.

[Principle 4] Human capital development

Recognizing the importance of human capital in financial institutions, we will develop human resources capable of thinking and acting independently on environmental and social issues.

[Principle 5] Collaboration with diverse stakeholders

Recognizing the importance of collaboration among financial institutions and other diverse stake-holders in creating a sustainable society, we will not only participate in such efforts, but will also play a proactive role.

[Principle 6] Build sustainable supply chains

We will proactively address environmental issues such as climate change and biodiversity, as well as human rights and other social issues, and build sustainable supply chains through constructive engagement with our business partners and other stakeholders, including those to whom we make investments and loans

[Principle 7] Information disclosure

Recognizing that activities to enhance social sustainability are a managerial challenge, we will disclose information on our initiatives to a wide range of stakeholders and make constant improvements, based on domestic and international trends and disclosure frameworks.

Task Force on Climate-related Financial Disclosures (TCFD)

T&D Insurance Group has stated its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*, and we are keen to take action on disclosure of clear climate-related financial information.



^{*} Task Force on Climate-related Financial Disclosures (TCFD): a task force established in December 2015 by the Financial Stability Board (FSB). It 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.

RE100

The T&D Insurance Group has joined RE100*, an international initiative that aims to procure 100% of the electricity used in business activities from renewable energy sources. To realize a decarbonized society, the Group has set a goal of achieving net-zero CO₂ emissions by

RE100
°CLIMATE GROUP



FY2050. To achieve this goal, the Group has set a new interim target of "60% of electricity consumption to be derived from renewable energy sources by FY2030." Taking advantage of its membership in RE100, the Group will actively promote the transition to renewable sources for the electricity it uses.

* RE100 (Renewable Energy 100%) is an initiative bringing together companies aiming to procure 100% of the electricity used in business from renewable energy. Led by international non-profit the Climate Group in partnership with CDP.

Climate Action 100+

Taiyo Life, Daido Life, and T&D Asset Management are participating in Climate Action 100+, a global investor-led initiative calling for companies with high greenhouse gas emissions to respond to climate change through cooperative engagement.



T&D Insurance Group Sustainability Report 2023

11. Initiatives on Respect for Human Rights

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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. 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.

The Group respects human rights and does not permit discrimination on the basis of race, skin color, gender, sexual orientation, gender identity, language, religion, politics, beliefs, nationality, social origin, wealth (or lack thereof), birthplace, disabilities, or any other characteristic for any reason. In addition, we do not tolerate any form of harassment, and we strive to ensure a safe and comfortable workplace environment that is free of harassment.

For more information, please see our website.

WEB https://www.td-holdings.co.jp/en/csr/csr-policy/human-right-policy.html

Human rights due diligence

Based on the T&D Insurance Group Human Rights Policy, the Group implements human rights due diligence to identify any negative effects that its business activities have or could potentially have on human rights and to prevent or mitigate such effects.

Initiatives on Respect for Human Rights: Overall process

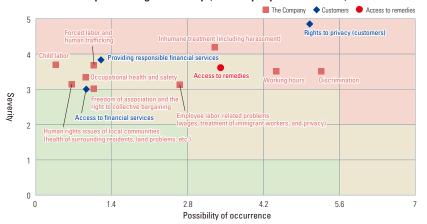
STEP 1	 Commitment The Group has established the T&D Insurance Group Human Rights Policy, which clearly states that the Group respects internationally recognized human rights norms and implements human rights due diligence.
STEP 2	Formulation of the process Establish the items for confirmation in human rights due diligence. Establish particularly important human rights risks as items for priority confirmation.
STEP 3	 Human rights assessment Assess the effects of items for confirmation on formulated important human rights risks. Investigate the status of occurrence of human rights issues within the Group.
STEP 4	 Implementation of human rights risk mitigation measures and countermeasures If human rights issues are identified by human rights due diligence, the Group will formulate and execute prevention/mitigation measures and remedial measures for the relevant human rights risks.

^{*} Recently, STEP 2 Formulation of the process and STEP 3 Human rights assessment have been implemented as human rights due diligence covering the period up to March 31, 2023.

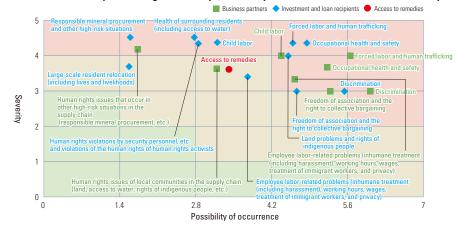
(1) Identification of human rights risks

The Group refers to major international norms related to human rights and obtains the knowledge of experts as we identify and assess potential effects on and risks related to respecting human rights in terms of our business activities.

T&D Insurance Group human rights risk map (the Company and customers)



T&D Insurance Group human rights risk map (business partners and investment and loan recipients)



* Here, access to remedies refers not to risks resulting from the occurrence of issues but rather to risks resulting from the inability to rectify or remedy negative effects due to a lack of access. Because the properties of such risks differ from those of other issues, we assess them by using the method below.

Severity:

Because the severity due to the inability to access remedial measures is the same as the severity of each human rights issue that caused the need for such measures, to calculate the severity, we weight the field severity of every issue according to its possibility of occurrence and then find the total.

Possibility of occurrence:

The value found by assessing and weighting the Group's situation in terms of (1) the Company's workers, (2) customers, (3) business partners' workers, (4) investment and loan recipients' workers, and (5) local communities (local communities in each area).

T&D Insurance Group Sustainability Report 2023

Sustainability Report 2023

Sustainability Report 2023

Governance and Internal Control Management Control Management Control Management Control Third-party Opinion Index

11. Initiatives on Respect for Human Rights > 12. External Evaluation

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(2) Implementation of human rights due diligence and confirmation results

The Group exercised human rights due diligence at the Company, its directly owned subsidiaries, and its consolidated subsidiaries covering the period up to March 31, 2023.

During our due diligence, we comprehensively confirmed human rights problems, including the development situation of our human rights awareness-raising promotion system, the situation of any actions taken to prevent discrimination against workers in the workplace, and the confirmation situation of any human rights problems that should be considered in the supply chain or for investment and loan recipients. This time we

Human rights management structure (human rights due diligence)



- *1 Due diligence results are also coordinated with 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

prioritized the confirmation of the Company's harassment and excessive working hours as particularly important human rights risks.

As a result of this human rights due diligence, we have confirmed that no serious human rights issues requiring correction have arisen in the Group's business activities. In addition, we also confirmed that problems have generally not arisen regarding the status of consideration for human rights in our business activities in Myanmar.

Items for priority confirmation: Harassment

The number of cases of harassment in fiscal 2022 is shown on the right.

The Group handles reports and consultations related to harassment via the T&D Insurance Group Helpline—which was established as an internal reporting system—as well

Harassment occurrence situation (fiscal 2022)

	Number of confirmed targets	
Number of harassment-related consultations received*		112
Number of incidents certified as harassment		9

^{*} Total from all reception desks

as Harassment Consultation Desks established at the three life insurance companies, etc.

In response to reports from and consultation with employees regarding harassment and various other human rights problems, we strive to provide remedies to victims and prevent recurrence. If we identify an act that is in violation of laws and ordinances or internal rules as a result of our survey, we might deal with the problem based on employment regulations.

Items for priority confirmation: Excessive working hours

The occurrence of more than 80 hours of non-statutory work per month is on a decreasing trend, and no major human rights

Over 80 hours per month of non-statutory work (total number of people)

	Fiscal 2020	Fiscal 2021	Fiscal 2022
Non-statutory work of over 80 hours per month	27 people	20 people	18 people

^{*} T&D Holdings and seven directly owned subsidiaries

issues are occurring. To prevent excessive working hours, the Group promotes initiatives in line with the situation of each company.

Main initiatives to limit excessive working hours

- Implementing measures that include No Overtime Day/Go Home Early Day, automatically shutting down computers used for work, and a work interval system
- End-of-month overtime simulations to alert both employees who are likely to work excessive hours and their supervisors
- Ensuring that human resource divisions and other divisions understand whether there are any employee-related, systemic, or other issues, analyzing such issues, and pursuing initiatives as necessary

Going forward, we will continue to exercise human rights due diligence in order to verify the status of the Group's response to human rights issues, confirm whether there are any issues, and report the results to the Group SDGs Committee on an annual basis. The contents of reports to the committee will be reported to the Board of Directors of T&D Holdings and used to facilitate collaboration with the Group Compliance Committee. If human rights issues are identified during human rights due diligence, we will take measures to resolve them.

(3) Human rights education sessions

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 human rights.

* For details on human rights education sessions, see Human Rights Education on P.57.

12 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.

^{*} For details on our whistleblower system, see Whistleblower System on P.106.

12. External Evaluation ▶ 13. Support Measures for Young People

International Index



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 2023.

MSCI ESG Research logo disclaimer: THE INCLUSION OFT&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 Index		
FTSE Blossom Japan Index	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.	
FTSE Blossom Japan Sector Relative Index	It is an index newly developed by FTSE in 2022 that consists of selected Japanese companies with relatively excellent environmental, social, and governance (ESG) performance in each sector. Our Group has been included in the index since it was first developed.	
2023 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.	
2023 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, 2023

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.

Fiscal 2022

- Ministry of Economy, Trade and Industry / Listed as a Health and Productivity Management Organization -White 500
- Research Institute for Environmental Finance / Received Excellence Award at the 8th Sustainable Finance Awards
- HDI-Japan / Received the highest rank of "3 Stars" in HDI-Japan's 2022 "Quality Rating" benchmark for the telephone support desk (point of contact for customers and agents)
- Japan Institute of Information Technology / Received IT Award (Customer/Business Function Area) at the 2022 (40th) IT Awards
- Japan Investor Relations Association / Received the Empathy! award at the 2022 IR Awards

13 Support Measures for Young People

Supporting the studies of ambitious and capable students (donations to the Japan Student Services Organization)

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 damage to the housing of students or those who financially support them due to natural disasters, etc.

JASSO provides equal educational opportunities to all students. It also offers comprehensive support for all kinds of student support projects in order to contribute to encouraging international student exchanges and enhancing support for students with disabilities, etc. at universities and other forms of higher education.

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.



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Supporting young entrepreneurs and contributing to social business (sponsorship of musbun, Inc.)

For the purpose of supporting young entrepreneurs and social business, the Group has begun sponsorship of musbun, Inc., which won the student category prize in the FY2021 (5th) Nikkei Social Business Contest. This company supports the matching of students who wish to get involved in welfare activities with welfare providers who want to increase their points of contact with students.



Sponsorship of the FDSF Global Conference 2023 (Aiming to Create a Sustainable Future)

The Group endorses the activities of the Future Design Initiative by Science and Finance (FDSF), and we therefore decided to sponsor FDSF Global Conference 2023, which is aimed at creating a place for stakeholders to meet and deepen their mutual understanding in order to seamlessly pursue initiatives aimed at creating economic and social value through sustainable finance and contribute to updating society.



T&D Insurance Group Sustainability Report 2023 S

Organizational Profile

Organizational Profile

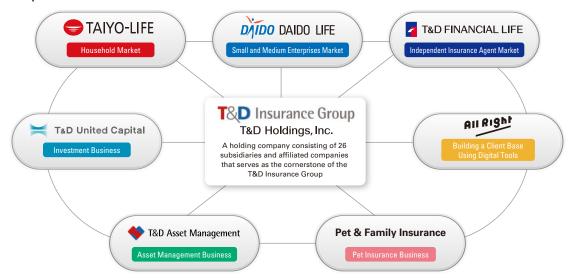
1-1 Outline of the T&D Insurance Group's Business

2-6

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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 31, 2023



Main Group Companies Other Than Above

Insurance & Insurance-related Businesses

- T&D Risk Solutions Co., Ltd.
- T&D Confirm Ltd.
- Toyo Insurance Agency Co., Ltd.
- Daido Management Service Co., Ltd.
- Taiyo Life Aging Society Institute
- Capital Taiyo Life Insurance Limited
- FGH Parent, L.P.

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 Information System Ltd.
- Nihon System Shuno, Inc.
- Zenkoku Business Center Co., Ltd.
- Thuriya Ace Technology Company Limited

Ordinary revenues

¥ 3,214.1

billion

Ordinary loss

¥ 74.1

billion

¥ 132.1

Net less*

* Net loss attributable to owners of the parent Adjusted profit*

billion

20,016

Number of employees

* Group Adjusted profit is calculated by reflecting the adjustment of temporary valuation gains or losses resulting from market fluctuations on accounting etc., to profit attributable to owners of parent.

Figures for revenues and losses are from fiscal 2022 and the number of employees is as of March 31, 2023

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1-2 T&D Insurance Group Companies and Foundations

2-1 2-2 2-6

Organizational Structure

The T&D Insurance Group consists of T&D Holdings, 21 consolidated subsidiaries and 5 affiliated companies that are engaged in life insurance and other businesses as described below. (©: Consolidated subsidiaries \diamondsuit : Equity method affiliate companies)

T&D Holdings, Inc.			https://www.td-holdings.co.jp/en/
	Insurance	○ Taiyo Life Insurance Company	https://www.taiyo-seimei.co.jp/
		O Daido Life Insurance Company	https://www.daido-life.co.jp/
		○ T&D Financial Life Insurance Company	https://www.tdf-life.co.jp/
		Pet & Family Insurance Co., Ltd.	https://www.petfamilyins.co.jp/
		◇ Capital Taiyo Life Insurance Limited	
Insurance & Insurance-related		♦ FGH Parent, L.P.	https://fortitude-re.com/
Businesses		◯ All Right Co., Ltd.	https://www.all-right.co.jp/
		○ T&D Risk Solutions Co., Ltd.	https://www.tdrs.co.jp/en/
	la coma a a malata d	○ T&D Confirm Ltd.	
	Insurance-related	○ Toyo Insurance Agency Co., Ltd.	https://www.sonpo.co.jp/toyohkdaiko/
		Daido Management Service Co., Ltd.	https://www.dms-hp.co.jp/
		○ Taiyo Life Aging Society Institute	https://www.taiyo-institute.co.jp/
	Investment Management and Advisory, etc.	○ T&D Asset Management Co., Ltd.	https://www.tdasset.co.jp/en/
	Other Investment-related	○ T&D United Capital Co., Ltd.	https://www.tduc.co.jp/en/
nvestment-related Businesses		○ T&D United Capital North America Inc.	
Investment-related Businesses		○ T&D Lease Co., Ltd.	http://www.td-lease.co.jp/index.html
		◯ Taiyo Credit Guarantee Co., Ltd.	https://www.taiyo-sinyo-hosyo.co.jp/
		Alternative Investment Capital, Ltd.	https://www.aicapital.co.jp/en/
	Administration-related Businesses	○ T&D Information System Ltd.	https://www.td-system.co.jp/
Adam's intention and at a d D animals		Nihon System Shuno, Inc.	https://www.nss-jp.com/
Administration-related Businesses		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/

^{*} Includes main Group companies and foundations as of July 31, 2023.

^{*} Capital Taiyo Life Insurance Limited and Thuriya Ace Technology Company Limited are located in Yangon, Myanmar.

^{*} FGH Parent, L.P. is located in the British overseas territory of Bermuda.

^{*}T&D United Capital North America Inc. is located in New York state, United States.

T&D Insurance Group Sustainability Report 2023

1. Organizational Profile

1-3 Corporate Profile (as of March 31, 2023)

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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	
Number of employees	123	
Independent accounting auditor	Ernst & Young ShinNihon LLC	
Description of business	Insurance holding company for the T&D Insurance Group conducting the following: • 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
Number of employees	Sales: 9,016 Administrative: 2,337 Total: 11,353

Daido Life Insurance Company

Established	July 1947 (Founded July 1902)
Head office location	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
Number of employees	Sales: 3,577 Administrative: 3,203 Total: 6,780

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
Number of employees	263





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

Developing hybrid-style sales that combine face-to-face and non-face-to-face sales 9,016 in-house sales representatives



<Daido Life's Business Model>





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

Collaboration with tie-up groups in the SME market

Corporate organizations 3,577 in-house sales representatives (NFCTA/TPA, etc.) 1,261 non-life insurance agents

Professional organizations of tax accountants (TKC National Federation/local branches of CPTA Associations) accounting agencies

DAIDO LIFE

<T&D Financial Life's Business Model>

Independent insurance agents



Asset formation and protection-oriented products that support affluence and peace of mind

Products offered through independent insurance agents (financial institutions, insurance shops) Number of sales agents: 198



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

The Life Insurance Association of Japan operates with the aim of promoting the sound development and maintaining the reliability of the life insurance industry in Japan and thereby contributing to the improvement of the lives of the Japanese people.

1. Organizational Profile

T&D Asset Management Co., Ltd.

T&D Insurance Group Sustainability Report 2023

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
Number of employees	142

<T&D Asset Management's Business Model>

Investors

Providing competitive products and services in a timely manner

Number of investment trusts: 254 Number of discretionary investment and advisory contracts: 48



T&D Asset Management

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
Number of employees	42
Description of business	Principal investment and investment management aimed at diversification and optimization of the Group's business portfolio Closed book business Other business

T&D United Capital

Pet & Family Insurance Co., Ltd.

Established	August 2003
Head office location	27-3, Higashiueno 4-chome, Taito-ku, Tokyo 110-0015, Japan
Capital stock	¥3.6 billion
Number of employees	82

<Pet & Family Insurance's Business Model>

Owners of pets

Selling through agents (pet shops, etc.) 290 agents

Pet & Family Insurance

All Right Co., Ltd.

Established	September 2022		
Head office location	KABUTO ONE 9F WeWork, 7-1, Kabutocho, Nihonbashi, Chuo-ku, Tokyo 103-0026, Japan		
Capital stock	¥750 million		
Number of employees	18		
Description of business	 Providing services in the healthcare and wellness field Planning, development, and sales of service content and products 		





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1-4 Number of Employees

2-7 2-8 401-1

Number of Employees (T&D Holdings, Consolidated)

	March 31, 2021		March 31, 2022		March 31, 2023	
Business sector		(Number of temporary employees)		(Number of temporary employees)		(Number of temporary employees)
Insurance & insurance-related businesses	18,354	(923)	18,411	(882)	18,794	(909)
Investment-related businesses	472	(15)	451	(16)	483	(20)
Administration-related businesses	789	(57)	783	(62)	739	(58)
Total	19,615	(995)	19,645	(960)	20,016	(987)
Male	3,847	(10)	3,829	(9)	3,799	(10)
Female	15,768	(985)	15,816	(951)	16,217	(977)
Of which Japan	19,600	(995)	19,628	(960)	19,982	(987)
Of which Asia-Pacific	15	(0)	17	(0)	22	(0)
Of which Europe & North America	0	(0)	0	(0)	12	(0)

^{*} The number of employees shows the number of employed staff excluding executive officers. The number of temporary employees is shown in parentheses as an annual average, which is not included in the number of employees.

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

		Number of employees			Number of employees hired		
	March 31, 2021	March 31, 2022	March 31, 2023	FY2020	FY2021	FY2022	
Number of employees	17,945	17,963	18,396	3,464	3,090	3,232	
Male	3,379	3,356	3,352	158	142	167	
Female	14,566	14,607	15,044	3,306	2,948	3,065	
Sales representatives	12,239	12,233	12,593	3,181	2,820	2,941	
Male	293	290	274	45	38	34	
Female	11,946	11,943	12,319	3,136	2,782	2,907	
Administrative	5,706	5,730	5,803	283	270	291	
Male (Managers)	3,086 (2,085)	3,066 (2,117)	3,078 (2,155)	113	104	133	
Female (Managers)	2,620 (454)	2,664 (499)	2,725 (603)	170	166	158	

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

^{*} The figures for temporary employees differ from the Financial Report due to the rounding process.

Dialogue and Consultations with Labor Unions

2-30

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

	FY2020	FY2021	FY2022
Labor unionization rate	80.5%	80.6%	81.9%

Supply Chain

Definition of Supply Chain

2-6

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		

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.

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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

Increase customer satisfaction year-on-year until fiscal 2025

Initiative results and plans

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 FY2022

- Launched *Preventive Insurance Series* to support initiatives aimed at customer prevention through insurance
- Suitably fleshed out our product lineup for Sma-Hoken (Internet channel) and Remote Application as well
- Provided Kaisha Minnade KENCO+, a new full range of health-promotion-type protection for promoting SME health and productivity management
- Provided *Hybrid Tsumitate Life*, asset formation insurance on a new axis that is closely attuned to the diversifying needs of the era of the 100-year life
- Deploying the Taiyo's GENKI Project to encourage good health
- Launched the *Dodai?* web service for working on resolving social issues in collaboration with SMEs
- Bolstered product lineups to respond to diversifying customer needs, etc.

Planned for FY2023

- Continue to provide products and services that meet the needs of society
- Offer insurance products which even customers concerned about their health status can apply for
- Offer insurance products which meet the asset management and asset administration needs of the 100-year-life era
- Expand lineup of products offering a full range of protection to meet the needs of SME owners, modernize coverage, develop the insurance solicitation environment, and improve the sales tools, etc.



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1. Provision of Products and Services which Meet the Needs of Society

Provision of Products and Services which Meet the Needs of Society

3-3

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The Initiatives of Taiyo Life

Taiyo Life is a life insurance company that provides comprehensive products to the household market, including death benefits and medical/nursing care. Our management vision is to provide high-quality products and services to become a company that is needed and loved by customers, and, in this spirit, we provide various products and services to respond to diverse customer needs. In particular, to respond to diversifying customer needs and lifestyle changes—in addition to our in-house sales representative channel—we have launched fully-online insurance (Sma-Hoken) to respond to the needs of customers who want to handle procedures in a non-face-to-face way. In addition, we introduced Remote Application, which combines Sma-Hoken with consulting and application procedure support provided by in-house sales representatives. We also utilize digital information via infomercials, Internet ads, and similar kinds of promotion, and we provide hybrid sales service that combines face-to-face and nonface-to-face approaches.



In June 2016, in anticipation of the era of the 100-year life, we launched Taiyo's GENKI Project to respond to the social issue of longer healthy lifespans, that is, living a long, healthy life. We also promote various measures to help ensure that our employees are healthy so that they can support the health of customers and contribute to achieving a healthier society.

In this way, we are contributing to the realization of a sustainable society, which is the aim of the SDGs, through a variety of actions that consider the concepts of CSR, ESG, etc., such as the provision of products and services that contribute to enhancing the health and welfare of all people.

Product Development which Preempts the Changes of the Times

To help everyone live long and healthy lives in the era of the 100-year life, we are developing a Preventive Insurance Series that supports customers' prevention efforts through insurance. In October 2018, we launched our Himawari Dementia Prevention Insurance as the first of these products to help deal with dementia—a social issue—and enable customers to live their old age with peace of mind.

At the end of April 2023, sales of our dementiarelated products exceeded 900,000 policies, which



shows that these products are well-received by many people, particularly by our senior customers.

Furthermore, in June 2021, we launched Cancer and Critical Illness Prevention Insurance, the second in our series of prevention insurance plans.

This product covers certain conditions, including cancer, strokes, and acute myocardial infarctions, and has been well received by a wide range of customers of all ages, including the middle age generation.

One feature of prevention insurance is that, by adding special survival benefit provisions, customers can receive preventive benefits every two years starting one year after the policy begins. These preventive benefits include the use of the Company's disease prevention services, including MCI Screening Plus—which can be used to judge the risk of MCIs (mild cognitive impairments) by using a simple blood test—as well as AminoIndex® Risk Screening—which can evaluate the possibility of currently having cancer as well as the risk of future strokes, myocardial infarctions, and diabetes.

Launched in October 2018



Himawari Dementia Prevention Insurance

Application with a simple declaration is possible even if there are health concerns

Coverage of dementia using double insurance claims

(dementia diagnosis insurance claims and dementia treatment insurance claims)*

Coverage of hospitalization, surgery, and the like due to certain diseases and the like which are common in seniors

* When enrolling in both "relaxed-underwriting type dementia diagnosis insurance" and "relaxed-underwriting type dementia

Special survival benefits (preventive benefits) that can be utilized for dementia prevention and various other purposes



Our dementia prevention service can be used both early (during the first year) and repetitively (every two years)!

Priority Theme 1 2 3 4 Social Activities 34 T&D Insurance Group Sustainability Report 2023

1. Provision of Products and Services which Meet the Needs of Society



Cancer and Critical Illness Prevention Insurance



Broad coverage of cancer and certain critical illnesses



Cancer

Stomach cancer Colorectal cancer Lung cancer Breast cancer Prostate cancer and other cancers





Acute myocardial infarction

Chronic renal

Insurance claims are paid "when surgery is undergone"!



Stroke

Insurance claims are paid 'when surgery is undergone"!



Diabetes

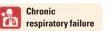
Benefits are paid if the insured person has proliferative vitreoretinopathy surgery!



















Aortic aneurysm and

aortic dissection



Other disorder of organs

(implanting an artificial cardiac pacemaker, colostomy, and the like)



Even in the case of early-stage, 10% of the insurance claim amount (wide-area benefits for cancer and critical illnesses) is paid.

- (1) Early-stage cancer
 - Non-invasive cancer
 - Cancer in situ, etc.
- (2) Hospitalization due to a stroke
- (3) Hospitalization due to an acute myocardial infarction
- (4) Ongoing insulin treatment for diabetes for at least 180 days in response to a doctor's instructions

^{*} Payment is subject to certain conditions.



Special survival benefits (preventive benefits) can be utilized for disease prevention services

[Preventive Benefits]

















The insurance period and the insurance premium payment period (in the case of 10 years)

10 years after Policy date

Launched in May 2022

選択緩和型先進医療保険

Relaxed underwriting-type advanced medical insurance



Simplified death insurance

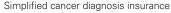
In May 2022, we launched relaxed underwriting-type advanced medical insurance and Simplified death insurance that customers who are worried about their health can apply for as well. Relaxed underwriting-type advanced medical insurance covers advanced medical treatment for which all the technical fees must normally be paid by the customer due to such treatment not being covered by public medical insurance systems, and this includes expensive cancer treatment such as heavy-particle radiotherapy. In addition, with our Simplified death insurance, death benefits can be prepared with nothing more than a simple notification.

We are also striving to suitably flesh out our product lineup for Sma-Hoken (Internet channel) and

Remote Application, and, in November 2022, we launched our children's medical insurance, which enables policies for which the policyholder and insured member are different people. With this product, fully-online insurance can be used to provide coverage not only for policyholders but also for their children who are 12 years old or younger.









Simplified cancer treatment insurance

In May 2023, we launched Simplified cancer diagnosis insurance and Simplified cancer treatment insurance, which can be applied for even by persons for whom it is generally difficult to apply for cancer coverage, such as individuals who had cancer in the past. With Simplified cancer diagnosis insurance, a lump-sum payment is provided to pay for treatment costs, living expenses, etc. incurred after being diagnosed with cancer. Meanwhile, with Simplified cancer diagnosis insurance, benefits can be received for every month that certain kinds of treatment are undergone. This means that it is now possible to provide cancer coverage even to customers worried about their health.

Delivering Peace of Mind to Families

Taiyo Life is continuously working on various reforms and improvements to deliver trustworthy and reliable services to customers over the long term, from enrollment and the policy period up until a policy pays out.

We proactively recommend that the family members of a senior customer be present when he or she concludes a contract to prevent misunderstandings. Also, our in-house sales representatives make use of the videophone function of our *Taiyo Life Concierge* service for mobile devices to contact customers directly and reconfirm the intention of the contract, application details, the notification details in the case of relaxed-underwriting type products, and more through our senior support desk. 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 once a year during the enrollment period to confirm contract details and encourage customers to claim their benefits. By using our dedicated customer service web portal *Taiyo Life My Page*, customers can complete procedures without having to visit the Company, including address changes and other insurance maintenance procedures, use of loans and other funds, hospitalization benefit, etc. claim procedures, and more. It is also possible to complete various procedures and benefit, etc. payments online. In October 2021, we became the first major insurance company in Japan to expand *Taiyo Life My Page* so it can be used by insured members as well, and, even if the policyholder and insured member differ, it is now possible to carry out benefit claim procedures on My Page. In April 2022, we started providing a new *Taiyo Life My Page* service—the web insurance certificate—digital certificate—that enables not only policyholders but also insured members and registered family members to confirm policy details, and the total number of applications was past 80,000 as of March 2023. In February 2023, we also made it

Services provided by Taiyo Life My Page (excerpt)

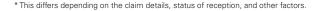
Address changes
 Family Registration Program registration and detail inquiries
Name changes
 Death insurance benefit, etc. beneficiary/preregistered proxy changes
 Addition of designated proxy application riders
Insurance certificate reissuance
 Reissuance of certificates for life insurance premium deduction
 Repayment of policyholder loans
Repayment of premium transfer loans
• Claim procedures for benefits, etc.
Information on premium payment procedures
Confirmation of policy details and viewing of web insurance certificates digital certificates —
Account applications and changes

	Digital certificate features								
	Simple and convenient!	All you have to do is click the link to the information you want to know on your smartphone or computer screen. You can easily confirm your policy details on your My Page.							
	Secure and safe	Registering family members helps to ensure that procedures for insurance claims, etc. will all be handled smoothly even if something bad happens.							
	Environmentally friendly!	Because digital certificates are fully paperless, they help contribute to preserving the global environment and realizing a sustainable society.							

possible to complete account application and changing procedures, and—as of the end of fiscal 2022—the number of *Taiyo Life My Page* members was up to 1.22 million increased by 537,000 members from the end of fiscal 2021.

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* service to reduce paper consumption when performing procedures to claim benefits, etc., allows benefit payments to be made in as little as ten minutes*. In addition, we are striving to further expand this service. For example, in October 2020, it went fully paperless due to claims for death benefits going paperless.

Furthermore, concerning dementia, we are engaging in initiatives to follow up on customers who made claims for benefits, etc. but could not receive payment at the time of the claims because they did not satisfy the payment criteria in order to ensure that all claims are properly paid in the future.





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Prevention Initiatives

Our goal at Taiyo Life is to help create a society where everyone can live long, healthy lives in the era of the 100-year life. To accomplish this goal, we are working on initiatives that not only support customers in terms of detecting and improving dementia and critical illnesses at an early stage, but also help prevent disease and improve customers' health.

For customers eligible for the payment of special survival benefits (preventive benefits) through our Himawari Dementia Prevention Insurance, we recommend dementia prevention services such as MCI Screening Plus, which determines the risk of mild cognitive impairments (MCIs) through a simple blood test, and the Kurort Health Walking Experience Tour, which can prevent disease and improve health, among others. In addition, in March 2021, we entered into a business agreement with Ajinomoto, H.U.



Enjoy the fields and mountains of Japan during some laid-back walking, and refresh yourself mentally and physically!



1. Provision of Products and Services which Meet the Needs of Society

Frontier, and 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 infarctions, or diabetes.

Starting in August 2022, we also made it possible for customers to undergo MCI Screening Plus and AminoIndex® Risk Screening examinations as part of mobile medical services, thereby increasing opportunities for such testing and contributing to the health promotion of our customers.

Moreover, we have started providing the Taiyo Life Health Promotion App based on the concept of improving health in a fun way using an app, which can support the health promotion of customers from a variety of perspectives, including walking and sleeping. This app has functions that give advice based on the number of steps walked and hours of sleep every day regarding possible illnesses and conditions that can be prevented and for health promotion, so that customers can confirm their own state of health.



Signs of MCIs (mild cognitive impairments), which are an early stage of dementia, can be checked for by using a blood test

The tests are done by medical institutions throughout Japan, and you will receive your results two or three weeks after your blood is taken

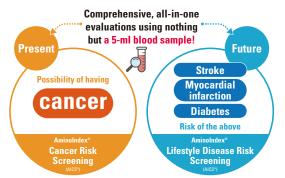


Early detection enables steps to be taken to prevent dementia

Simple blood tests

Reliable tests done by medical institutions

AminoIndex® Risk Screening



Taiyo Life Health Promotion App





Taiyo Life has changed the way life insurance solicitation is done. For example, we introduced the Taiyo Life Concierge mobile terminal for the in-house sales representatives in August 2018, enhanced its functions utilizing the latest IT, equipped it with consulting and presentation functions which listen to the requests of the customers and propose the optimal plan on the spot, and made it fully paperless in all processes from concluding the policy to receipt of payment.

In October 2019, we launched Sma-Hoken, which enables customers to complete application procedures online.

Sma-Hoken, our completely new fully-online insurance system with extensive after-sales services, combines an online insurance quoting and application process



スマホでスマート! お申し込みカンタン





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that can be used any place and time a customer desires with attentive visiting service from our personable staff. Furthermore, in January 2021 we introduced Remote Application (non-face-to-face solicitation), which combines Sma-Hoken with sales-representative consultations and application procedure support. Through this Remote Application service, proposals to a greater number of customers, including customers requiring non-face-to-face services as well as distant customers for whom direct face-toface applications are difficult, etc., are now possible, and these customers can now easily complete policy procedures from their own smartphones or computers anytime and anywhere. We will continue to promote hybrid sales that combine face-to-face and non-face-to-face services as we promote DX in various fields based primarily on three pillars—developing next-generation sales devices, utilizing AI, and implementing business reforms—thereby increasing our productivity, expanding our points of contact with customers, and improving our services. We will also endeavor to grow in line with our management plan goal of becoming a company that helps customers live healthy and long lives by providing the best products and services.

The Initiatives of Daido Life

Daido Life is a life insurance company that specializes in the SMEs market. It provides products and services that take into account changes in the environment surrounding SMEs and has signed up some 370,000 corporate clients. In recent years, changes in the environment surrounding SMEs and the diversification of their needs has been progressing, including longer working lives for business owners due to medical technology advances and other changes, responses to inheritance and business succession, growing interest in social issues, in particular health-oriented management and the SDGs, etc. In the context of these changes in the environment, the Company is working on "evolution of the provision of coverage" to protect SMEs and "being a partner in the resolution of issues" to support the resolution of the various issues faced by SMEs.

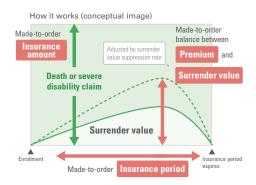
Provision of protection that widely covers the human risks faced by SMEs

Proposal of a full range of protection

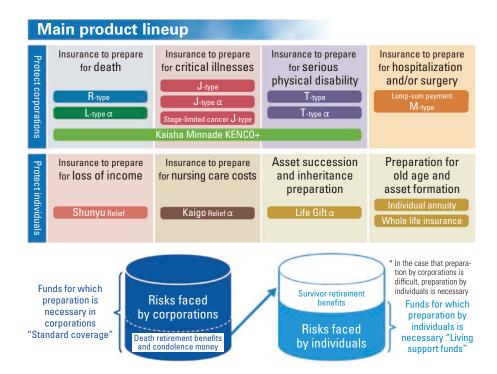
There are many cases in which SMEs rely on the reputation and technical capabilities of the business owners themselves for their viability. For this reason, continuation of the business sometimes becomes difficult in the case that the business owner dies or becomes unable to work due to a major illness or injury, etc. In preparation for this kind of situation, Daido Life calculates the funds necessary to protect the company and family ("standard coverage" and "living support funds") to propose reasonable integrated coverage for the corporation and individuals (a full-range of protection).

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.

Lump-sum payment M-type products

On June 1, 2023, we started selling *lump-sum payment M-type* [non-participating hospitalization lump-sum payment insurance (no surrender value)], which covers both corporate working capital in cases where managers are absent due to disease or injury as well as the costs of hospitalization by using a lump-sum payment.

This insurance can also be freely combined with riders as necessary to cover surgery, radiation therapy, anticancer drug treatment, etc.

Priority Theme 1 2 3 4 Social Activities T&D Insurance Group Sustainability Report 2023

1. Provision of Products and Services which Meet the Needs of Society

Kaigo Relief α products

As a result of the aging society, there has been an increase in the number of people requiring longterm 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 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

Kaigo Relief α (For financial burdens)

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

Service

Kaigo Concierge (For psychological burdens)

- Care manager referrals
 - Nursing-care facility referrals and visit arrangements
 - Provision of dementia-related services and information through Dementia Plus +
 - Application support for certification for long-term care certifications, etc.

HALFIT Service

Since April 2020, free access to up to three sessions of the Neuro HALFIT® exercise program, which uses the wearable Hybrid Assistive Limb (HAL)® of CYBERDYNE. Inc., has been offered. This service. delivered as an ancillary service of Kaigo Relief α , etc., 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 Hybrid Assistive Limb® is the world's first technology capable of reading signals from the human body to achieve movement in line with the wearer's intentions. Using the Hybrid Assistive Limb® enables even individuals for whom it is difficult to stand up or walk to move without too much trouble. Neuro HALFIT® is a program that supports day-to-day independence by facilitating repeated voluntary movements synchronized with the user's movement intentions.

A look at the different types of HAL® programs



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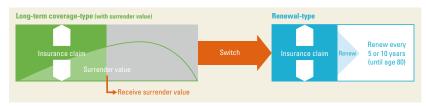
HAL lower limb type

HAL Single Joint Type Provided by ©CYBERDYNE, Inc.

Policy Conversion System (Switch)

To respond more flexibly to changes in needs after enrollment, in June 2023, we introduced the Policy Conversion System (Switch), which allows products in the same benefit field with different coverage periods to be switched (converted) between one another. The system applies not only to traditional death benefits, disability benefits, and health promotion but also to medical benefits. This has further improved the flexibility of policies, such as by enabling simple procedures for reviewing or updating coverage in line with business conditions.

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



^{*} 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.

T&D Insurance Group Sustainability Report 2023

1. Provision of Products and Services which Meet the Needs of Society

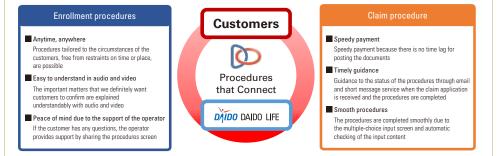
Initiatives to improve the convenience of insurance procedures

Procedures that Connect

To improve the convenience of customer procedures and respond to the "new normal" of coexistence with the COVID-19, we have introduced Procedures that Connect under which customers can carry out procedures related to insurance enrollment, insurance claims, benefit claims, and cancellation requests with their own smartphone and PC as well as Remote Examinations offering examinations by doctors over the videophone.

In addition, to make non-face-to-face procedures quick and simple for as many customers as possible, we expanded our Procedures that Connect starting in June 2023 to include policyholder loans and repayment.

We are continuing to try to make all insurance procedures non-face-to-face, so that customers can choose between the security of face-to-face procedures and the convenience of non-face-to-face procedures according to their needs.



Procedural system for foreign employees

In order to respond to the wishes of SME owners to care for all employees regardless of nationality, Daido Life has developed a procedural application system that enables applications in foreign languages for life insurance as welfare benefits and is intended for foreign employees (insured members) who have difficulty understanding Japanese. This system is used by many employees. (Explanatory materials in foreign languages, explanatory materials of important topics in foreign languages, telephone-based interpreter contact points, etc.)

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)

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

Initiatives to Promote Health and Productivity Management*

Daido Life assists SMEs in implementing Health and Productivity Management. The aims are to contribute to creating a society where SMEs and their employees can be active and vigorous and to solving issues faced by Japan's rapidly aging society.





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KENCO SUPPORT PROGRAM

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

It is a comprehensive program targeted at SMEs that supports continuous implementation of the PDCA

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



Kaisha Minnade KENCO+

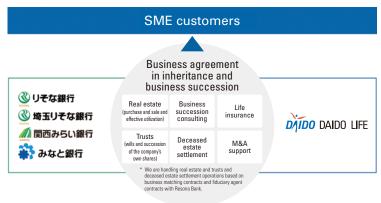
In order to realize "prevention of illness using health-oriented management" and "preparation for unexpected retirements," we launched a health-promoting insurance integrating the KENCO SUPPORT PROGRAM with protection in January 2022.

This product widely protects against a variety of risks such as death, severe disability, physical disability, critical illness, etc.; moreover, it has introduced a mechanism which discounts the basic policy insurance premiums the following year in the case that the customer's "average number of steps per day is 8,000 steps or more every year." We establish an "opportunity to start health-oriented management" by getting all of the owners, executives, and employees of SMEs to enroll in insurance together.



Support for Inheritance and Business Succession

We support SME owners worried about whether they can smoothly hand on their business to a successor through a variety of initiatives aimed at resolving issues. More specifically, for customers who have issues regarding business succession, expert consultants who have financial planning (FP) knowledge (FP and inheritance consultants) give advice about methods of transferring the company's own shares and risk management based on financial analysis. In addition, we cooperate with partner companies to provide our M&A Support Service and Corporate Value Calculation Service to calculate the corporate value free of charge as information to be used for judging the direction of corporate management going forward, and we also offer a successor development program at Daido Management Academy. In recent years, we have also formed a business alliance with the Resona Group in the inheritance and business succession field, and we are providing solutions possessed by the insurance and banking fields in line with issues faced by customers.



A place of learning for SMEs

Starting in 2002—our 100th year in business—we started endowing annual open courses at universities, etc. throughout Japan as a way to enable participating SME owners to acquire knowledge and skills related to management and business. So far, we have held a total of 137 courses and welcomed approximately 16,000 participants.

In 2022—our 120th year in business—we renewed these courses to make them a *place of learning* for anyone who works at an SME as well as anyone aiming to participate in an SME. We also expanded the individuals targeted by the courses to include SME successors/employees as well as individuals who want to start their own business.

In fiscal 2022, we started holding collaborative courses with the University of Tokyo Hospital as well as online courses for Meiji University, Japan Women's University, and the Hito wo Taisetsu ni Suru Keiei Gakkai (Institute of Business Administration with Taking Good Care of People), and we started supporting entrepreneurial activities by students of Osaka University.



Commencement of *Dodai?*, a site for business owners sharing their views with each other

In March 2022 we commenced the web service *Dodai?* for the owners of SMEs to meet and tackle the resolution of social issues together. Through this service, Daido Life, which has supported SMEs through protection until now, will put into practice the idea of "creating the future together with SMEs" going forward.

Dodai? offers three functions:

"Consult" (a community where the business owners can share ideas and worries with each other)

"Learn" (introduction of real examples close to home for the business owners)

"Try" (guidance to the service lineup of the Company useful for the management)

We are aiming for a service that can connect the owners of all SMEs throughout Japan and that can be used free of charge regardless of whether the companies have a policy with Daido Life.

Daido Life Survey

Since October 2015, Daido Life has been conducting the Daido Life Survey, a monthly survey that collects the opinions of SME managers on such matters as business confidence and management issues. So far, Daido Life sales representatives have visited a total of approximately 10,000 SMEs across the country to hear the "unfiltered opinions" of their owners. Survey reports are sent to customers across Japan and also made available to the general public.

Joint research with universities

To pursue initiatives aimed at resolving social issues in collaboration with SMEs, we conducted joint research with the Research Institute for Economics and Business Administration, Kobe University, and Toyo University based on the following themes: sustainability management of SMEs and obtaining suggestions from German SMEs.

The research report materials we published in March 2023 as well as photos of the symposium we held to announce our research results are available on our website.



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Daido Life website Daido Life Survey (Japanese only)





Daido Life website Joint research aimed at transforming SME management (Japanese only)



1. Provision of Products and Services which Meet the Needs of Society

The DAIDO Sustainability INITIATIVE

In recent years, interest in sustainability has been growing in society, including the 2050 Carbon Neutrality Declaration by the government, and initiatives for the SDGs (Sustainable Development Goals) are becoming large management issues for not only major companies but also SMEs.

Given the above changes in the environment, we are providing a program that helps our customers deepen their understanding of the SDGs. This program also encourages the practice of sustainability management by creating points of contact between *companies with an interest in the SDGs* and *companies possessing technologies and services that contribute to the resolution of social issues* and supporting the introduction of services and cooperation among companies.



Sustainability management =

Management aiming for the long-term continuity of the business through the resolution of a variety of environmental and social problems (initiatives for the SDGs)

Various other health/management support services

To help SMEs resolve management issues, Daido Life provides various support services. One such service is the *Safety Confirmation System* introduced by Daido Life in April 2019 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. This service is equipped with all of the functions necessary for safety confirmation at SMEs in the event of a disaster.



To respond to a wide range of customer requests, we provide the services below.

Daido Life's health/management support services



1. Provision of Products and Services which Meet the Needs of Society

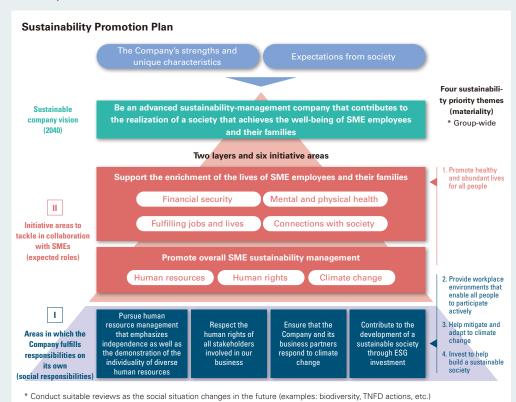
TOPIC Daido Life's Initiatives

Formulating a Sustainability Promotion Plan

- Contributing to the realization of a society that achieves the well-being of SME employees and their families –

In March 2023, Daido Life—which has developed up until now alongside SMEs—formulated its Sustainability Promotion Plan as the foundation of the Company's sustainability management to both fulfill its social responsibilities and clearly spell out the fact that the Company will pursue initiatives in collaboration with SMEs to help resolve social issues.

Under this plan, we will aim to contribute to the realization of a society that achieves the well-being of SME employees and their families, and—to accomplish this—we have specified two layers and six initiative areas, we have clearly spelled out action plans specific to each of these initiative areas, and-regarding areas in which the Company will fulfill its own responsibilities—we have also specified KPIs as goals to achieve by 2025 or 2030.



Action plan leading up to 2025



Initiative areas to tackle in collaboration with SMEs expected roles

(5) Support the enrichment of lives

• Contribute to the well-being of SME employees, including health promotion and the provision of places of learning.

(6) Promote sustainability management

- Expand contents that support the promotion of SME sustainability management.
- Visualize SME sustainability management through joint research with universities, etc.



Areas in which the Company fulfills responsibilities on its own (social responsibilities)

(1) Human resources

- Improve job satisfaction through new training structures and various human resource systems.
- Enhance the PDCA cycle for health and productivity management.
- Systematize diverse work styles and opportunities.

(2) Human rights

• Promote initiatives aimed at ensuring that the Company as well as its affiliated companies and outsourcing partners respect human rights.

(3) Respond to climate change

- Formulate plans for introducing renewable energy and achieve related goals.
- Reduce the Company's CO2 emissions by reducing the energy necessary to renew owned real estate facilities, visualizing the emissions of each site, etc.

(4) ESG investment

• Reduce the CO2 emissions of investment and financing recipients through investment and lending aimed at decarbonization as well as constructive engagement.

KPIs (areas in which the Company fulfills responsibilities on its own)

Initiative areas		KPI			
	Job satisfaction	1) Employee satisfaction of at least 4.00 points by fiscal 2025			
(1) Human	Health	2) Presenteeism of at least 80% by fiscal 2025*1			
resources	Diversity	Ratio of female managers of at least 25% by fiscal 2025			
		4) 100% paternity leave usage rate by fiscal 2025			
(2) Human rights	Human rights	5) 100% human rights due diligence*2 implementation rate by fiscal 2025 (including business partners)			
(3) Respond	Renewable energy	6) Transition to renewable energy to cover at least 60% of the Company's used power by fiscal 2030			
to climate change	CO ₂	7) 40% reduction in CO ₂ emissions by fiscal 2025 compared to fiscal 2013			
(4) ESG emissions investment		8) 40% reduction in the CO ₂ emissions of investment and financing recipients*3 by fiscal 2030 compared to fiscal 2020			

- *1 Evaluated based on a questionnaire (Single-Item Presenteeism Question (SPQ)) concerning one's personal work in the last four weeks, with 100% assumed to be the quality of one's work assuming no illnesses or injuries
- *2 A continuous process used to identify and deal with the effects of companies on human rights
- *3 Japanese listed company stocks, bonds, and loans

1-3

Initiatives of T&D Financial Life

T&D Financial Life has set out the management vision of "carefully giving attention to our customers and partners to become a chosen company: T&D Financial Life will partner with its sales agents to deliver future abundance and peace of mind in the lives of our customers." It is working on bolstering its product lineup, timely provision, and the improvement of customer service to meet diversifying customers needs by "carefully giving attention" to banks and other financial institutions as well as insurance shops and other sales agents where customers can drop in for consultations, which are its customers and partners in all situations, including product development, service provision, and sales and administration.

Provision of asset formation products taking into account changes in the social and economic environment

Mainly 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 and other needs.

In July 2019, we launched *Shogai Premium World 5*. This product is the latest renewal of our *Shogai Premium World* series of single-premium whole life insurance which utilizes overseas interest and foreign exchange to enable customers to leave money for their family members while receiving money to use for themselves. We have revised the content of the product so that it can meet the broader needs of customers. It inherits from its predecessor products the characteristic that the customers can enroll in



the insurance without paying any foreign exchange fees, but it eliminates any initial fees previously borne by customers, and also adds a function minimally guaranteeing in yen the death benefits of the same value as a single premium for a certain period and other functions.

In September 2020, we launched *Shogai Premium Japan 5*. This product is the latest renewal of our *Shogai Premium Japan* series of yen-denominated whole life insurance which 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.

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.

1. Provision of Products and Services which Meet the Needs of Society









In December 2021, we launched *Hybrid Anshin Life*. This product inherits the product features of *Hybrid Asset Life* which we commenced sales of in June, but newly adds a guaranteed minimum death benefit rider, and as a service for long lifespans is a product specialized in asset succession and asset management functions.

In April 2022, we launched *Hybrid Tsumitate Life*. This product is asset formation insurance on a new axis that is closely attuned to the diversifying needs of the era of the 100-year life, and it incorporates product schemes on a new axis based on the market research questionnaire conducted during its development. This product can be used to manage funds through steady accumulation every month, while aiming for temporal diversification when forming assets, and it also adds *spot increase amount* and *dollar-cost average plus rider* functions, which enable customers to effectively utilize the surplus funds on hand, resulting in a product for which stabler and more efficient asset formation can be expected.

In addition, in April 2023, we launched *Fiveten World 3*. This product is the result of renewing *Fiveten World 2*'s single-premium individual annuities utilizing overseas interest and foreign exchange. For this product, we have established the new Yen Currency Plan, which is aimed at steadily increasing funds in yen to prepare for future nursing care and dementia, and customers can now choose one of two plans depending on their needs: the Yen Currency Plan and Foreign Currency Plan.

Protection-oriented products taking into account changes in the social and economic environment

For customers in the working and childrearing generation, it offers protection-oriented products at an affordable price. It commenced sales of *Kakei Ni Yasashii Shunyuhosho* as a product which can "secure the monthly income of the family left behind" and "secure income when contracting the three major diseases" based on the concept "strong support for saving money in the household budget with inexpensive insurance premiums" in August 2012 and it renewed this product in June 2014 so that it has now become income protection insurance which is able to meet the needs of a broader range of customers.

In April 2020, we launched *Kakei Ni Yasashii Shushin Iryo*. This product 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.

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1. Provision of Products and Services which Meet the Needs of Society

In February 2021, we launched *Hataraku Anata Ni Yasashii Hoken 2*. This product is 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 and other costs, due to the three major diseases.

Initiatives to make improvements 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 solicitation agents, studying the market environment, including various financial products, legal aspects, industry trends, and the like.

In fiscal 2022, regarding various procedures for which our Call Center receives a lot of inquiries, we posted inquiry methods other than the telephone on the top page of our website. We also posted the surrender claim form for target-value attainment policies, regarding which we receive an especially large number of inquiries, on our website so that customers can file claims without having to inquire with our Call Center. In addition, in response to feedback indicating that designation of the survivor benefit beneficiaries within the previous scope is impossible as a consequence of the falling birthrate and aging population, we expanded the scope of survivor benefit beneficiaries for single-premium products to include "relatives of the policyholder (blood relatives within six degrees of kinship and relatives by marriage within three degrees of kinship) and their spouses."

Initiatives to enhance customer service

T&D Financial Life is considering and pushing ahead with various efforts to further improve customer satisfaction.

In January 2023, to further increase the convenience of our Internet services for policyholders, we opened an official LINE account and linked LINE and Internet service IDs to eliminate the need to enter a password or other details, thereby making it easier to log in and use our services.

We also added a product-video 2D code to the system diagram for our foreign-currency linked product Notification of Policy Details to make this easier to understand.

I-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, the "T&D Japanese Equity ESG Research Fund," which is private placement fund and makes selective investments in companies that excel from an ESG viewpoint, has set "health, safety and security" as a materiality when evaluating investee companies, and actively invests in companies that contribute to solving social issues related to people's health. Furthermore, when T&D Asset Management analysts conduct materiality-driven dialogues with investee companies, they encourage the companies to take action to resolve social issues and contribute to building a society where people can live healthy and prosperous lives.

1-5 Initiatives with Pet & Family Insurance

Insurance Protection for Precious Family Members

More pet owners recognize their pets as family members, and therefore interest in pet healthcare and its associated costs is growing. 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 Smart, Genki Number One Slim,* and *Genki Number One Best,* products that compensate for a portion of the cost of treatments for pets at veterinary clinics





due to illness or injury. These products, which were launched on the transfer market starting in October 2022, 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. In March 2023, the number of articles topped 335.

T&D Insurance Group Sustainability Report 2023

1. Provision of Products and Services which Meet the Needs of Society

-6 Best Senior Service

3-3

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. The Group's three life insurance companies have named these initiatives the *Best Senior Service (BSS)*, and, through these initiatives, 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). Starting in April 2022, we made it so that even family members who are registered for the Family Registration Program and are living separately can use digital certificates to view coverage details, thereby establishing a system that makes it easy for family members to share information with each other.

(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 177,000 home visits had been made through this service (as of the end of March 2023) 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

<Pre><Pre>resence of family members during procedures>

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

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1. Provision of Products and Services which Meet the Needs of Society ▶ 2. Providing Wholehearted Reassurance

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 introduced 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.

For customers whose postal items have not arrived, the Company looks up addresses and recommends making a bank deposit when the insurance premiums have not been paid, and for customers who have not claimed their hospitalization benefits, the Company implements a text message distribution service through short message service (SMS).

The Call Center, which serves as the point of contact with customers, has introduced an automatic voice response system in order to answer inquiries from its customers quickly.

In addition, our *Kaigo Concierge* ancillary service can now be used by a wider range of people in cases where there is an application by a policyholder who has added the Long-term Care Dementia Pension Payment Transfer Rider, Long-term Care Pension Payment Transfer Rider, or Long-term Care Dementia Prepayment Rider, an insured member, a related spouse, or a family member within two degrees of kinship.

(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 is taking steps to expand the procedures that can be completed by telephone, revise claim documents and use colors for them, and omit the submission of insurance certificates and seal registration certificates, and so on.

2. Providing Wholehearted Reassurance

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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, T&D Asset Management, and Pet & Family Insurance have established individual solicitation policies for offering life insurance and other products to customers. Under these policies, each 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.

- 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.

- 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

Taivo Life

Received an Another Voice Award at the 2022 UCDA Awards

Taiyo Life received an Another Voice Award at the 2022 UCDA Awards, at which the Universal Communication Design Association (UCDA) commends outstanding communication design.

| Award | Explanation | What was Subject to Evaluation |
|------------------------|---|---|
| Another Voice
Award | Awarded for something highly evaluated by consumers | Web (1) <i>Taiyo Life My Page</i> Web (2) My Page benefit claim procedure |

Daido Life

Received the highest rank of "3 Stars" for HDI-Japan's "Quality Rating" for the third consecutive year

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 2022 *Quality Rating* for the third year in a row.

Received an Another Voice Award and Special Award at the 2022 UCDA Awards

Daido Life received the following awards in the UCDA Award 2022, at which the Universal Communication Design Association (UCDA) commends outstanding communication design.

| Award | Explanation | What was Subject to Evaluation |
|------------------------|--|--|
| Another Voice
Award | Awarded for something highly evaluated by consumers | Kaisha Minnade KENCO+
Product Pamphlet |
| Special Award | Awarded for something that has a unique perspective or distinct evaluation results | Procedures that Connect (non-face-to-face procedures on the web) (1) Insurance enrollment procedure screens (2) Insurance claim, benefit claim, and cancellation request procedure screens |

Received an IT Award (Customer and Business Function Category) at the fiscal 2022 IT Awards

Daido Life received the following award at the fiscal 2022 IT Awards, which are held by the Japan Institute of Information Technology to recognize companies and other organizations for their outstanding efforts and results in terms of utilizing IT to achieve business innovations.

| Award | Explanation | What was Subject to Evaluation |
|---|--|--------------------------------|
| IT Award
(Customer and
Business Function
Category) | Awarded for initiatives involving the utilization of IT to achieve innovations related to relationships with customers | Procedures that Connect |

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
- "Important Information Sheet" enabling easy comparisons among diverse products transcending the boundaries of each business category, including the description of products and the like, the anticipated purchasing demographic, risks and fund management performance, costs, cashing and surrender conditions, the possibility of conflicts of interest, and the overview of taxation.

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)
- Confirmation of policy details by using My Page (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)
- Handling of Invoice-less Payment for paying maturity insurance claims and annuities without submitting claim forms in the case that certain conditions apply (Daido Life)
- 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)
- Provision of insurance claim information and handling of annuity payments without requiring the submission of a life certificate based on the changed Individual Number Card information, etc. of customers who registered or agreed in advance (Daido Life)

T&D Insurance Group Sustainability Report 2023

2. Providing Wholehearted Reassurance

- 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)
- Implementation of support services that cover everything from the arrangement to the submission of documents necessary to apply for a physical disability certificate and are provided to customers who cannot go to municipal offices, etc. due to disabilities (Daido Life)
- 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)
- Benefit claim procedures via My Page (Taiyo Life) (Daido Life)

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. In the case of senior customers who lack local branches and sales locations in their neighborhoods, Taiyo Life conducts confirmation activities that combine outbound calls with face-to-face distribution of brochures created for the purpose of, for example, checking unclaimed cases by courier. Daido Life is conducting activities to confirm policy details where sales representatives and sales agents regularly give advice on and confirm the policy details and necessary amount of benefits with customers. In addition, the company is making efforts to provide detailed services such as suggesting to customers that they also take measures against a range of risks and have services useful for the solution of management issues.

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.

Main Service Details

- Domestic hotels, Japanese inns about 20,000 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.

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.

Dedicated Pet Consultation Center "Wan Nyan"

Through Pet & Family Insurance, we have established a pet consultation service that is only available to insurance policyholders and insured members (pet owners). The service handles inquiries or requests for information on everyday issues that arise when owning a pet. It is available 24 hours a day online. Advisors with specialized qualifications 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
- Sending application document (for loan repayment)
- Reissue of insurance certificates, annuity payment certificates and deferred fund payment certificates
- Procedures to change the beneficiaries of death insurance/preregistered proxies of death insurance benefits
- Procedures to apply for or change premium account transfers

T&D Insurance Group Sustainability Report 2023

Governance and Internal Control Management Control Third-party Opinion Index

2. Providing Wholehearted Reassurance

Daido Life

- Change of information related to contracts and insurance claims such as changes of address, changes
 of account, making loans to policyholders or repaying such loans, demands for insurance claims and
 benefits, and surrender requests
- Life insurance premium payment certificate (reissuance and electronic issuance)
- Web-ATM for withdrawing accumulated dividends or deposited money
- 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, changing first or last name, reissue of insurance policy, etc.)
- Transfer of accumulated funds, set up transfer ratio in case of contracts with periodic increase of amount
- Increases as necessary (some variable insurance)
- Registration and changes to Family Registration Program
- Credit card payment changes

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.)
- Reception of demands for insurance claims
- 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 Customer Service Center of each insurance company

Other Services

We offer a wide range of services. Our *private nursing-home referral service* (from Taiyo Life) introduces over 340 facilities nationwide in collaboration with other industries. The *best doctors service* (from Taiyo Life) introduces trustworthy doctors and hospitals for when policyholders have serious illnesses. The *adult guardianship system introduction service* (from Taiyo Life and T&D Financial Life) introduces experts in the adult guardianship system, which supports people whose judgment ability has deteriorated. The *M3 Patient Support Program* (from T&D Financial Life) is a health consultation and support service.

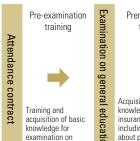
2-6 In Order to Provide Better Services

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 Group's three life insurance companies have diverse staff members, including sales representatives and customer service staff, 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 we 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)



general education

Preregistration training

Acquisition of basic knowledge for insurance sales, including knowledge about products and contract procedures

Training Stage 1 1st~3rd month

Deepening understanding of basic product knowledge and improving sales skills necessary for offering optimal insurance plans to customers

Training Stage 2
4th~6th month

Enhancing sales skills and acquiring knowledge about after-sale services, including insurance payout procedures Training Stage 3
7th~12th month

Developing capabilities necessary for offering insurance plans that best meet detailed needs of individual customers with different life plans

FP 3rd Grade

Implementation of Education and Training for In-house Sales Representatives (Daido Life)

Training program in the development period

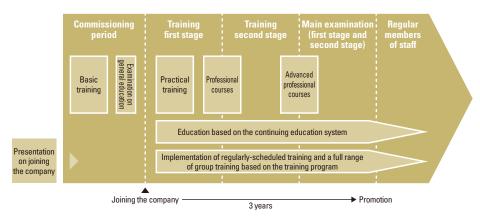
Daido Life is endeavoring to develop in-house sales representatives (sales staff) with a high level of knowledge and ethics so that they can comply with laws and regulations and other rules while meeting the variety of needs of the customers.

The Company positions the three years after joining the company as the "development period" and is implementing education and training based on *D-STANDARD*, the Company's original early training program.

^{*} For details on the various health/management support services provided by Daido Life for SMEs, see P.41.

In addition to the industry-wide basic education,* the education and training is mainly comprised of basic knowledge and sales techniques so that the sales staff can give understandable explanations to customers and practice appropriate sales and service activities.

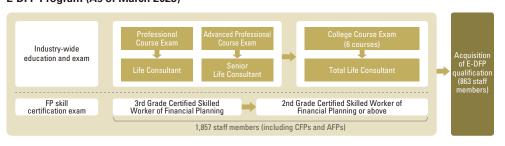
* In addition to basic training and practical training, it implements professional courses, advanced professional courses, and education based on the continuing education system.



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 2023)



2-7 Cooperation with Sales Agents and Cooperating Organizations

Building a Sales Structure Through Collaboration with Partner Organizations (Daido Life)

Daido Life has formed 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, tax accountants, and other agents are key stakeholders of Daido Life, the Company holds regular business meetings with its partners to report the latest business developments and to hear their views on Daido Life's business operations.

Sales Agent Support (Daido Life)

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 by using its own e-learning materials, etc. to help sales agents acquire broad knowledge on the compliance and insurance business.

Wholesaler Activities (T&D Financial Life)

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

Proposal of Welfare Systems to Companies and Organizations (Taiyo Life)

Taiyo Life is engaged in proposal activities for group insurance in order to enhance the welfare systems of companies and organizations. Due to changes in the environment such as the arrival of the era of the 100-year life and the progress of work style reform, the needs with respect to the welfare systems of companies are also diversifying. In that context, in order to alleviate the burden of nursing care, the Company is handling products tailored to the era, including *Group Life Nursing-Care Insurance*, which initiates payments when the parents of employees enter long-term care, the *Monthly Fee Support Plan*, a group annuity system which offers lifetime annuity support for the fees charged by homes for the elderly and other expenses.

In April 2022, based on the fact that the average number of days of hospitalization is decreasing due to medical technology advances and other factors as well as the fact that outpatient surgeries are increasing, the Company developed and introduced *Group Hospitalization Lump-Sum Payment Insurance*.

T&D Insurance Group Sustainability Report 2023

3. Improving Customer Satisfaction

3 Improving Customer Satisfaction

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T&D Insurance Group Basic Policy Related to Customer-oriented Business Operations

The T&D Insurance Group takes "customer-oriented" as a shared Group-wide value and has established the "T&D Insurance Group Basic Policy Related to Customer-oriented Business Operations" in order to conduct fair and adequate business activities with integrity and sincerity that lead to profits for our customers.

In addition, we are working on fostering a corporate culture which respects the intent and spirit of this policy.

T&D Insurance Group Basic Policy Related to Customer-oriented Business Operations

1. Providing better products and services

We provides optimal and high-quality products and services tailored to customers' situations and needs.

2. "Customer-oriented" proposals and sales

- (1) We make proposals of suitable "customer-oriented" products taking into account customers' situations and intentions.
- (2) When selling the products, we work on more understandable information provision to ensure that our customers can correctly understand the important information pertaining to the products.

3. Improvement of the quality of business operations

In order to build enduring relationships of trust with our customers, we work on improving the quality of business operations, including readiness for after-sales services and development of the administration and systems.

4. Appropriate management of conflict-of-interest transactions

In order to ensure that the interests of our customers are not unjustly prejudiced, we have formulated and announced a policy for appropriately managing transactions which could constitute conflicts of interest, and we are appropriately ascertaining and managing transactions which could constitute conflicts of interest.

5. Development of human resources who practice "customer-oriented" actions and other activities

- (1) We thoroughly instill "customer-oriented" attitudes in our corporate officers and employees, and in order to build enduring relationships of trust with our customers, we develop human resources who have high ethics and are also equipped with specialized knowledge.
- (2) We are working to build a framework which encourages actions based on this policy.

6. Promotion framework

In order to promote "customer-oriented" corporate activities based on this policy, the group companies operating the financial businesses separately formulate policies pertaining to the initiatives of their own company, regularly report the status of their initiatives based on the policies to the Board of Directors and other bodies, and announce the content of the reports. In addition, we regularly carry out confirmations of whether revisions of this policy or the policies of each company are necessary.

WEB https://www.td-holdings.co.jp/information/business operations.html

-2 Initiatives to Respond to Customer Feedback

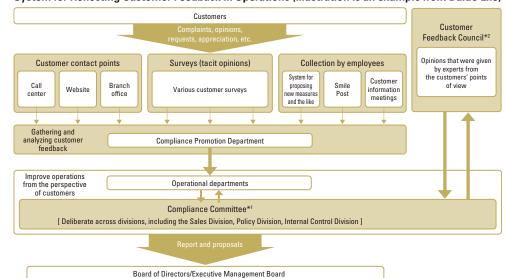
2-29

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 Compliance Committee

We established the Compliance Committee with the objectives of developing and establishing a compliance promotion framework on a company-wide basis and further promoting our corporate motto of "custome-oriented corporate activities." In addition to continuously reviewing all processes from insurance solicitation to payments from the perspective of customers, the Compliance Committee makes reports and proposals for promotion of 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 Compliance Committee.

^{*} The Group's Basic Policy Related to Customer-oriented Business Operations complies with all the Principles for Customer-Oriented Business Conduct published by the Financial Services Agency (FSA).

^{*}The policies on implementing initiatives and specific content of the initiatives of the group companies can be seen at the Company's website. (Japanese)

3. Improving Customer Satisfaction

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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 2023, following on from March 2022, 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: %)

| | FY2019 | | FY2020 | | FY2021 | | FY2022 | |
|-------------------------------|-----------------|-------|-----------------|-------|-----------------|-------|-----------------|-------|
| Type of feedback | No.
received | % | No.
received | % | No.
received | % | No.
received | % |
| New contracts | 2,052 | 31.3 | 1,907 | 31.7 | 2,170 | 32.6 | 1,919 | 20.8 |
| Payment of premiums | 406 | 6.2 | 355 | 5.9 | 381 | 5.7 | 375 | 4.0 |
| Conservation work | 1,211 | 18.5 | 1,203 | 20.0 | 1,246 | 18.7 | 1,067 | 11.6 |
| Insurance claims and benefits | 1,272 | 19.4 | 1,060 | 17.6 | 1,508 | 22.6 | 3,947 | 42.8 |
| Others | 1,616 | 24.6 | 1,498 | 24.9 | 1,355 | 20.3 | 1,918 | 20.8 |
| Total | 6,557 | 100.0 | 6,023 | 100.0 | 6,660 | 100.0 | 9,226 | 100.0 |

^{* &}quot;Complaints" refers to an expression of dissatisfaction by customers.

For details on examples of improvements Taiyo Life has made by utilizing customer feedback, please see Taiyo Life's website. (Japanese) WEB https://www.taiyo-seimei.co.jp/company/activity/voice/voice_casestudy.html

Daido Life

Customer Satisfaction Surveys

To help identify hidden issues related to Daido Life's business that are difficult to uncover by passively receiving customer opinions and requests, we conduct customer satisfaction surveys filled out by business owners/managers that inquire about the level of satisfaction provided by our products, services, and after-sales 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.



* 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

| 86.1% 76.4% 83.7% | At the time of enrollment | After enrollment | At the time of claim payment | |
|----------------------------|---------------------------|------------------|------------------------------|--|
| | 86.1% | 76.4% | 83.7% | |
| (+0.5pt) (-2.9pt) (-1.9pt) | (+0.5pt) | (-2.9pt) | (-1.9pt) | |

^{*} The figures in the brackets is the comparison with fiscal 2021

Customer Complaints by Type

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

| | FY2019 | | FY2020 | | FY2021 | | FY2022 | |
|--|-----------------|-------|-----------------|-------|-----------------|-------|-----------------|-------|
| Type of feedback | No.
received | % | No.
received | % | No.
received | % | No.
received | % |
| Purchase of life insurance policy | 919 | 11.8 | 809 | 13.1 | 802 | 13.4 | 774 | 12.3 |
| Payment of premiums | 639 | 8.2 | 429 | 6.9 | 454 | 7.6 | 355 | 5.6 |
| Procedures after making a contract | 2,685 | 34.4 | 2,200 | 35.6 | 2,015 | 33.8 | 1,815 | 28.9 |
| Payment of insurance claims and benefits | 1,475 | 18.9 | 980 | 15.9 | 1,087 | 18.2 | 1,556 | 24.8 |
| Others | 2,091 | 26.8 | 1,763 | 28.5 | 1,607 | 26.9 | 1,785 | 28.4 |
| Total | 7,809 | 100.0 | 6,181 | 100.0 | 5,965 | 100.0 | 6,285 | 100.0 |

^{*} As percentages are rounded to the second decimal place, totals will not necessarily add to 100. For details on initiatives pursued by Daido Life to make business improvements based on customer feedback, please see Daido Life's

WEB https://www.daido-life.co.jp/company/satisfied/voice.html

3. Improving Customer Satisfaction

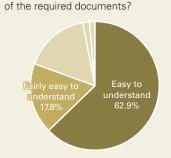
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T&D Financial Life

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.

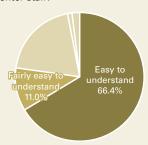
Q. How did you feel about completing the application forms and the explanation



| Easy to understand | 62.9% |
|---------------------------|-------|
| Fairly easy to understand | 17.8% |
| Average | 16.5% |
| Fairly hard to understand | 1.5% |
| Hard to understand | 1.3% |

80.7% of respondents said that they they were "Easy to understand" or Q.

How did you feel about the quality of call handling by our Customer Service Center staff?



| Easy to understand 66.4% |
|---------------------------------|
| Fairly easy to understand 11.0% |
| Average19.8% |
| Fairly hard to understand1.1% |
| Hard to understand1.7% |

Outline of survey

Methodology

: The survey, together with documents for procedures, was sent to customers who purchased insurance policies through financial institution agents and requested insurance conservation procedures.

Survey period : June 2022 to March 2023

No. of Surveys sent: 9,421 Valid responses : 5.8% Response rate

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: %)

| | FY2019 | | FY2020 | | FY2021 | | FY2022 | |
|------------------------------------|-----------------|-------|-----------------|-------|-----------------|-------|-----------------|-------|
| Type of feedback | No.
received | % | No.
received | % | No.
received | % | No.
received | % |
| New contracts | 295 | 24.0 | 209 | 23.6 | 284 | 32.8 | 315 | 36.5 |
| Payment of premiums | 95 | 7.7 | 60 | 6.8 | 69 | 8.0 | 45 | 5.2 |
| Procedures after making a contract | 500 | 40.6 | 371 | 41.9 | 310 | 35.8 | 328 | 38.0 |
| Insurance claims and benefits | 156 | 12.7 | 146 | 16.5 | 118 | 13.6 | 105 | 12.2 |
| Others | 185 | 15.0 | 100 | 11.3 | 86 | 9.9 | 70 | 8.1 |
| Total | 1,231 | 100.0 | 886 | 100.0 | 867 | 100.0 | 863 | 100.0 |

^{* &}quot;Complaints" refers to customers' complaints and dissatisfaction about products and services, and expressions of dissatisfaction. For details on major initiatives pursued by T&D Financial Life in fiscal 2022 to make improvements based on customer feedback, please see T&D Financial Life's website. (Japanese)

WEB https://www.tdf-life.co.jp/company/solvency/2022.html

Priority Theme 2











3-3

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.



| 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, support for personal development, and reskilling/relearning Promotion of employment for persons with disabilities, implementation of training on LGBT (sexual minorities), and establishment of a consultation desk for each kind of harassment 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 |

Increase employee
engagement score
year-on-year until fiscal 2025

Initiative results and plans

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 FY2022

- Revised personnel and compensation systems so that diverse human resources can participate actively
- Enhanced various support systems to enhance the work-life balance, including balancing work with childcare and nursing care
- Encouraged male employees to take childcare leave
- The three life insurance companies were recognized as Certified Health and Productivity Management Organizations "White 500"
- Promoted an internal structure enabling diverse work styles, including the utilization of a home-based work system and a satellite office work system, etc.

Planned for FY2023

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 T&D Insurance Group Sustainability Report 2023

1. Human Capital Management

1 Human Capital Management

3-3 404-2

1-1 Human Resources Development Policy

At the T&D Insurance Group, we believe that our human resources, working side-by-side, are the most important driving force behind our business activities to fulfill the T&D Insurance Group's corporate philosophy. Since its foundation, the Group has promoted the nurturing of a corporate culture where a diverse workforce can feel job satisfaction and reach its potential and has established the Basic Group Policy on Human Resources which aims to clarify the basic policy for human resource management within the Group. 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, support for personal development, and reskilling/relearning. Each Group company encourages autonomous career development by each employee, by actively helping them to acquire qualifications and offering a diverse curriculum, including correspondence education, online courses, and e-learning, according to their educational plans.

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.

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, MBA programs, and application for dispatch to business schools.

Personnel Exchange within the Group

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

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

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

- Number of participants in fiscal 2018: 37 employees
- Number of participants in fiscal 2019: 42 employees
- Not held in fiscal 2020 and 2021 to prevent the spread of COVID-19
- Number of participants in fiscal 2022: 40 employees

Global Human Resources Development

Taiyo Life

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

Daido Life

In order to nurture global talent through diverse experiences, Daido Life offers employees the opportunity to undertake internships at overseas companies and MBA studies overseas.

Provision of Reskilling and Relearning Opportunities

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

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

Management Training

Taiyo Life

For managers and managerial candidates, in-house training is offered throughout the year to impart management knowledge and skills for managerial positions, and some are sent to business schools for further training. In addition, training on 1-on-1 meeting techniques is provided to managers to support the growth of their staff. 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 help employees recognize their own unconscious biases and to assist in their autonomous career development, they are provided with skills training through guided learning, including training on ways to reduce biases related to age and gender.

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

Job Definition Documents (Provision of Job & Skill Maps)

The Company has prepared "job definition documents" that describe the knowledge, experience, and so on, required for every job of the Company, and are documenting the development status of individuals (the acquisition of the necessary skills) in relation to their roles. Based on this information, employees can clarify the position and career plan they are aiming for, and take specific actions such as skill development and self-improvement.



Daido Life was recognized in the "2017 Good Career Company Awards as the winner of the Grand Prize (MHLW Minister's Award)" for its initiatives supporting employees' self-determined career formation and visualization of individual careers using Challenge Navi, our intranet portal for all things related to human resources development.

Building a New Training System

To help each employee realize his or her career goals based on his or her own experiences and values, the Company is working to create a personalized learning environment that supports diverse and autonomous learning, including the expansion of training programs, both selective and open to all, that allow students to independently acquire knowledge and gain experience. Moreover, the company and its managers offer assistance to each employee taking up the challenge of achieving an autonomous career path.

1-3 Systematic Personnel Rotation

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

1-4 Promoting the Active Participation of the Elderly

3-3

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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 holds life planning seminars for employees before they reach the mandatory retirement age, to give them an opportunity to think about the way they want to work and live in the future.

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.

Daido Life

From April 1, 2022, the mandatory retirement age was extended to 65 years old and a reemployment system enabling employees to work up to 70 years old was newly established. In order to meet the needs of diverse work styles, employees 61 years old or older are provided the option of working on alternate days in addition to the option of full-time work. 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 years old or older that encourages assignment to positions at offices in the location they hope for, such as their homes.

Diversity Promotion Initiatives

3-3

2-1 Employment of Persons with Disabilities

As of the end of March 2023, a total of 493 employees with disabilities, including 30 new recruits for fiscal 2022, worked at the three life insurance companies, which account for 2.48% 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.

Sustainability Management Urganizational Profile Priority Theme 1 2 3 4 Social Activities Governance and Internal Control Management Control Manag

2. Diversity Promotion Initiatives

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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

★ indicates limited verification has been carried out by a third party. (P.77 "3-5 Independent Assurance Report")

| | FY2020 | FY2021 | FY2022★ |
|---|--------|--------|---------|
| Employment rate of people with disabilities | 2.60% | 2.54% | 2.48% |

- * The organizations covered by the calculation of the employment rate of people with disabilities are Taiyo Life, Daido Life, and T&D Financial Life.
- * The employment rate of people with disabilities is calculated based on the Act to Facilitate the Employment of Persons with Disabilities, etc.

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 16 members (as of March 2023).

* 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

412-2

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

Taivo 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 2022, 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 theme of cultivation of harassment-free workplace and administrative personnel also received harassment training (via e-learning).

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 2022, manager training, video viewing training, and workplace training sessions were held on the theme of 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. Furthermore, training utilizing a suitability test which can assess the degree of risk that a manager will engage in power harassment was held for persons in management positions in the head office and branches. A human rights awareness survey was also administered with the aim of confirming and raising awareness of human rights.

In addition, the company participated in lectures on human rights awareness outside the company and engaged in awareness activities on various human rights issues, and similar activities, and 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 2022, 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.

T&D Insurance Group Sustainability Report 2023 S

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 work-force can feel job satisfaction and reach their potential. 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.



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.

• Establishment of Diversity Promotion Division

In April 2023, the Company established a new Diversity Promotion Division in the Personnel Department and strengthened our system to support women's career development in various ways.

• Education for Female Managers

Group training is conducted on a continuous basis, not just when employees are promoted to

management positions, providing opportunities for female managers to proactively draw their career paths and acquire the necessary knowledge and skills.

• Nurturing Female Candidates for Management Positions

To encourage women to think about pursuing management positions at an early stage, it conducts selective group training to deepen self-understanding, promote clarity of career vision, and create opportunities for female management candidates to interact with each other.

• Preparing an Environment to Enable Flexible Work Styles

To support balancing work with nursing care and injury or illness, in addition to the traditional system of taking time off to focus on nursing care and treatment, 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 treatment, and added cancer treatment to the scope of hospital leave. Moreover, in January 2021 the company made it possible for workers to take time off in units of 10 minutes to look after their child if they have fallen ill or for nursing care and from April 2022 use of hospital leave in units of 10 minutes also became possible.

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. It is also working to expand career options by introducing a "Dokodemo Honsya" remote work initiative that allows employees to work on the head office tasks even if they live in a rural area. 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.

T&D Insurance Group Sustainability Report 2023

2. Diversity Promotion Initiatives 3. Worker-friendly Work Environment

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.

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.

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 | |
| Possible to designate as registered family in the Family Registration Program | November 2015 |
| 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

3-1 Work-Life Balance Initiatives

| 401-1 | 401-2 | 401-3 | 403-1 |
|-------|-------|-------|-------|
| 403-2 | 403-3 | 403-4 | 403-5 |
| 403-6 | 403-7 | 405-1 | |

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The T&D Insurance Group companies are strengthening various initiatives, including enhancement of childcare leave and other systems, reduction of total working hours, and introduction of the home-based work system and satellite office work system to enable diverse work styles. Accordingly, employees can make full use of their skills and increase their performance at work, while fulfilling their responsibilities at home, such as housework, childcare, and nursing care. 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. Moreover, in January 2021 the company made it possible for workers to take time off in units of 10 minutes to look after their child if they have fallen ill or for nursing care and from April 2022 use of hospital leave in units of 10 minutes also became possible.

Daido Life

Efforts are being made to reduce working hours, such as the implementation of automatic computer

T&D Insurance Group Sustainability Report 2023

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

The company is promoting initiatives to reduce working hours by implementing a "No Overtime Day" and a "Leave Work Early Day," automatically shutting down computers used for work, and other measures, initiatives encouraging employees to take paid leave such as making it mandatory to take planned annual leave of five consecutive business days + three business days, and homebased work (telework) systems to realize more flexible work styles. In addition, it is advancing initiatives for the realization of work-life balance, such as the introduction of the system for short working hours which employees can utilize during the raising of children, nursing care, and convalescence from illness, recommending that employees take children's birthday leave (until the child starts elementary school), and the introduction of a childcare leave system enhanced above the statutory requirements.

Acquisition of Maternity and Childcare Leave

| | FY2020 | FY2021 | FY2022 |
|--|--------|--------|--------|
| Number of employees taking maternity leave | 372 | 415 | 458 |
| Number of employees eligible to take childcare leave | 456 | 497 | 538 |
| Men | 84 | 82 | 80 |
| Women | 372 | 415 | 458 |
| Number of employees taking childcare leave | 415 | 463 | 485 |
| Men | 84 | 82 | 80 |
| Women | 331 | 381 | 405 |

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

Fiscal 2020 172 (96.6%) (Men 84 (100%), Women 88 (93.6%))

Fiscal 2021 146 (95.4%) (Men 74 (100%), Women 72 (91.1%))

Fiscal 2022 162 (100%) (Men 78 (100%), Women 84 (100%))

3. Worker-friendly Work Environment

Acquisition of Nursing-Care Leave

| | FY2020 | FY2021 | FY2022 |
|---|--------|--------|--------|
| Number of employees taking nursing care leave | 3 | 3 | 1 |
| Men | 1 | 0 | 0 |
| Women | 2 | 3 | 1 |

^{*} Number of administrative personnel of the three life insurance companies taking nursing care leave.

Average Number of Paid Leave Days Taken by Administrative Personnel

| | FY2020 | FY2021 | FY2022 |
|---|--------|--------|--------|
| Average number of paid leave days taken | 16.1 | 16.5 | 16.7 |

^{*} Average number of paid leave days taken by administrative personnel of the three life insurance companies.

Number of Employees Hired/Number of Employee Turnover

| | | | | Numb | er hired | | | | ١ | lumbe | r Turnove | r | |
|------------------------------|----------|-------------------------|--|-------------------------|--|-------------------------|--|-------------------------|--|-------------------------|--|-------------------------|--|
| Numb | per of | FY | 2020 | FY: | 2021 | FY2 | 2022* | FY | 2020 | FY: | 2021 | FY2 | 2022* |
| adminis
perso
hired/tu | nnel | Number
of
persons | Percentage
compared to
number of
employees
at fiscal
year end |
| | Total | 283 | 4.94% | 270 | 4.71% | 291 | 5.02% | 258 | 4.50% | 273 | 4.77% | 261 | 4.50% |
| Total
(men and | Under 30 | 258 | 4.50% | 234 | 4.08% | 241 | 4.15% | 70 | 7.22% | 77 | 7.58% | 78 | 7.28% |
| women) | 30-50 | 20 | 0.35% | 34 | 0.59% | 47 | 0.81% | 66 | 2.18% | 65 | 2.22% | 101 | 3.55% |
| | Over 50 | 5 | 0.09% | 2 | 0.04% | 3 | 0.05% | 122 | 7.02% | 131 | 7.36% | 82 | 4.35% |
| | Total | 113 | 1.97% | 104 | 1.82% | 133 | 2.29% | 140 | 4.51% | 138 | 4.50% | 120 | 3.90% |
| Men | Under 30 | 99 | 1.73% | 94 | 1.64% | 114 | 1.97% | 24 | 5.80% | 38 | 9.09% | 27 | 6.17% |
| ivien | 30-50 | 10 | 0.18% | 10 | 0.18% | 19 | 0.33% | 34 | 2.01% | 30 | 1.84% | 56 | 3.56% |
| | Over 50 | 4 | 0.07% | 0 | _ | 0 | _ | 82 | 8.25% | 70 | 6.90% | 37 | 3.47% |
| | Total | 170 | 2.97% | 166 | 2.90% | 158 | 2.72% | 118 | 4.49% | 135 | 5.07% | 141 | 5.18% |
| Women | Under 30 | 159 | 2.77% | 140 | 2.44% | 127 | 2.19% | 46 | 8.27% | 39 | 6.52% | 51 | 8.05% |
| vvoillen | 30-50 | 10 | 0.18% | 24 | 0.42% | 28 | 0.48% | 32 | 2.40% | 35 | 2.69% | 45 | 3.54% |
| | Over 50 | 1 | 0.02% | 2 | 0.04% | 3 | 0.05% | 40 | 5.38% | 61 | 7.96% | 45 | 5.50% |

^{*}The number of administrative personnel hired and leaving employment at the three life insurance companies in fiscal 2022. All percentages are based on the number of employees at the end of fiscal 2022.

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

^{*} 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

T&D Insurance Group Sustainability Report 2023

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 | Welfare | Paid leave | Salary |
|-------------------------------|--------------------------------|---------------------|-------------|-------------|-----------------------|--------|
| En | Employment type/ contract | | insurance | system | | |
| Full-time,
indefinite-term | Administrative personnel | 0 | 0 | \circ | Fixed | |
| | In-house sales representatives | 0 | \triangle | \circ | Fixed + proportionate | |
| | | Contract employees | 0 | \triangle | 0 | Fixed |
| | Full-time,
fixed-term | Fixed-term contract | 0 | Δ | 0 | Fixed |
| | Part-time,
fixed-term | Part-time | 0 | \triangle | 0 | Fixed |

^{*} Exceptions are marked with a \triangle .

Employee Composition by Age Group

| Normalisasia | | Number of employees | | | | |
|--------------------------|----------------|---------------------|----------------|--------|--|--|
| | March 31, 2021 | March 31, 2022 | March 31, 2023 | | | |
| | Total | 17,945 | 17,963 | 18,396 | | |
| Total
(men and women) | Under 30 | 2,880 | 2,967 | 3,146 | | |
| | 30-50 | 8,000 | 7,854 | 8,012 | | |
| | Over 50 | 7,065 | 7,142 | 7,238 | | |
| Men | Total | 3,379 | 3,356 | 3,352 | | |
| | Under 30 | 438 | 438 | 454 | | |
| | 30-50 | 1,779 | 1,723 | 1,660 | | |
| | Over 50 | 1,162 | 1,195 | 1,238 | | |
| | Total | 14,566 | 14,607 | 15,044 | | |
| Women | Under 30 | 2,442 | 2,529 | 2,692 | | |
| | 30-50 | 6,221 | 6,131 | 6,352 | | |
| | Over 50 | 5,903 | 5,947 | 6,000 | | |

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

Officer Composition by Age Group (as of July, 2023)

| | | Under 30 | 30-49 | 50 or over | Total |
|-------|------------------|----------|-------|------------|-------|
| Men | | 0 | 3 | 66 | 69 |
| | Outside officers | 0 | 1 | 13 | 14 |
| Women | | 0 | 1 | 5 | 6 |
| | Outside officers | 0 | 1 | 2 | 3 |

^{*} 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

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3-2 Initiatives Reflecting Employee Feedback

2-29

Each T&D insurance group company conducts an employee engagement score survey every year to assess how motivated and engaged employees feel at work and how proud and aware they feel about being part of the company, and how voluntarily they are performing their duties. In addition, the Group Long-Term Vision uses the engagement score as a non-financial KPI to measure the effectiveness of various measures.

Employee Engagement Score

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 particular, in today's world that is said to be in the era of VUCA, which stands for volatility, uncertainty, complexity, and ambiguity, the autonomous actions of employees are even more necessary, and taking into account the present situation that the independent actions of employees based on the creation of job satisfaction has become even more important than before, we implemented a survey of the employees of the directly owned subsidiaries, including the three life insurance companies, which focused on employee engagement, one of the non-financial KPIs.

Employee Questionnaire on Sustainability and CSR

2-29

T&D Insurance Group 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 | 5% |
|---|----|
| (2) Provide workplace environments that enable | |
| all people to participate actively21.5 | 9% |
| (3) Social activities | 3% |
| (4) Help mitigate and adapt to climate change | 3% |
| (5) Dialogue between expert and executive vice president 12.9 | 9% |
| (6) Message from the President | 7% |
| (7) Employee dialogue10.9 | 9% |



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: initiatives for employees (initiatives aimed at improving HR systems and workplace environments and the like); overall Group management (business outline and future vision of each Group company and the like.); and initiatives for the global environment (forest conservation, environmentally friendly product purchasing, and the like). 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 will make efforts to clearly demonstrate the Group's approach and policies on implementing initiatives and edit the report to make it easier to read so that readers could become more familiar with sustainability and CSR.

4. Health Promotion for Employees

| 3-3 | 403-1 | 403-2 |
|-------|-------|-------|
| 403-3 | 403-4 | 403-5 |
| 403-6 | 403-7 | |

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4-1 Health and Productivity Management Initiatives (1)

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

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 the Japanese government's new health guidance) through the Kaminoyama Onsen Kurort (health resorts) Program. The company's health and productivity management initiatives have also included an increase in the subsidy for cancer screening since 2017, and *MCI screening* is performed 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.

4. Health Promotion for Employees

Daido Life

Daido Life's "DAIDO COCO-KARA" is a variety of actively promoted 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. 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, early regular preventive health check-ups for all employees, establishment of consultation desks to discuss second opinions and cancer, the arrangement of wearable devices (some of which are subsidized by the company), the holding of walking campaigns, talks on health topics, the prohibition of smoking during working hours, and the introduction of measures to help employees guit smoking (the online guit-smoking program). In addition, since fiscal 2020, Daido Life has been monitoring and disclosing "presenteeism" (University of Tokyo version of the one-item scale) as an indicator to confirm whether its health and productivity management initiatives are leading to improved productivity.

T&D Financial Life

As part of its pledge to proactively promote the creation of workplace environments where employees can participate actively and enthusiastically 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," automatically shutting down computers used for work, and other measures, promoting home-based work (telework), fully implementing regular health check-ups, conducting stress checks aimed at preventing mental health issues, acquiring Mental Health Management certification for its management staff, establishing the T&D Medical Hotline, which employees can call to consult about mental and physical health problems, abolishing in-house smoking areas, prohibiting smoking during working hours, and subsidizing the costs of engaging in sports through in-house club activities and the like. It is also engaged in specified medical check-ups and the provision of health guidance based on Data Health Plans in collaboration with the Health Insurance Association.

Taiyo Life, Daido Life, and T&D Financial 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, which encourages health promotion among employees (Taiyo Life and Daido Life have been listed for seven years straight).

Certified Health and Productivity Management Organization - White 500

The three initiatives of "Taivo's GENKI Project" at Taivo Life. "DAIDO COCO-KARA" at Daido Life, and "T&D Financial Life Health Declaration" at T&D Financial Life are being carried out to improve the health of employees through various measures,



and they aim to realize workplaces where all employees can be both physically and mentally healthy and work in a spirited manner. The three life insurance companies were recognized 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.

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.

Group Employee Dialogue

At T&D Insurance Group, we are committed to promoting the mobility of talent within the Group. For this dialogue, we spoke to key individuals active across our various Group companies, irrespective of the companies at which they originally worked. The discussion centered around the differences in each company's culture and what needs to be done to further advance our integrated Group management.

- Could you please tell us about your work responsibilities?

Ishikawa I work on contract maintenance at Pet & Family Insurance. Our pet insurance policies are renewed annually, and my primary responsibilities involve tasks related to continuing these contracts and administrative duties such as address changes. Additionally, we are pushing our DX strategy forward through effective utilization of LINE accounts. In this context, I also handle the planning of LINE content, improvements to the functionality of our user portal, service expansion, and the shift toward paperless operations via systematization, etc..

Koike I am currently on a temporary transfer to All Right from T&D Financial Life. All Right opened in October 2022, with the objective of creating a new customer base using digital tools. Initially, we aim to collaborate with companies in the health and healthcare sectors to provide services. In line with this, I am responsible for identifying suitable partner companies and working on plans and proposals targeted toward them.

Hiratsuka I am part of the Investment Management Department at T&D Asset Management, where we manage assets delegated by Taiyo Life and Daido Life. My role is to create synergies across the Group from an asset management standpoint. My duties mainly involve selecting and monitoring outsourced investment managers, as well as consideration of investment instructions and allocation of investment funds based on the external environment and performance.

Fujita I am stationed in the Business Development Department of both T&D United Capital and T&D Holdings. My primary responsibilities include advancing our closed book business centered around Fortitude, a reinsurance holding company, as well as considering new partnerships and M&A opportunities.

A Diverse Workforce Engages in Challenges and Discoveries to Achieve Sustained Growth



T&D Holdings, IR Division Deputy Manager (Original company: Taiyo Life) Joined: 2015



Akira Koike

All Right, Corporate Department and Sales & Marketing Department Deputy Manager (Original company: T&D Financial Life) Joined: 2017 (Mid-career entry)



Yuko Ishikawa

Pet & Family Insurance, Contract Maintenance Department Manager (Proper Employee) Joined: 2011



Yuki Hiratsuka

T&D Asset Management, Investment Management Department Manager (Original company: Taiyo Life) Joined: 2015



Keiichi Fuiita

T&D United Capital Business Development Department T&D Holdings, Business Development Department Manager (Originally from: Daido Life) Joined: 2003



Group Employee Dialogue



The closed book business, a new initiative launched in 2020, involves acquiring and consolidating blocks of in-force policies that various insurance companies have discontinued (closed book), with the aim of enhancing their value to generate revenue. In the European and U.S. insurance markets, there is a rising demand to segregate old insurance contracts to improve operational efficiencies, making this an area of focus. Regarding new partnerships and M&As, I am actively making use of our external network to identify investment opportunities based on the Group's future growth scenario and business portfolio management, while also strategizing about which companies to engage with and taking steps to execute these investments.

- Could you discuss the connection between the gratification you get from your work and the improvement of corporate value?

Hiratsuka In my experience with integrated Group management at T&D Asset Management, I've not only enhanced my management skills, but also expanded the scope of my responsibilities. This has enabled me to feel my own personal growth and made my job more rewarding. I believe I'm contributing to enhancing the corporate value of the Group from an operational

perspective through advancements in asset management and improved returns on investment.

Fujita The closed book business is positioned as a new growth business for the Group. We're seeing expanding business opportunities not just in the U.S. and European markets, but in Japan as well. The satisfaction of tackling new challenges is evident, and this sector now accounts for 20% of the Group's adjusted profit in recent years. This fact makes me realize that it's becoming an increasingly important part of elevating our corporate value. Given the high level of investor attention. I also believe there's a need for greater clarity in how we communicate this aspect.

Koike In my previous role as a banker, my job was mainly to sell pre-determined products based on well-established manuals and rules. By contrast, my current job at All Right involves a new business venture. We are using digital tools to create new customer points of contact, all conceived of from scratch, which makes for a daily process of trial and error. Although challenging, the satisfaction of seeing our ideas materialize is extremely rewarding. Incidentally, the name "All Right" was chosen through discussions among the four of us from the start. As the traditional insurance market contracts due to a declining population, there's a growing need to take on challenges in new areas. I believe that embracing new approaches and tools to discover potential in unexplored areas, and not letting ourselves be constrained by conventional ideas and methods, will enhance corporate value.

Ishikawa At Pet & Family Insurance, we are advancing DX by making features like user profile pages easily accessible via the LINE app. We are adapting existing mechanisms and workflows to align with customer needs, striving to improve customer convenience and communication.

Additionally, we are pushing for paperless operations and other efforts as part of our business innovation initiatives. Seeing the number of LINE users increase and witnessing the

tangible effects of going paperless makes my job more and more satisfying.

- What are your thoughts after transferring to a different company within the Group?

Ishikawa I believe that embracing change and acting quickly is crucial when starting new initiatives. Our company has employees who were transferred from other companies within the Group and individuals with a variety of professional experiences. This allows for the exchange of views from multiple perspectives, which I find very enlightening. Moreover, in terms of utilizing digital technology, I share similarities with Mr. Koike of All Right, and I felt we could exchange ideas on how to anticipate the trends of the times and customer needs.

Koike As Ms. Ishikawa pointed out, we both face similar challenges when it comes to utilizing digital tools. At All Right, we employ outside specialized human resources with abundant skills and experience in areas such as social media management and data analytics. We conduct our operations while availing ourselves of their expertise as needed.

Hiratsuka Being in charge of new responsibilities, I feel I am



Group Employee Dialogue



learning first and foremost. I feel that my horizons have been expanding as I get involved in intricate analyses and decisionmaking related to investments and asset allocations in the management of alternative investments, which are considered to have a low correlation with traditional assets like stocks and bonds.

Another revelation from my experience in moving within the Group is that even though we are part of the same Group, the corporate culture can differ considerably from one company to another in terms of mindset and work methodologies.

Fujita I was transferred from Daido Life. T&D United Capital and the Business Development Department at T&D Holdings consist of individuals from a diverse range of backgrounds, including mid-career hires. Everyone brings different perspectives and approaches to the table. In fact, this experience often makes me rediscover aspects about the company I originated from. Additionally, the closed book business receives a high degree of attention from various stakeholders, including shareholders and investors, which I find to be a stimulating environment that allows me to elevate my work perspective.

— What differences have you felt among the Group companies?

Hiratsuka Though this might be a generalization, Taiyo Life seems to emphasize a top-down approach that leverages the strength of the organization, while Daido Life seems to focus more on a bottom-up culture that values individual capabilities. Fujita For instance, even with documents that share the same purpose, I've noticed stark differences in focus and layout between Taiyo Life and Daido Life. I've been reminded of the fact that it's not a matter of which is correct, but about learning from each other, which makes the integration of the Group even more meaningful. To deepen mutual understanding at the organizational level, I believe it's necessary not only for individuals to bring back ideas, but also for there to be more opportunities for departments with similar functions to collaborate on common challenges.

Hiratsuka I agree. Even if we articulate these differences post-transfer, they may not resonate with those who haven't experienced it themselves. As Mr. Fuilta mentioned. I believe it's crucial to figure out how departments can work together and deepen collaboration across the Group and beyond.

Fujita I think the environment at Holdings is extremely conducive to that effort. As we all work toward achieving the mission of the T&D Insurance Group, everyone has come to understand the importance of integrated Group management on a personal level.

Ishikawa At Pet & Family Insurance, we have been learning various methods and know-how from those who transferred from Taiyo Life and Daido Life, which has been instrumental in streamlining our operations. However, after hearing everyone's thoughts, I believe that new insights could be gained if we were to look at our company from an external viewpoint or gain outside experience. So I'd welcome opportunities for our staff to be transferred to other companies within the Group.

Koike At All Right, I'm the only one who has come from T&D

Financial Life, and I work alongside transfers from Taiyo Life and Daido Life. I believe a large part of the cultural differences stems from the distinct business models of each Group company. All Right is a new venture. We aim to create new value by leveraging the unique knowledge and experience of each Group company.

Ishikawa To be frank, before becoming a manager, I was solely focused on the task at hand and didn't give much thought to the other companies within the Group. However, after becoming a manager and having the opportunity to interact with individuals from other Group companies during training sessions and be exposed to a variety of opinions, I not only found it incredibly educational, but also felt that these insights could be beneficial for our own initiatives.

I wish I had been more conscious of the importance of integrated Group management even before stepping into a managerial role.

Fujita Last year, I participated in the IR activities within the Group for the first time. Hearing first-hand from the management about the current conditions and challenges facing the Group, and receiving candid answers to my questions, served as an excellent opportunity for me to reevaluate my own work



Group Employee Dialogue

in the context of integrated Group management. During these activities, I also sensed differing viewpoints among participants from various Group companies. I believe that if Group companies were to come together for discussions, it would enhance mutual understanding and potentially give rise to new opportunities.

Hiratsuka The first step in integrated Group management is to get to know your colleagues across the Group. However, I rarely interact with people from other Group companies and am largely uninformed about the kind of work they do. A quick fix I've considered is making effective use of our Group newsletters. While they currently feature key topics from each Group company, why not have more articles that focus on the challenges faced by various departments or head office departments, similar to what each company's in-house magazine does? This could inform the entire Group about each company's efforts to improve corporate value.

Koike During my assignment at All Right, I've had the opportunity to work with people from various Group companies, which has made me aware of the diverse cultures and work styles that exist. I believe it is essential to learn about the kind of people who work in other Group companies and what they are working on through newsletters or other methods.

- What do you think are the strengths of the T&D Insurance Group?

Hiratsuka Our Group's insurance companies target both households and businesses, which I believe places us in a unique position to be highly responsive to societal changes. Because we are not a massive Group, I feel there's this strong sense of urgency that we must adapt to market changes to survive.

Fujita Among life insurance companies in Japan, our Group was one of the first to engage in the closed book business. I see this as a major strength that we should continue to capitalize on.

Koike I think one of the Group's strengths is that each Group company operates under a different business model. In this context, All Right is venturing into new business areas.

Ishikawa I feel that our Group is one where everyone's opinions are heard and fed back into management, regardless of their position in the company. This creates a culture where change is driven by fresh ideas from everyone, and I think that should be leveraged as one of our strengths.

- Finally, could you share your future aspirations?

Ishikawa By aligning my actions with the vision and philosophy being pursued through integrated Group management, I aspire for both the company and myself to achieve significant growth. Koike I acknowledge that it's All Right's responsibility within the Group to explore new markets. I want us to provide a wide

range of services through the use of digital tools and give each customer one-on-one attention.

Hiratsuka In addition to contributing to the improvement of the Group's medium- to long-term investment revenue, I want to be actively involved in the government's initiatives for advanced asset management, as well as in strengthening and expanding our investment advisory business.

Fujita The closed book business is a new area in which global expansion is highly anticipated. In addition to speeding up our initiatives as a part of the Group's overall growth strategy. I want to focus on developing our organizational structure and nurturing the necessary human capital. I also aim to identify partners who can collaborate with our Group to create new growth opportunities and thereby contribute to increasing the Group's corporate value.



V Priority Theme 3









Help Mitigate and Adapt to Climate Change

3-3

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 largescale 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.

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 CO2 emissions, electricity usage, and office paper consumption | |
| Improve energy efficiency | | Various initiatives to save electricity, utilization of power demand monitoring systems, energy-saving through implementing "no overtime days" | |
| Enhance efficiency of resource use | | Promotion of "green purchasing" that contributes to protecting the environment, promotion of reduction and recycling of waste | |

Reduce our CO₂ emissions by 40% by fiscal 2025

Reduce our CO₂ emissions to net zero by fiscal 2050

Initiative results and plans

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 FY2022

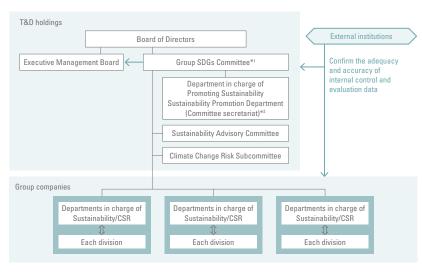
- Participated in the RE100 international initiative, which aims for 100% of electricity used to be derived from renewable energy
- Switched to renewable energy sources for 100% of the electricity used at the T&D Holdings, Taiyo Life, and Daido Life head office buildings
- Conducted a quantitative scenario analysis of "physical risks" to enhance our compliance with the Task Force on Climate-related Financial Disclosure, etc.

Planned for FY2023

- Further reduce CO₂ emissions by promoting the introduction of renewable energy
- Continue promoting the further enhancement of compliance with the Task Force on Climate-related Financial Disclosure, etc.

Promotion Framework

Promotion Framework (Environmental Management)



- *1 The chairman of the Group SDGs Committee is the Representative Director and President. The vice chairman is the executive officer in charge of the Sustainability Promotion Department.
- *2 The committee secretariat = Group SDGs Committee secretariat.

Disclosure of Climate-related Financial Information Based on the TCFD Recommendations 3-3 201-2

The Task Force on Climate-related Financial Disclosures (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

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 regarding the global environment and social issues such as SDGs, and the targets and initiatives for climate change action. It is supervised by the Board of Directors, monitoring of the status of the initiatives is implemented every six months, and a report is made to the Board of Directors.
- To promote the initiatives of the Group SDGs Committee, we have established the Climate Change Risk Subcommittee, SDGs Promotion Working Group, ESG Investment Subcommittee, and Sustainability Advisory Committee as subsidiary bodies to the Group SDGs Committee.
- The Climate Change Risk Subcommittee and SDGs Promotion Working Group research and consider the situation of climate change risks and various sustainability issues as well as the necessary response, report to and deliberate with the Group SDGs Committee, and support the Group SDGs Committee in terms of its formulation of policies and consideration of initiatives related to sustainability issues. The ESG Investment Subcommittee enhances the sharing of information within the Group related to ESG investments aimed at simultaneously improving profitability and resolving social issues, thereby supporting the steady implementation of ESG investments by the Group as a whole as well as its sustainable growth. In addition, the Sustainability Advisory Committee takes advantage of participation by outside experts to incorporate the perspectives of such experts as well as information on the latest trends in order to enhance the Group's sustainability-related efforts.

Role of Management

- The Company has established the Executive Management Board as a body for deliberating on and passing resolutions related to matters that are important in terms of the management of both the Company and the Group, and, in parallel, the Group Strategy Board has been established to deliberate on matters related to the Group Growth Strategy and other relevant and important matters from the perspective of the Group as a whole in order to achieve sustainable improvement in the Group's corporate value.
- The Sustainability Promotion Department has been established to specialize in promoting the sustainability of the Group as a whole, including our response to climate change, and this department formulates our basic policies related to various sustainability issues, promotes specific related measures, and monitors the progress. The Sustainability Promotion Department also serves as the secretariat of the Group SDGs Committee, and the Executive Management Board and the Board of Directors receive detailed reports on all basic policies and measures related to the global environment and social issues that are deliberated on by the Group SDGs Committee.

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Governance and Internal Control Management Control Third-party Opinion Index

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

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Strategies

- The following scenario analysis was carried out in order to assess the impact of climate change risks (physical risks*1 and transition risks*2) on the Group.
- *1 Business risks associated with natural disasters caused by extreme weather such as typhoons and floods, and those associated with phenomena such as an increase in the average temperature and a rise in the sea level
- *2 Business risks arising from the actions of government, corporations, and consumers in the process of carrying out the transition to a low carbon/decarbonized society (through a significant reduction of greenhouse gas emissions)

Scenario analysis: What the World Looks Like Under Each Scenario

The world under the 1.5°C scenario The world under the 4°C scenario Premise Premise Strict measures are taken against global warming. By the end of the century, the average annual temperature No measures are taken against global warming beyond the current status guo. By the end of the century, the will increase by between 1.0°C and 1.8°C. average annual temperature will increase by between 3.3°C and 5.7°C. Overview Overview • Due to the rise in average temperatures, natural disasters become more frequent and intense. (However, the • Due to the large rise in average temperatures, the impact of frequent and intense natural disasters becomes impact is kept below a certain level.) • Strict measures to combat global warming increase business costs for each company. Sea level rise, storm surge, flooding, and heavy rainfall have a significant impact on coastal areas. (A review of • Technology innovation progresses (and new players emerge) in support of low or net-zero carbon emissions. lifestyle and BCP is also necessary. The companies face increased business costs.) • Reallocation of investment away from companies that are unable to support low or net-zero carbon emissions. Reallocation of investment away from companies that are vulnerable to natural disasters. Reference scenario Reference scenario • Physical risk scenarios based on RCP8.5 Physical risk scenarios based on RCP2.6 Transition risk scenarios based on the Disorderly and Orderly categories of NGFS Transition risk scenarios based on the Hot House World category of NGFS

Physical effects caused by a rise in average temperature (1.5°C scenario)

[Acute]

- Natural disasters such as typhoons and floods become more frequent and intense.
- The number of injuries and fatalities due to natural disasters increases due to an increase in extreme weather events such as typhoons and floods.

[Chronic]

- Rainfall and weather patterns change, and average temperatures and sea levels rise.
- Increasing average temperatures lead to an increase in the number of heat stress deaths and heat stroke patients.
- 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.

T&D Insurance Group Sustainability Report 2023

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

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Scenario analysis: Impact on the Group and the Response Measures

| | | 1.5°C scenario | 4°C scenario |
|------------------|--|--|---|
| Physical risks | The number of heat stress deaths and heat stroke patients increases. 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. A business continuity plan has been established at another site in case a major disaster causes a disruption to the functions of critical sites. In the medium-term time horizon, up to the middle of | | 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. |
| sks | BCP response | other site in case a major disaster causes a disruption | 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 | this century, some industries of the investees of the
Group will be significantly affected due to tighter regu- | 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 the business activities of each investee and borrower. 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 risk scenarios: RCP2.6 and RCP8.5, Transition risk scenarios: NGFS and Bank of England

Scenario analysis: Business Opportunities for the Group

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

More sophisticated climate change risk analysis: Quantitative analysis of effects on the Group

We collaborated with KPMG Consulting Co., Ltd. and the Japan Weather Association (called the *JWA* below) to conduct a quantitative analysis of effects on the Group in order to increase the sophistication of our climate change risk analysis.

Analysis method

- The JWA developed a *high-resolution climate scenario dataset* by setting up a 1-km mesh for climate-change prediction data in order to analyze physical risks.
- Next, two models were developed for the Group—one for estimating the number of victims of flooding and another for estimating the number of people hospitalized/fatalities due to heat exhaustion—assuming that Japan's future average temperature increases by either 2°C (the RCP2.6 scenario) or 4°C (the RCP8.5 scenario) due to climate change. Five climate prediction models were utilized for our estimates.
- We divided the future period up through 2100 into two periods, the *near future period* from 2026 to 2050 and the *distant future period* from 2051 to 2100, and then conducted a physical risk analysis.

Analysis results

Disaster victims

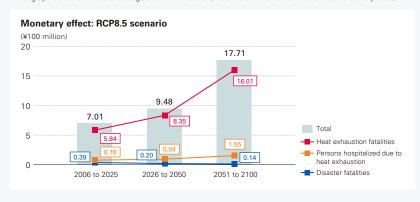
- There is variation between regions in terms of future increases in rainfall (with rainfall decreasing in some regions).
- In addition, although there will be an increased rate of powerful typhoons, the number of typhoons is expected to decrease.
- ⇒ In both scenarios, although there is a possibility of a sudden spike in the number of disaster victims in the case of extremely heavy rainfall, the number during the entire period is about the same.

Number of people hospitalized/fatalities due to heat exhaustion

- Regardless of the scenario, there is not that much of a change during the near future period.
- During the distant future period, the number of extremely hot days and tropical nights will increase. In
 particular, in the RCP8.5 scenario, the number of extremely hot days is expected to increase by more
 than a month compared to the present.
- ⇒ In both scenarios, the number of people hospitalized/fatalities due to heat exhaustion is expected to increase during the distant future period.

Effects on the Company

- According to our calculations based on our analysis results, in the case of the RCP8.5 scenario—which
 has a greater effect—compared to the base period (2006 to 2025), both insurance claims and benefits
 will increase in the distant future period by ¥510 million to ¥1.63 billion (equivalent to approximately
 0.1% to 0.3% of the Group's paid out insurance claims and benefits).
- *The graph below shows the average of all five models. (Increase of ¥1.07 billion in the distant future period)



T&D Insurance Group Sustainability Report 2023

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.
- In the process of identifying and assessing risks on a company-wide basis through a risk profile, the climate change-related risks are managed using the perspectives shown below.

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 annually, and disclosed in various reports and websites.

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

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- 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.
- We have set reduction targets for our own emissions (Scope 1 and 2) and for our investees and borrowers (Scope 3: Category 15), aiming to achieve net zero emissions by 2050.

Roadmap to achieving net zero



CO₂ emissions reduction target

| Subject | Targets |
|--|---|
| Own emissions (Scope 1 and 2) | FY2025: 40% reduction (compared to FY2013)
FY2050: Net zero |
| Investees and borrowers (Scope 3: category 15) | FY2030: 40% reduction (compared to FY2020) * Subjects are stocks, corporate bonds, and financing of domestic listed companies. FY2050: Net zero |

Promotion of renewable energy introduction

- We are a member of RE100, a global initiative that aims to use renewable energy sources to cover all electricity consumed in business activities.
- We have set an interim goal of sourcing 60% of our electricity from renewable energy by fiscal 2030, and are actively promoting the use of renewable energy.

T&D Insurance Group Sustainability Report 2023

3. Environmental Impact-reduction Initiatives

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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 ▶ P.75

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

<Electricity consumption> Targets and Results ▶ P.75

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

<Office Paper Consumption> Targets and Results ▶ P.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 ▶ P.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 2022, this initiative was conducted in July and December. Going forward, we will continue our initiative of a simultaneous switch-off of all the lights which can contribute to the prevention of global warming.

Promotion of Paperless Operations

The Group has established an efficient and effective office environment by distributing mobile computers, installing wireless LANs, and providing displays on meeting room tables. In principle, meetings are now paperless, including the meetings of the Board of Directors and the Executive Management Board.

Green Procurement Initiatives

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

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

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3. Environmental Impact-reduction 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 | Amount | | Amount |
| | Number | Amount
(¥ millions) | Number (¥ millions) | | number of orders | (¥ millions) | Number | (¥ millions) |
| | Printing of product brochures, riders | | | | | | | |
| FY2020 | 402 | 328 | 563 | 97 | 51 | 0.0 | 1,016 | 425 |
| FY2021 | 1,007 | 396 | 55 | 34 | 1 | 0.0 | 1,063 | 430 |
| FY2022 | 423 | 297 | 327 | 119 | 98 | 4.2 | 848 | 420 |
| | | System e | quipment a | nd office auto | omation equ | ipment | | |
| FY2020 | 4,372 | 457 | 12,001 | 112 | 26 | 0.4 | 16,399 | 570 |
| FY2021 | 9,846 | 702 | 31,519 | 319 | 20 | 212 | 41,385 | 1,021 |
| FY2022 | 1,393 | 181 | 2,947 | 251 | 40 | 68 | 4,380 | 500 |
| Real estate equipment | | | | | | | | |
| FY2020 | 39 | 1,018 | 0 | 0 | 2,995 | 5,889 | 3,034 | 6,908 |
| FY2021 | 99 | 2,628 | 0 | 0 | 3,281 | 3,706 | 3,380 | 6,335 |
| FY2022 | 131 | 2,575 | 0 | 0 | 4,449 | 13,446 | 4,580 | 16,022 |

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

3-2 Environmental Performance Data

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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 P.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. (P.77 "3-5 Independent Assurance Report")

| Category | FY2020 | FY2021 | FY2022 |
|---|----------|----------|-------------|
| Scope 1 (Direct emissions) | 1,882 t | 1,835 t | 1,697 t ★ |
| Scope 2 (Indirect emissions) | 43,335 t | 42,153 t | 39,864 t ★ |
| Scope 3 (Others) | 34,367 t | 31,085 t | 58,464 t ★ |
| Category 1
(Purchased goods and services) | 184 t | 177 t | 183 t ★ |
| Category 2 (Capital goods) | 16,630 t | 13,246 t | 40,412 t 🖈 |
| Category 3
(Fuel- and energy-related activities) | 8,116 t | 8,202 t | 8,151 t ★ |
| Category 5 (Waste generated in operations) | 33 t | 31 t | 37 t ★ |
| Category 6 (Business travel) | 2,550 t | 2,554 t | 2,602 t ★ |
| Category 7 (Employee commuting) | 6,854 t | 6,875 t | 7,079 t ★ |
| Total | 79,584 t | 75,072 t | 100,025 t ★ |

^{*} Regarding the CO2 emissions in FY2020, due to an adjustment of the figures subject to the calculation, Scope 2 increased by 102 t and Category 3 of Scope 3 increased by 332 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. (P.77 "3-5 Independent Assurance Report")

| | FY2020 | FY2021 | FY2022 |
|--|------------------------|------------------------|---------------|
| Electricity consumption | 96,711 MkWh | 96,000 MkWh | 94,365 MkWh ★ |
| (Of which, the renewable energy purchase amount) | 801 MkWh | 4,948 MkWh | 8,937 MkWh ★ |
| Total floor space (including portion for tenant use) | 954,207 m ² | 941,227 m ² | 949,935 m² |

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. (P.77 "3-5 Independent Assurance Report")

| | FY2020 | FY2021 | FY2022 ★ |
|--|-----------------------|-----------------------|-----------------------|
| Water consumption
(Utility + reclaimed water) | 44,200 m ³ | 42,000 m ³ | 45,200 m ³ |
| Reclaimed water usage rate | 1.2% | 3.2% | 2.7% |

^{*}Water usage from our Group's business operations is limited to water withdrawal and effluent discharge (wastewater, etc.) at offices within Japan. Of the withdrawn water, tap water is withdrawn by using public utilities (with the amount of withdrawn water rigorously measures), while reclaimed water is withdrawn by using recycled water and rainwater. Effluent is discharged into publicly managed drainage channels in accordance with effluent standards.

Data coverage: Fraction of Group employees included in the target employee set 44.91%

^{*} Since the Group's water usage is limited to water withdrawal and effluent discharge at offices within Japan, no water is withdrawn from

Waste Generated & Recycling Rate

★ indicates limited verification has been carried out by a third party. (P.77 "3-5 Independent Assurance Report")

| 4) 5 | E) (0.000 | E) (0004 | E) (2222 1 |
|--------------------|-----------|----------|------------|
| 1) Paper waste | FY2020 | FY2021 | FY2022 ★ |
| Total amount | 249 t | 238 t | 279 t |
| Recycling rate | 71.8% | 66.6% | 71.9% |
| 2) Non-paper waste | FY2020 | FY2021 | FY2022 ★ |
| Total amount | 76 t | 67 t | 35 t |
| Recycling rate | 61.1% | 66.7% | 29.1% |

- * 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.
- *The Group's waste does not contain any hazardous waste (the special management industrial waste designated by the Bureau of Environment, Tokyo Metropolitan Government).
- * Starting in FY2022, because the cardboard category was changed from non-paper waste to paper waste, the amount of non-paper waste and recycling rate decreased.

Data coverage: fraction of Group employees included in the target employee set 44.91%

Group-wide Targets and Results

The T&D Insurance Group is working on reducing its environmental impact by setting Group-wide targets for CO₂ emissions, electricity consumption, office paper consumption, and the Green Purchasing Ratio. (The applicable scope and calculation methods of this data are described on P.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

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

Buildings owned or leased and used by Group companies. Owned buildings include tenant Scope:

usage; only the leased area is applied for leased buildings.

★ indicates limited verification has been carried out by a third party. (P.77 "3-5 Independent Assurance Report")

| | Baseline (FY2013) | FY2020 | FY2021 | FY2022 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| CO ₂ emissions (Scope 1 + 2) | 59,908 t | 44,817 t | 43,612 t | 41,199 t ★ |
| Total floor space | 888,529 m ² | 950,959 m ² | 938,081 m ² | 946,852 m ² |
| Per unit of floor space | 0.0674 t/m ² | 0.0471 t/m ² | 0.0465 t/m ² | 0.0435 t/m ² |
| Compared to baseline | _ | 69.9% (-30.1%) | 69.0% (-31.0%) | 64.6% (-35.4%) |

^{*} The CO2 emissions in FY2020 increased by 102 t due to an adjustment of the figures subject to the calculation. Data coverage: Fraction of Group employees included in the target employee set 100%

3. Environmental Impact-reduction Initiatives

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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. (P.77 "3-5 Independent Assurance Report")

| | Baseline (FY2016) | FY2020 | FY2021 | FY2022 |
|-------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Electricity consumption | 97,223 MkWh | 95,813 MkWh | 95,139 MkWh | 93,548 MkWh ★ |
| Total floor space | 875,682 m ² | 950,959 m ² | 938,081 m ² | 946,852 m ² |
| Per unit of floor space | 111.0 kWh/m ² | 100.8 kWh/m ² | 101.4 kWh/m ² | 98.8 kWh/m² |
| Compared to baseline | _ | 90.7% | 91.3% | 89.0% (-11.0%) |

^{*} 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.

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. (P.77 "3-5 Independent Assurance Report")

| FY2019 | FY2020 | FY2021 | FY2022 ★ | Progress made (average from FY2019 to FY2022) |
|----------|----------|---------|----------|---|
| 129.43 t | 100.70 t | 96.70 t | 99.83 t | 106.67 t
(25.0% reduction from baseline) |

^{*} Starting in FY2019, the figures include Pet & Family Insurance

Data coverage: Fraction of Group employees included in the target employee set 89.21%

Green Purchasing Ratio

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

| FY2020 | FY2021 | FY2022 |
|--------|--------|----------------------------------|
| 91.9% | 92.6% | 93.1% (Target exceeded by 13.1%) |

^{*} Applies to purchases through online purchasing systems.

Data coverage: Fraction of Group employees included in the target employee set 89.08%

^{*}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

^{*} Total amount of office paper purchased

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

| | | Disclo | sure item | Scope | |
|--------------------------------|-----------------------|---|---|--|--|
| | | Scope 1 ([| Direct emissions) | T&D Group (since FY2018);
Major Group companies (FY2017 and earlier) | |
| | | Scope 2 (I | ndirect 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 | |
| | CO ₂ emis- | | Category 2
(Capital goods) | T&D Group | |
| Environmental performance | sions | Scope 3 | Category 3
(Fuel- and energy-related activities) | T&D Group | |
| data | | (Others) | Category 5
(Waste generated in operations) | Major Group buildings | |
| | | | Category 6
(Business travel) | T&D Group | |
| | | | Category 7
(Employee commuting) | T&D Group | |
| | Electric | city consumption (Total floor space),
able energy purchase amount
Consumption | | T&D Group (since FY2018); | |
| | renewa | | | Major Group companies (FY2017 and earlier) Major Group buildings | |
| | Water (| | | | |
| | Waste | Waste Generated & Recycling Rate | | Major Group buildings | |
| | CO ₂ Em | Emissions, Electricity Consumption | | T&D Holdings, Core Group companies, and Pet & Family Insurance | |
| Group-wide targets and results | Office p | ffice paper use | | Major Group business sites and Pet & Family Insurance, excluding sales offices and branches of Taiyo Life and Daido Life | |
| | Green F | Purchasing Ratio | | Major Group buildings | |

| Calculation scope | Main Group companies, business sites, and buildings included in the scope of calculation |
|-------------------------------|---|
| T&D Group | 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 | 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 | Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management |
| Major Group
business sites | 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 | Tokyo Nihombashi Tower, Daido Life Osaka Head Office Building, Taiyo Life Nihonbashi Building, Taiyo Life Urawa
Building, Hamamatsucho Building, Mita Bellju Building |

3. Environmental Impact-reduction Initiatives

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

| | | Disclosure item | Calculation method | | |
|--------------------|------------------------------|---|--|--|--|
| Environ | mental perl | formance data | | | |
| | 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 (Ministry of the Environment and th Ministry of Economy, Trade and Industry) regarding the measurement of greenhouse gas emissions generated by the supply chain. | | |
| CO ₂ | | Category 1
(Purchased goods and services) | Calculated by multiplying the office paper use by the predetermined coefficient. | | |
| emis-
sions | 0 0 | Category 2
(Capital goods) | Calculated by multiplying the expenditure for purchased capital goods, excluding land, by the predetermined coefficient. | | |
| | Scope 3
(Others) | Category 3
(Fuel- and energy-related activities) | The figures were calculated by multiplying the measured input of electric power, steam, and hot and cold water by the predetermined coefficient. | | |
| | | Category 5 (Waste generated in operations) | Calculated by multiplying the waste generated by the predetermined coefficient. | | |
| | | Category 6
(Business travel) | Calculated by multiplying the number of Group personnel at the end of the fiscal year by the predetermined coefficient. | | |
| | | Category 7
(Employee commuting) | Calculated by multiplying the number of Group personnel by employment type and urban development level at the end of the fiscal year, by the predetermined coefficien | | |
| | Total | | The total emissions from the sum of Scope 1 (Direct emissions), Scope 2 (Indirect emissions), and Scope 3 (Others). | | |
| Electric | ity consum | otion | The annual amount of office-use electricity purchased from each energy-supplying company is calculated in accordance with the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy. | | |
| Renewa | able energy | purchase amount | The total amount of purchased electricity derived from renewable energy sources provided by electricity utilities in accordance with the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources. | | |
| Water consumption | | n | 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. | | |
| | | Group-wide | Measured based on the Waste Disposal & Public Cleansing Law and other laws concerned with waste disposal and cleaning. | | |
| Waste | generated | Waste generated | Calculated according to the invoices received from waste disposal companies. | | |
| & recyc | cling rate | 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 target | s and results | | | |
| CO ₂ em | | | The figures were calculated by multiplying the measured energy input by the predetermined coefficient in accordance with the Greenhouse Gas Emission Volum Calculation, Reporting, and Disclosing System. (The measured energy input comprises the measured gas, heavy oil, kerosene, | | |
| Electric | ity consum | otion | electric power, steam, and hot and cold water.) Calculated from annual electricity purchased by the office in accordance with the | | |
| Office paper use | | | Act on the Rational Use of Energy. A reportable item according to the environmental reporting guidelines of the Ministry of the Environment, and is calculated from the purchasing system data. | | |

T&D Insurance Group Sustainability Report 2023

3. Environmental Impact-reduction Initiatives

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3-5 Independent Assurance Report

The T&D Insurance Group obtained third-party assurance from Ernst & Young ShinNihon LLC for fiscal 2022 data presented in section "2-1 Employment of Persons with Disabilities" on P.57, section "3-2 Environmental Performance Data" on P.74, and section "3-3 Group-wide Targets and Results" on P.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 19, 2023

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

Kenii Sawami Kenji Usukura Engagement Partner Ernst & Young ShinNihon LLC Tokyo, Japan

We, Ernst & Young ShinNihon LLC., have been commissioned by T&D Holdings, Inc. (hereafter the "Company") and have carried out a limited assurance engagement on the Key Environmental Performance Indicators (hereafter the "Indicators") of the Company and its major subsidiaries for the year ended March 31, 2023 as included in "Environmental Performance Data", "Group-wide Targets and Results" and "Employment of Persons with Disabilities" of the Company's "Sustainability Report 2023" (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

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 Management (ISQM) 1 issued by the International Auditing and Assurance Standards Board.

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 a major consolidated subsidiary;
- Performing analytical procedures concerning the Indicators at the headquarter and a major consolidated subsidiary
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the headquarter and a major consolidated subsidiary

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

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.

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4 Forest Conservation Activities

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4-1 Forest Conservation Activities Taiyo Life

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.

Given the results of activities such as the above, we participated in the Ministry of the Environment's 30 by 30 Alliance for Biodiversity in September 2022.





| 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) November 2007 Approx. 12.7 ha | | |
|----------------------------|---|--|--|--|
| Date of Establishment | March 2006 | | | |
| Area | Approx. 4.8 ha | | | |
| CO ₂ Absorption | 19 t
(Estimate by the Forestry Agency) | 87 t
(Estimate by Takashima City) | | |

5. Environmental Communications and Educational Activitie

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.





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VI Priority Theme 4











Invest to Help Build a Sustainable Society

2-24 3-3

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.

Recognizing that the investment behavior of institutional investors, who manage long-term funds, plays a major role in solving various social issues and realizing a sustainable society, the T&D Insurance Group will secure stable long-term investment income and contribute to the sustainable and stable growth of 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 | Primary Stakeholders | Initiatives |
|--|---|--|
| Promote investments in sustainable development | Investees and borrowers/
local communities | Performing various ESG investments in accordance with the Principles for Responsible Investment (PRI), and engaging in dialogue with and exercising appropriate voting rights with investees and borrowers based on the Principles for Responsible Institutional Investors |

Reduce the CO₂ emissions of investees and borrowers by 40% by fiscal 2030 Reduce the CO₂ emissions of investees and borrowers to net zero by fiscal 2050

Initiative results and plans

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 FY2022

- Based on the T&D Insurance Group ESG Investment Policy, our investment and financing decisions incorporated analyses and assessments related not only to the financial information of potential investees and borrowers, but also to non-financial information such as ESG.
- Invested in and financed projects with themes that contribute to solving various ESG issues, including green bonds and social bonds
- Continued to engage in dialogue with investees and borrowers and engage in green finance (investment in and financing of projects in the environmental field) to achieve net zero CO2 emissions by investees and borrowers

Planned for FY2023

- Continue to make various ESG investments that contribute to the resolution of social issues and the realization of a sustainable
- In addition to responding to climate change, promote investment, financing, and engagement in response to various social issues and themes such as human capital and biodiversity.

T&D Insurance Group Sustainability Report 2023

1. Basic Concept ▶ 2. Our Initiatives as a Responsible Institutional Investor

1 Basic Concept

T&D Insurance Group ESG Investment Policy

2-23

The Corporate Philosophy of the T&D Insurance Group is "With 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." In our asset management, we aim to secure stable earnings over the long term and contribute to the realization of a sustainable society. Believing that, as a responsible institutional investor, it is important to make investments with consideration for the environment, society, and corporate governance, we defined and published the Group's stance towards ESG investment in the "T&D Insurance Group ESG Investment Policy."

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.

2. Our Initiatives as a Responsible Institutional Investor

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

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



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 environmental, social and governance (ESG) 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 ESG issues. Specifically, we are 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. We are also carrying out initiatives regarding asset management that incorporates ESG factors such as company analyses of investment and lending 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?gkeyword=&PageSize=10¶metrics=

* 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 5,000 financial institutions worldwide, and by 124 in Japan (as of August 2023).

T&D Insurance Group Sustainability Report 2023

2. Our Initiatives as a Responsible Institutional Investor

Principles for Responsible Investment (PRI) Initiatives

The efforts of Taiyo Life and Daido Life to promote asset management that takes ESG issues into consideration are organized around the individual PRI principles as follows.

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 and Daido Life's stances on asset management, as is clearly stated in our rules for asset management.

In making investment decisions, ESG factors are incorporated into the analysis and decision-making process of all assets under management, taking into account the characteristics of each asset under management.

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

Exercise of voting rights based on the PRI approach

We have established standards for exercising voting rights based on the PRI approach. In addition to our fiduciary responsibility to our customers, shareholders, and other stakeholders, we take ESG perspectives into consideration while appropriately exercising voting rights for all shares we hold, and disclose the status of voting rights on our 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. Through dialog with investee companies, we request the disclosure of financial information, such as corporate performance, as well as non-financial information, such as ESG issues.

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

Explanation and dissemination of PRI to external business partners

We are promoting the dissemination of responsible investment principles by explaining the status of PRI activities to corporate pension plan and other contract partners and encouraging external management contractors to incorporate ESG elements in their asset management.

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 and actively exchange opinions with other PRI signatory institutions. We also participate in various initiatives in Japan and overseas, and strive to improve the level of our efforts and the effectiveness of our activities through collaborative engagement.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

Appropriate reporting on the status of our PRI activities

We internally and externally disclose details regarding our PRI initiatives 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. In addition, we conduct e-learning and other activities for those in charge of asset management so that everyone involved in asset management can deeply understand the concept of PRI.

2-2 Specific ESG Investment Initiatives

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

Specifically, we have introduced, depending on the characteristics of the assets, the integration of non-financial information such as ESG in investment decisions, as well as a negative screening method that excludes companies and businesses from investment and lending if they are unfavorable from the viewpoint of ESG, and we are expanding investments and financing in themes that contribute to solving ESG issues (ESG-themed investment and financing). We also support the medium- to long-term business growth of investees and borrowers through constructive dialogue (engagement) with them on the ESG issues they face.

Utilization of ESG issues in the asset management process (integration)

Taiyo Life and Daido Life will strive to increase long-term investment returns and fulfill its mission as an institutional investor to create a sustainable society by taking into account not only financial information relating to borrowers and investees but also assessment results relating to ESG and other non-financial factors when making investment and financing decisions for all assets under management.

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.

Environmentally and socially conscious real estate investment

We are making an effort to take the environment and local communities into consideration when investing in real estate. While paying consideration to the beautification of cityscapes and harmony with the surrounding area, we are establishing public open spaces as places for relaxation and refreshment, and we continue to implement energy-saving initiatives, such as installing highly energy-efficient equipment (air conditioners, etc.) in our properties as needed.

In addition, in consideration of social issues such as the increase in the number of people requiring long-term care and support in an aging society, we are working to attract private assisted living facilities that utilize our own real estate properties.



"Icoi Lounge" on the 2nd floor of Daido Life Sapporo Building
As a place to gather and relax for citizens, a spacious lounge with trees
has been established on the second floor of the building. In the event of a
disaster, it will accept people who are unable to return home.



Lien Reve Gyosen Park (private assisted living facility)
A full range of shared facilities enrich the lives of residents,
including a spacious dining room that doubles as a space for
exercise and rehabilitation and a community interaction space.

Negative Screening

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

The current targets of negative screening are as follows. Going forward, we will continue adding and reviewing targets based on international concerns and trends related to the environment and society.

Exclusion of manufacturers of inhumane weapons

Given the humanitarian concerns, we prohibit investment and financing in companies that manufacture inhumane weapons (cluster bombs, biological and chemical weapons, anti-personnel mines, etc.).

Attitude towards investment and financing for businesses with large environmental impact

Because the consumption of fossil fuels is one of the major factors driving environmental problems such as climate change and air pollution, it is the Group's policy not to make any new investments or loans to coal-fired power generation projects or coal mining projects. 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).

It is also our policy not to make any new investments or loans in oil and gas extraction projects in the

Arctic (areas north of 66°33'N) where the impacts on climate change and the ecosystem are high, or in oil sands extraction projects, which pose a greater environmental burden during extraction and refining compared to traditional petroleum.

ESG-themed investment and financing

The three life insurance companies (Taiyo Life, Daido Life and T&D Financial Life) take ESG issues into account in making investment and financing decisions and focus their loans and investments on themes that contribute to creating a sustainable society.

• Investments in "green bonds," which help resolve environmental issues

We invest in green bonds issued by various issuers, including local governments and operating companies, with the goal of funding renewable energy generation projects and energy efficiency projects.

Specifically, we invested in green bonds, which financially support environmental projects such as climate change adaptation, creating smart energy cities, and clean transportation.

• Initiatives for "transition finance," which contributes to the realization of a decarbonized society As part of our efforts to realize a decarbonized society, we engage in "transition finance," which provides financial support for reducing the environmental footprint of business activities with high environmental loads, and for decarbonizing them entirely.

Specifically, we have invested in transition bonds issued by Japanese business companies to achieve their carbon neutrality plans.

• Investments in and financing of renewable energy projects and energy efficiency projects

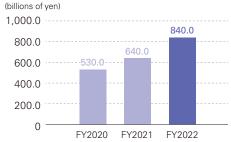
We provide funds for investment in large-scale wind and solar power generation projects that can contribute to global environmental protection and energy conservation and provide loans (project finance) for energy efficiency projects.

Through these initiatives, we are working to combat global warming and contributing to improved energy self-sufficiency.



Hamasato Wind Farm
Photo courtesy of Eurus Energy Holdings Corporation

ESG-themed investment and financing



T&D Insurance Group Sustainability Report 2023

• Investment in "social bonds," which provide support to developing countries and support for

We invest in social bonds to support the education and employment in developing countries, solve global social issues such as gender equality, and support measures against new coronavirus infections. Specifically, we financed COVID-19 vaccine loans, and invested in education bonds, JICA gender bonds, and JICA peace building bonds.

• Investment in theme bonds aimed at resolving various social issues in Japan and overseas
In addition to the activities outlined above, we also engage in investments and financing aimed at resolving various social issues in Japan and overseas. These include:

-Investments in Nutrition Bonds

COVID-19 countermeasures

We invested in Nutrition Bonds issued by the Development Bank of Latin America, which are used to finance projects aimed at achieving sustainable growth and regional integration in Central and South America, and in the Caribbean; these projects include subsidy programs for children, pregnant women, and persons with disabilities to purchase basic food supplies.

-Investments in Sustainable Development Bonds, which support development projects in developing countries

We invested in Sustainable Development Bonds issued by the World Bank, which are used to provide financial support for development projects in developing countries in wide-ranging fields, including: agriculture and food security; education; energy; finance; trade and industry; health preservation; administration, infrastructure, and governance; water and public health; the environment; and gender equality.

• Initiatives for "impact investing," which seeks to create positive social and environmental impacts

We engage in "impact investing," which seeks not only to generate returns on investments, but also to create positive impacts on social and environmental issues.

-Investment in impact funds

We invest in impact funds that aim to achieve both investment returns and social impact., including an infrastructure fund that aims to reduce total CO₂ emissions through investment in renewable energy power generation projects; a private equity fund that invests in companies engaged in education, healthcare, food, agriculture, climate, environmental conservation, and other fields to solve social issues; and a bond funds which seek to create impact through investment in global green social bonds, etc.



The BlueOrchard Impact Bond Fund - Blue I invests in social bonds and other instruments that use loans to create jobs at SMEs in areas with limited access to financial services.

Photo courtesy of Blue Orchard

2. Our Initiatives as a Responsible Institutional Investor ▶ 3. Addressing the Issue of Climate Change

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In 2022, Daido Life received the 8th Sustainable Finance Excellence Award (sponsored by the Research Institute for Environmental Finance) in recognition of its investment in the impact bond fund "BlueOrchard Impact Bond Fund – Blue I."

-Sustainability-linked investment and financing initiatives

We also engage in sustainability-linked investments and financing, which have variable investment and financing conditions. These conditions depend on the level of achievement of ESG-related management indicators and goals, which are set in advance by investees and borrowers.

Specifically, we have provided operating companies with loans whose interest rate and other conditions varies according to the extent to which they achieve their CO₂ emissions reduction goals, and we have invested in sustainability-linked bonds.

Investment in the "Fund Supporting Good Health" and "Japan Healthy Society Support Fund," which support projects that promote 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 people's healthy life spans. The former is for listed corporations in Japan involved in 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" (a privately placed investment trust). 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).

3. Addressing the Issue of Climate Change

CO₂ emission reduction targets for investees and borrowers

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

T&D Insurance Group CO₂ emissions reduction target

| FY2030 | 40% reduction
(compared to FY2020) | |
|--------|---------------------------------------|--|
| FY2050 | Net zero | |

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

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T&D Insurance Group Sustainability Report 2023

3. Addressing the Issue of Climate Change 4. Initiatives to Conform to the Principles for Responsible Institutional Investors (Japan's Stewardship Code)

Efforts to Achieve Targets

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

Dialogue with investees and borrowers

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

Financial contributions through ESG-themed investment and financing

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

Although investment in and financing of companies with high CO₂ emissions may temporarily cause an increase in CO₂ emissions from the investees and borrowers, in the long term, we believe that we can promote corporate efforts toward decarbonization and contribute to the achievement of the net zero target of society as a whole. We will continue to engage in ESG-themed investments and loans while taking into account the schedule for achieving net zero for investees and borrowers and the effects and effectiveness of our investments.

CO₂ emissions of investees and borrowers

At the end of FY2022, CO₂ emissions based on our investee and borrower portfolio (covering stocks, bonds, and loans held by Taiyo Life and Daido Life that were issued by listed companies in Japan) amounted to 1,989,000 tons. On a per-unit basis, which is how our interim targets toward net zero are defined, emissions were 0.76 tons per million yen, a 33.3% reduction from FY2020.

We will continue to make steady efforts to achieve our targets, and we will also consider expanding the number of assets subject to emission measurement, with a view to extending our response to climate change issues to our entire portfolio.

4. Initiatives to Conform to 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.tdasset.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 influencing the corporate management of those investee companies. We have established Guidelines for Exercising Voting Rights, which aim to prioritize shareholder profits; for assets under both active and passive management, we carefully examine every proposal put forward at Ordinary Shareholders' Meetings of investee companies, and exercise our voting rights accordingly.

Main Approaches to Individual Proposals

We carefully examine individual proposals according to our Guidelines for Exercising Voting Rights, from the perspective of improving corporate value and encouraging sustainable growth. To ensure our assessments of proposals do not rely solely on numbers, we endeavor to understand the actual circumstances at the company in guestion through dialogue and other means.

The Guidelines for the Exercise of Voting Rights set forth criteria mainly from the following perspectives.

[Capital Policies]

Balance between company earnings relative to dividend levels and medium- to long-term funding needs

[Appointment of Executives]

Whether there is any misconduct by officers or employees or illegal corporate activities Ratio and diversity of independent outside directors on the Board of Directors

Poor business performance, capital efficiency

[Executive Compensation]

Balance with company earnings

Function of stock options and stock compensation system as long-term incentives (in the case of outside directors, strength of incentive elements)

[Shareholder Proposals]

Does it contribute to enhancing shareholder value?

4. Initiatives to Conform to the Principles for Responsible Institutional Investors (Japan's Stewardship Code)

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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 2022 and June 2023. 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 2022 and June 2023 are as follows.

| | | - | Taiyo Life |) | | Daido Life | | | | |
|--|---------|--------|------------|------------------|--------------------------|------------|--------|---------|------------------|--------------------------|
| Туре | Approve | Reject | Abstain | Carte
blanche | Total
agenda
items | Approve | Reject | Abstain | Carte
blanche | Total
agenda
items |
| Company proposals | 154 | 3 | 0 | 0 | 157 | 267 | 4 | 0 | 0 | 271 |
| Surplus appropriation | 36 | 0 | 0 | 0 | 36 | 61 | 0 | 0 | 0 | 61 |
| Director appointment*1 | 64 | 1 | 0 | 0 | 65 | 82 | 1 | 0 | 0 | 83 |
| Corporate auditor appointment*1 | 31 | 0 | 0 | 0 | 31 | 71 | 1 | 0 | 0 | 72 |
| Partial change to
Articles of Incorporation | 10 | 0 | 0 | 0 | 10 | 18 | 0 | 0 | 0 | 18 |
| Payment of retirement bonus | 0 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 1 |
| Change to officer compensation | 8 | 1 | 0 | 0 | 9 | 25 | 0 | 0 | 0 | 25 |
| Issue of stock acquisition rights | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 3 |
| Appointment of accounting auditors | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 3 |
| Reconstruction related*2 | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Other company proposals*3 | 3 | 0 | 0 | 0 | 3 | 3 | 2 | 0 | 0 | 5 |
| Of which,
antitakeover measures | 1 | 0 | 0 | 0 | 1 | 0 | 2 | 0 | 0 | 2 |
| Shareholder proposals | 0 | 12 | 0 | 0 | 12 | 0 | 38 | 0 | 0 | 38 |
| Total | 154 | 15 | 0 | 0 | 169 | 267 | 42 | 0 | 0 | 309 |

^{*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.

Taiyo Life and Daido Life make efforts to share awareness with investment targets through constructive, purposeful dialogue based on issues concerning sustainability. Through such efforts, the companies seek to stimulate the improvement of corporate value and sustainable growth from the mid- to long-term perspective in investment targets such as domestically listed companies and corporate bond-issuing entities. Between July 2022 and June 2023, Taiyo Life and Daido Life engaged in dialogue with 188 companies and 107 companies respectively.

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 at which the number of outside directors fell below a certain number
- Companies with substantial doubts regarding the independence of candidates for independent outside director
- Companies at which the number of directors increased, and the reason for such was unclear
- Companies that proposed the introduction/continuance of anti-takeover measures
- Companies paying retirement bonuses to outside directors and Audit & Supervisory Board members whose task is to monitor 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 whose task is to monitor the status of management
- Companies that have been involved in misconduct or other such incidents

Self-evaluation

Between July 2022 and June 2023, 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.

4. Initiatives to Conform to the Principles for Responsible Institutional Investors (Japan's Stewardship Code)

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T&D Asset Management

Status of Exercising Voting Rights

T&D Asset Management has established the Stewardship Activity Committee to deliberate and make decisions on matters related to the exercising of voting rights.

The Stewardship Activity Committee deliberates and makes decisions on matters related to the exercising of voting rights, including the company's Guidelines for Exercising Voting Rights. The Guidelines for Exercising Voting Rights are designed to go beyond simply providing guidance for formal assessments; instead, they are intended to contribute to the sustainable growth of investee companies.

Proposals for instructions regarding the exercising of voting rights are drafted based on the Guidelines for Exercising Voting Rights; taking feedback from the Stewardship Activity Committee into consideration, the Committee chairman then makes a final decision on these proposals.

The results of voting rights of shares listed on domestic markets exercised at Shareholders' Meetings held by domestically listed companies between July 2022 and June 2023 are as follows.

| | Approve | Reject | Abstain | Carte
blanche | Total agenda items |
|--|---------|--------|---------|------------------|--------------------|
| Company proposals | 6,993 | 738 | 0 | 0 | 7,731 |
| Appointment and dismissal of directors* | 5,507 | 621 | 0 | 0 | 6,128 |
| Appointment and dismissal of corporate auditors* | 620 | 72 | 0 | 0 | 692 |
| Appointment and dismissal of accounting auditors | 13 | 0 | 0 | 0 | 13 |
| Officer compensation | 204 | 15 | 0 | 0 | 219 |
| Payment of retirement bonus to retired officers | 9 | 6 | 0 | 0 | 15 |
| Surplus appropriation | 453 | 4 | 0 | 0 | 457 |
| Reorganization-related | 7 | 0 | 0 | 0 | 7 |
| Adoption, renewal, and dis-
continuation of anti-takeover
measures | 1 | 9 | 0 | 0 | 10 |
| Other proposals relating to capital policies | 14 | 0 | 0 | 0 | 14 |
| Proposals relating to Articles of Incorporation | 164 | 11 | 0 | 0 | 175 |
| Other proposals | 1 | 0 | 0 | 0 | 1 |
| Shareholder proposals | 10 | 167 | 0 | 0 | 177 |
| Total | 7,003 | 905 | 0 | 0 | 7,908 |

^{*} Figures for the appointment and dismissal of directors and the appointment and dismissal of corporate auditors are compiled from individual items within each proposal.

4. Initiatives to Conform to the Principles for Responsible Institutional Investors (Japan's Stewardship Code) ▶ 5. Publication of Responsible Investment Report

Status of Dialogues

T&D Asset Management uses individual and small meetings with companies as opportunities to hold constructive dialogues that promote sustainable growth from such perspectives as business strategy. capital efficiency, environmental and social issues, and governance. In the period between July 2022 and June 2023, meetings were held with 144 companies. Examples of these dialogues are presented below.

(1) Capital efficiency perspective: dialogue with a machinery manufacturer

We reviewed company-internal discussions on improving shareholder returns and discussed future policies. Despite the fact that the company simultaneously revised upward its earnings and dividend forecasts for the fiscal year, the dividend payout ratio remained below the target of 25% in the medium-term management plan. The company replied, "While we are always seeking to raise the dividend payout ratio, we prioritize the balance between annual dividend hikes and growth investments." We therefore proposed that the company formulate a medium- to long-term cash allocation plan that considers raising the dividend payout ratio.

(2) Governance perspective: dialogue with a company that sells previously owned homes

We sought clarification of the company's relationship with its largest shareholder, with whom it has a capital/business alliance, and its policy for dealing with minority shareholders. In addition, because one outside director had been in office for a long time and was of guestionable independence, we reviewed and discussed the roles required of outside directors. We were able to confirm that, at the time of the alliance, the company had maintained its management independence as a condition of the alliance. We also confirmed that, when making decisions regarding the adoption of products from the company that is the largest shareholder, these decisions are made from the perspective of customers and economic rationality. Finally, we confirmed that the company has a policy that emphasizes the protection of minority shareholder interests. Meanwhile, in the case of the outside director who had been in office for a long time, the company described the director as highly effective and willing to express opinions without hesitation to the representative director. However, since the director's independence was an issue, we proposed measures such as increasing the number of outside directors

(3) Environmental and social issues perspective: dialogue with an electric power company

We held a dialogue on a roadmap for the realization of a decarbonized society. The company aims to achieve net zero CO₂ emissions by 2050, but hydroelectric power, which currently accounts for the largest share of its renewable energy, requires the construction of dams, so there is limited room for expansion in the future. Its main methods for reducing CO₂ emissions will be reducing and improving the efficiency of thermal power generation, expanding wind power generation, implementing hydrogen power generation, and capturing, reusing, and storing emitted CO₂. Although there appear to be many issues with renewable energy such as production locations and power transmission, we will continue to monitor the progress of the roadmap.

Self-evaluation

Between July 2022 and June 2023, T&D Asset Management carried out a self-evaluation of the status of implementation of each of the Principles in this code. It determined that activities were steadily being carried out in accordance with its basic policy for each Principle.

Publication of Responsible Investment Report

Taiyo Life and Daido Life publish the Responsible Investment Report to give stakeholders a deeper understanding of their stance and efforts toward responsible investment.

The Responsible Investment Report summarizes our basic stance on responsible investment initiatives through our ESG investment and financing activities and stewardship activities, and presents the details of our activities to date.

The Taiyo Life and Daido Life Responsible Investment Report is available on the Taiyo Life and Daido Life websites. (Japanese)

Taivo Life

PDF https://www.taiyo-seimei.co.jp/company/activity/download/pri/index/responsible_investment_report_2023.pdf

Daido Life

PDF https://www.daido-life.co.jp/company/csr/pdf/ri-report2023.pdf

T&D Insurance Group Sustainability Report 2023

Social Activities

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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.)

3-3

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 Tokyo Nihonbashi Tower, and executives and employees are encouraged to donate blood. In fiscal 2022, a total of 260 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 8,573 members as of March 31, 2023. 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 FY2022

Environmental conservation activities in Taiyo Seimei no Mori (the Forests of Taiyo Life) as well as the collection and donation of CDs/DVDs, used books, school backpacks (randoseru), musical instruments, etc.

2-3 Daido Life Employees' Community Contribution Club

Established in 1992 to commemorate the Daido Life's 90th year in business, 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 by members. The club has also held a One-day Outing Volunteer Activity for the Physically Disabled since 1994, which is run by executives and employees. (The activity was cancelled in 2022 due to the COVID-19 pandemic.) The club provides participants with opportunities to deepen their understanding of disabilities by directly interacting with disabled people, including assisting wheelchair users or providing walking assistance.

Major Activities in FY2022

- Fundraising and donations: Donations from executives and employees as well as revenues from charity calendar exhibitions were used to make contributions to facilities for the disabled as well as disability advocacy groups.
- 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.



T&D Insurance Group Sustainability Report 2023

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

2-4 Supporting the Japan Down Syndrome Society Taiyo Life

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

Main Activities

- Support activities as a supporting member of the association.
- Provide Taiyo Life conference rooms for use as venues for seminars held by the association 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 related to community health, medical care, and welfare, which is carried out by public health and welfare professionals who have close ties to local communities.
- Subsidies for volunteer activities by seniors: The foundation subsidizes volun-
- teer 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 FY2022] 4,528 grants; ¥1,725.57 million

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 75 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.

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 Taivo Life Himawari Foundation to the Taivo Life Welfare Foundation

Main Activities

- Project grants: Grants to the projects by NPOs 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 FY2022] 2,428 grants; ¥1,353.21 million

Main Activities in FY2022

In order to fulfill its mission of improving social welfare, in fiscal 2022, the foundation continued providing grants to projects undertaken by NPOs 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 2022, the foundation offered grants worth ¥16.75 million to 58 volunteer/NPO projects, and grants worth ¥2.67 million to 6 research projects; in total, the foundation provided 64 grants worth a combined ¥19.42 million. T&D Insurance Group Sustainability Report 2023

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Social Activities Governance and Internal Control Management Control Ma

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

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, "one for all, all for one" 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, and 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 *Omotenashi Hiroba* (Hospitality Plaza), a venue for interacting with participating athletes, where people with disabilities can enjoy sports experiences and free games; executives and employees from Daido Life, Taiyo Life, and other affiliated organizations



work as volunteers to support this event. In 2022, the 22nd National Sports Festival for People with Disabilities was held in Tochiai Prefecture.

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

Starting in fiscal 2017, Daido Life has implemented the Sustainability Together Movement as part of its company-wide regional and social contribution activities. In fiscal 2022, under the theme of "Contribution to SDGs," divisions at head office and branches throughout Japan worked on various activities such as promoting 3R (reduction, reuse, and recycling), donating to developing countries, and conducting community-based cleaning activities.



T&D Insurance Group Sustainability Report 2023

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

3-6 Litter cleanup activities using Pirika, the anti-litter social media app

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







3-7 NMWA Japan Committee Sponsorship

As part of our efforts to promote diversity and inclusion (D&I), the T&D Insurance Group sponsored the NMWA Japan Committee* dedicated to "championing women through the arts."



^{*}The Japan Committee assists displays of works by Japanese artists at the exhibitions of women artists held at the National Museum of Women in the Arts (NMWA) in Washington, DC, USA.

3-8 Hosting Internship Program Daido Life

Daido Life provides college students with internship opportunities so that they can deepen their understanding of the life insurance business as well as the risk measures necessary for SMEs. In fiscal 2022, the program was held both in person and remotely and attracted many participants from across Japan. The introduction of the "elective program" enabled participants to experience different types of work and helped create even more opportunities to communicate with many 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 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 80 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 48 Japanese works have been translated for publication in 8 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 2013.

3-10 Support for Areas Affected by Disasters

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

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

T&D Insurance Group Sustainability Report 2023 Sustainability Sustainabilit

Governance and Internal Control

Corporate Governance

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1-1 Basic Concept of Corporate Governance

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

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

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

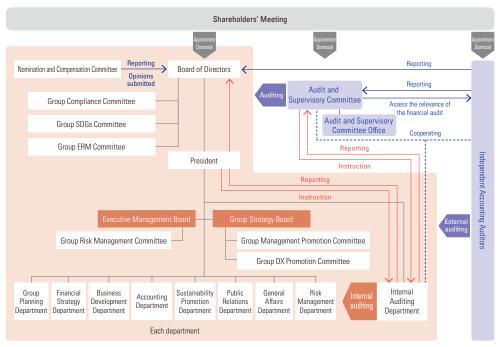
1-2 Outline of Corporate Governance Framework

T&D Holdings shall make decisions on important business matters and oversee the execution of business through its Board of Directors. The Company has adopted a "company with an Audit and Supervisory Committee" system, and the Company shall audit and oversee the performance of directors' duties through its Audit and Supervisory Committee, 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.

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Corporate Governance Framework (April 2023)



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-3 Corporate Governance Framework

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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 also 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 directors. 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 Committee, 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 2022.

(Composition)

The number of directors (excluding directors serving as Audit and Supervisory Committee members) shall be no more than 9, and the number of directors serving as Audit and Supervisory Committee 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 Committee 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.

| Chairperson of the Board of Directors | President |
|---|--|
| Directors | 12 |
| Men | 11 |
| Women | 1 |
| Outside
directors | 5 (including one woman) |
| Activities of outside directors (Fiscal 2022) | 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 chairperson or members of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors, they deliberate on matters that include the selection, appointment, dismissal (including successor planning), and compensation of executives of T&D Holdings and its directly owned subsidiaries and then report their opinions to the Board of Directors. Activities also include regular exchanges of views with the representative directors, the accounting auditors, the heads of the departments under their supervision, and |

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1. Corporate Governance

(Effectiveness Evaluation)

The Company conducts an 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 (including the voluntary Nomination and Compensation Committee), 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.

the representative director and president of major subsidiaries.

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| Summary of Evaluation | on of Effectiveness of the Board of Directors as a Whole in Fiscal 2022 |
|-----------------------|--|
| | For fiscal 2022, we conducted a survey (self-evaluations, etc.) and interviews |

| Scope | For fiscal 2022, we conducted a survey (self-evaluations, etc.) and interviews among the directors to analyze and evaluate the effectiveness of the entire Board of Directors, including the voluntary Nomination and Compensation Committee. |
|---|---|
| Evaluation Method | In the survey, we verified the effectiveness of the Board of Directors through multiple-choice answers and written opinions on evaluation items related to the composition, operation, discussion, and oversight functions of the Board of Directors. The interviews confirmed the basis for the judgments of the evaluations given in the questionnaire and the issues of the Board of Directors. |
| Overview of Evaluation
Results | As a result of the analysis and evaluation, the following matters and other matters were confirmed, and the Company has determined that the Board of Directors has generally fulfilled the expected roles and is functioning effectively. • The number of directors and the ratio of outside directors on the Board of Directors are generally appropriate. • From the perspective of Group management, there has been further progress in discussions on business portfolios and capital costs. • There has been progress in terms of the governance and oversight of subsidiaries. • The quality of discussions of the Board of Directors has improved, including more time being devoted to important agenda items. • Progress is being made on sharing the details of dialogue with investors internally and responding to issues. |
| Status of Responses
to Previous Issues | We recognize that steady improvements have been made by addressing the issues identified in the fiscal 2021 evaluation, such as enriching and deepening discussions on Group management strategies, further promoting integrated Group management, and improving the structure and creation of materials for better discussions by the Board of Directors. |
| Newly Recognized
Issues | In addition, in terms of challenges facing the Board of Directors, we have identified the need for a more diverse Board of Directors in line with the management strategy, a focus on ROE management with consideration for capital costs and capital profitability, and stronger efforts toward advancing Group personnel matters that contribute to human capital improvement. |
| Initiatives in Response to Current Issues | We will continue to work toward further enhancing the effectiveness of the Board of Directors by addressing the issues identified in this effectiveness evaluation. |

Audit and Supervisory Committee

(Roles and Responsibilities)

The Audit and Supervisory Committee, as an independent body entrusted by shareholders, has roles and responsibilities related to auditing and overseeing 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 Committee exchanges opinions with the accounting auditors and Internal Auditing Department, inspects and examines important documents, and conducts audits aimed at verifying the Company's internal management system. In addition, the Audit and Supervisory Committee 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 2022, the Audit and Supervisory Committee met 18 times.

| Audit & Supervisory
Committee members | 5 |
|--|---|
| Men | 4 |
| Women | 1 |
| Outside Audit &
Supervisory
Committee members | 3 (including one woman) |
| Activities of Outside
Audit and Supervisory
Committee members
(Fiscal 2022) | Outside directors serving as Audit and Supervisory Committee members make necessary statements as appropriate at meetings of the Board of Directors and the Audit and Supervisory Committee based on their wealth of experience and insight as individuals with experience in corporate management, accounting experts, and legal experts. In addition, through activities that include regular exchanges of views with the representative directors, the accounting auditors, the heads of the departments under their supervision, and the representative director and president of major subsidiaries, such outside directors strive to gain an understanding of the Company's business execution situation. |

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 Committee members are subject to approval by the Audit and Supervisory Committee.

(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 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 it primarily discusses and resolves important matters related to the management of the Company and Group. Meanwhile, the Group Strategy Board consists of the president, executive officers in charge of the business planning units and financial strategy units, and the presidents of Taiyo Life and Daido Life, who are also members of the Company's Board of Directors. The Group Strategy Board discusses matters related to the Group growth strategy and other important matters associated with them.

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.

T&D Insurance Group Sustainability Report 2023 Friority Theme 1 2 3 4 Social Activities Governance and Internal Control Management Co

1. Corporate Governance

1-4 Participation in Management by Outside Experts

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T&D Holdings and 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. In addition, the results of discussions by each committee, etc. are shared with the Board of Directors of each company and then used to gain an understanding of sustainability-related impacts, risks, and opportunities while also improving the collective knowledge, skills, and experience of our highest governance entity related to sustainable development.

Sustainability Advisory Committee (T&D Holdings)

<Outside members> Experts with knowledge of ESG in general

<Main topics of deliberation> Incorporating the perspectives of external experts and the latest trends to

improve the Group's sustainability initiatives

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 custom-

er feedback

Customer Feedback Council (Daido Life)

<Outside members> Physicians, attorneys, persons with relevant knowledge and experience,

and experts in consumer issues

<Main topics of deliberation> Status of operations and adequacy and effectiveness of initiatives to im-

prove customer service

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 con-

flicts 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 policy-

holders 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 Nomination and Compensation Committee

| 2-10 | 2-18 | 2-20 |
|------|------|------|

In January 2015, T&D Holdings established a Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors. The committee scrutinizes the fairness and appropriateness of director appointments and dismissals (including succession plans) and executive compensation to ensure the transparency of management and improve accountability, thereby reinforcing the corporate governance framework of the Company and the Group as a whole. The Nomination and Compensation Committee scrutinizes the fairness and appropriateness of appointments and dismissals of our Company's and direct subsidiaries' directors, including succession planning, as well as their executive compensation. The committee then reports its opinions to the Board of Directors. The Nomination and Compensation Committee is comprised of the Director and President of our Company and the outside directors. To ensure independence and neutrality, a majority of its members are chosen from among the outside directors. Moreover, the chairperson of the committee is selected from among the outside directors by mutual vote of the committee members.

Main topics discussed by the Nomination and Compensation Committee (Fiscal 2022)

| Nominations,
etc. | Succession plan(presidents and outside officers of the Company and its directly owned subsidiaries) Composition of our Board of Directors Selection of directors not serving as Audit and Supervisory Committee members, directors serving as Audit and Supervisory Committee members, and candidates for directors who are substitute Audit and Supervisory Committee members Selection of outside directors to serve on the Nomination and Compensation Committee Selection of the chairperson of the Nomination and Compensation Committee Selection, appointment, and other matters of director candidates and Audit & Supervisory Board member candidates at directly owned subsidiaries Appointment of executive officers for both the company and direct subsidiaries |
|----------------------|--|
| Compensation, etc. | Evaluation results for directors not serving as Audit and Supervisory Committee members and executive officers for fiscal 2021 Results of fiscal 2021 evaluations of representative directors of directly owned subsidiaries Executive treatment of the Company and its directly owned subsidiaries |

Committee Member Attendance Record (Fiscal 2022)

| Name | Position | Holding and Attendance
Situation |
|--------------------|---------------------------------------|-------------------------------------|
| Naoki Ohgo (Chair) | Outside Director | 100% (14/14 meetings) |
| Kensaku Watanabe | Outside Director | 92.9% (13/14 meetings) |
| Atsuko Taishido | Outside Director | 100% (7/7 meetings) |
| Hirohisa Uehara | Representative Director and President | 100% (14/14 meetings) |

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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.

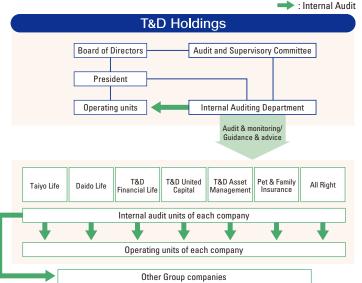
In the Group Basic Policy on Internal Audits formulated by the Board of Directors, T&D Holdings has established a basic policy to ensure the effectiveness of the Group's internal audit system. In accordance with this policy, T&D Holdings and its directly owned subsidiaries have established internal audit units that are independent from other operating units. As of the end of fiscal 2022, the number of employees in the internal audit units was 5 at T&D Holdings and 66 in total for the Group, including directly owned subsidiaries.

Functions and Roles

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 directly owned subsidiaries and other means. The Internal Auditing Department also provides guidance and advice as necessary to strengthen the internal audit system of the Group as a whole.

In addition, the Company's Internal Auditing Department verifies and evaluates the appropriateness and effectiveness of the Group's internal management system through internal audits, monitoring, and other means based on the internal audit plans resolved in the Board of Directors and reports the results

Outline of the Group's Internal Audit System



to the Representative Director and President, the Audit and Supervisory Committee, and the Board of Directors. It periodically reports the status of the Group's internal audits and other matters to the Audit and Supervisory Committee and makes reports regarding the matters about which it has received directions from the Audit and Supervisory Committee and other matters. In addition, formulation of the internal audit plans and the personnel reassignment, evaluation, and other matters of the General Manager of the Internal Auditing Department are deemed to be matters which require the prior consent of the Audit and Supervisory Committee.

1-7 Internal Control

Internal Control System

The T&D Insurance Group believes that it is important to work for the sustainable growth and improvement of the medium- to long-term corporate value of the Group predicated on protecting insurance policyholders and the like by securing the soundness and compliance structure of the Group as a whole based on the Companies Act, the Group's Corporate Philosophy, and other factors.

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.

1-8 Executive Compensation

2-18 2-19 2-20

Executive Compensation, etc.

1. Policies Concerning the Determination of Executive Compensation

In its Basic Policy on Corporate Governance, 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.

For more information, please see our website

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

1. Corporate Governance

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2. Composition of Executive Compensation, etc.

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 longterm. The total compensation of directors (excluding outside directors and other part-time directors and directors serving as Audit and Supervisory Committee 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 Committee members. 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 | |
| Bonus | Yearly | 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 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 Nomination and Compensation Committee will then deliberate on the results and report its opinion to the Board of Directors. Based on these results, the Board of Directors will determine the individual evaluation results. | Monetary
payment |
| 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 Committee 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.*2 | 70%
stock
30%
monetary
payment |

^{*1} To further improve the fairness, appropriateness, and management transparency when deciding how the amount of executive compensation, etc. is calculated for each individual officer, the Company revised the above policy on May 31, 2023. As a result, ever since June 29, 2023, decisions related to paid monthly compensation and bonuses as well as individual evaluations have been handled as follows: the Nomination and Compensation Committee deliberates on the matter and reports its opinion to the Board of Directors, and then the Board of Directors passes a resolution.

*2 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. 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 4. for the key performance indicators) | 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. |
|--|--|
| Evaluation of division in charge | 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. |

4. Key Performance Indicators for Corporate Performance Evaluations (Performance-Linked Indicators) <FY2022>

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

Regarding the financial performance indicators, the single fiscal year target achievement ratios and progress toward achievement of the fiscal 2025 targets are evaluated based on the Group Long-Term Vision formulated in fiscal 2021

1 Single fiscal year evaluation topics

Evaluate the achievement ratios for the single fiscal year targets toward achievement of the fiscal 2025 targets.

| | Fiscal 2025 targets |
|-----------------------|---------------------|
| Group adjusted profit | ¥130.0 billion |
| Value of new business | ¥200.0 billion |

| | Single fiscal year targets | | Achievement ratio | | |
|-----------------------|----------------------------|----------------|-------------------|--|--|
| Group adjusted profit | ¥105.6 billion | ¥90.2 billion | 85.4% | | |
| Value of new business | ¥168.4 billion | ¥167.0 billion | 99.2% | | |

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2 Medium- to long-term evaluation topics

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Evaluate progress toward the achievement of the fiscal 2025 targets as an evaluation criterion.

| | Fiscal 2025 targets |
|--------------|---------------------|
| Adjusted ROE | 8.0% |
| ROEV | 7.5% |

- The actual adjusted ROE is 7.6%.
- The actual ROEV is 2.9%.

3 Market evaluation topics

| | Evaluation criteria and other criteria | | | |
|--------------------------------|---|--|--|--|
| Total shareholder return (TSR) | Total shareholder return (TSR) is calculated based on actual results, the degree of deviation from a benchmark of listed life insurance companies, and other factors. | | | |

• The actual total shareholder return is 112.0% over five years.

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

• Five years: (Share price at the end of FY2022 + Cumulative total dividends per share from FY2018 to FY2022) / Share price at the end of FY2017

4 ESG evaluation topics

In addition to the above financial performance indicators, the following non-financial performance indicators are evaluated

| | Evaluation criteria and other criteria | | | | |
|--|--|--|--|--|--|
| Customer satisfaction level | | | | | |
| Employee satisfaction level | Evaluate the status of achievement with the level in the previous fiscal year as the evaluation criterion. | | | | |
| Reduction of CO ₂ emissions | | | | | |

- An actual customer satisfaction level and employee satisfaction level higher than the levels in the previous fiscal year were achieved.
- A reduction in the actual CO₂ emissions of 6.5% from the level in the previous fiscal year was achieved

5. Reflecting Corporate Performance Evaluations in Executive Compensation for Direct Subsidiaries

We conduct corporate performance evaluations with the primary aim of ascertaining whether the Company and its directly owned subsidiaries are managing their operations in line with the Group's strategic goals. The objective is to contribute to the stable and sustainable improvement of the corporate value of the Group as a whole. The method we use for calculating individual executive compensation amounts for the directors of our directly owned subsidiaries is consistent with these corporate performance evaluations for each such subsidiary, as determined by our Board of Directors.

6. 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



7. 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.

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8. Disclosure of Total Amount of Compensation by Officer Category and Type of Compensation

(million ven)

| Category | Monthly
compensation | | Reserve for bonus | | Trust-type stock
compensation
(the Board Incentive
Plan Trust) | | Total amount of compensation | |
|---|-------------------------|--------|------------------------|--------|---|--------|------------------------------|--------|
| | Number of persons paid | Amount | Number of persons paid | Amount | Number of persons paid | Amount | Number of persons paid | Amount |
| Directors not serving as Audit
and Supervisory Committee
members
(excluding outside directors) | 6 | 123 | 3 | 40 | 3 | 42 | 6 | 207 |
| Directors serving as Audit
and Supervisory Committee
members
(excluding outside directors) | 4 | 79 | 0 | | 0 | _ | 4 | 79 |
| Outside directors not serving as Audit and Supervisory Committee members | 3 | 22 | 0 | _ | 0 | _ | 3 | 22 |
| Outside directors serving
as Audit and Supervisory
Committee members | 4 | 37 | 0 | _ | 0 | _ | 4 | 37 |
| Total | 17 | 263 | 3 | 40 | 3 | 42 | 17 | 346 |

- The monthly compensation and bonus reserves of directors not serving as Audit and Supervisory Committee members (excluding outside directors and other part-time directors) constitute performance-linked compensation, and the trust-type stock compensation constitutes non-monetary compensation. The total amount of performance-linked compensation, etc. for directors not serving as Audit and Supervisory Committee members (excluding outside directors and other part-time directors) (four people) is ¥145 million, and the total amount of non-monetary compensation is ¥42 million.
- Regarding the number of individuals who have received compensation and the total amounts, these figures include one director not serving as an Audit and Supervisory Committee member, who retired at the conclusion of the 18th Ordinary General Meeting of Shareholders on June 28, 2022. They also include three directors serving as Audit and Supervisory Committee members who resigned on June 28, 2022, and one director not serving as an Audit and Supervisory Committee member who resigned on September 15, 2022. As of the end of fiscal 2022, we had seven directors not serving as Audit and Supervisory Committee members and five who were.
- The amount of trust-type stock compensation represents the cost accrued for the points granted during fiscal 2022 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.

9. Resolutions of the General Meeting of Shareholders

Maximum amount of compensation for directors

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 Committee members was set to ¥450 million per year, of which ¥40 million per year was for outside directors (at the conclusion of the Shareholders' Meeting, there were 9 directors not serving as Audit and Supervisory Committee 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 compensation limit for directors not serving as Audit and Supervisory Committee 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 for three consecutive fiscal years. The total number of points to be granted to directors each fiscal 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 Committee members eligible for trust-type stock compensation.) At the 16th Ordinary General Meeting of Shareholders held on June 25, 2020, the maximum amount of compensation for directors serving as Audit and Supervisory Committee members was set to ¥150 million per year (at the conclusion of the Shareholders' Meeting, there were 5 directors serving as Audit and Supervisory Committee members (including 3 outside directors)). Compensation is set in consultation between the directors serving as Audit and Supervisory Committee members within this limit.

Succession Plan

Succession Plan Formulation and Implementation

With an eye on the sustained growth and medium- to long-term value enhancement of our Group as well as ensuring the stable continuation of business, our Board of Directors oversees the formulation and execution of succession plans for the presidents of the Company and the three life insurance companies that constitute our Group's core business.

Our Nomination and Compensation Committee, for which the majority of the members are outside directors, plays an active role in the creation and execution of these plans, ensuring objectivity, timeliness, and transparency in the succession nomination process.

Development of Successor Candidates and Future Group Management Talent

In a concerted effort to systematically nurture successor candidates for the presidencies of the Company and the three life insurance companies as well as future Group management talent for the Group, we undertake various initiatives that include rotation of executives and employees within the Group, dispatching individuals to external executive training programs, and conducting interviews with our outside directors.

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2. Disclosure of Information to Shareholders and Investors

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.

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

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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.

Group-internal IR activities (Group IR)

We promote Group-internal IR activities to share information on our Group's direction and enhance market discipline. We mainly hold small meetings involving the management of the Company and Group managers as well as briefing sessions for employees that utilize videos and e-learning.

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/ T&D Insurance Group Sustainability Report 2023 S

2. Disclosure of Information to Shareholders and Investors

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Shareholders' Meeting

T&D Holdings views the 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 each Shareholders' Meeting, we strive to send out related materials as soon as possible, including sending out the convocation notice as early as possible (in early June), posting it on our website before sending it out (in late May), and preparing and disclosing an English translation on our website so that shareholders can sufficiently examine the items for resolution in advance. Furthermore, in accordance with the revised Companies Act (enforced on September 1, 2022), we comply with the electronic provision system for Shareholders' Meeting materials since fiscal 2023. 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. Furthermore, in fiscal 2023 as well, we broadcast the Shareholders' Meeting live on the Internet (which we started doing in fiscal 2021) so that distant shareholders could conveniently observe the proceedings from their homes and other places.

2-5 Shareholders

2-1

Proportion of Shares Held (as of March 31, 2023)

| Shareholder category | Financial institutions | Financial product dealers | Other corporations | Foreign corporations | Individuals and others | Total |
|--------------------------------------|------------------------|---------------------------|--------------------|----------------------|------------------------|---------|
| Number of shares held (1,000 shares) | 155,879 | 28,078 | 97,364 | 229,432 | 78,243 | 589,000 |
| Proportion of shares held (%) | 26.47 | 4.77 | 16.53 | 38.95 | 13.28 | 100.00 |

Principal Shareholders (as of March 31, 2023)

| Name of shareholders | Number of shares
held
(1,000 shares) | Percentage of
total shares
outstanding
(%) |
|---|--|---|
| The Master Trust Bank of Japan Ltd. (Trust Account) | 84,605 | 15.43 |
| Custody Bank of Japan, Ltd. (Trust Account) | 35,201 | 6.42 |
| JP MORGAN CHASE BANK 385632 | 21,138 | 3.85 |
| SSBTC CLIENT OMNIBUS ACCOUNT | 12,643 | 2.31 |
| STATE STREET BANK WEST CLIENT – TREATY 505234 | 9,787 | 1.78 |
| JPMorgan Securities Japan Co., Ltd. | 7,791 | 1.42 |
| GOLDMAN, SACHS & CO. REG | 7,222 | 1.32 |
| JP MORGAN CHASE BANK 385781 | 6,757 | 1.23 |
| AIG General Insurance Company, Ltd. | 6,000 | 1.09 |
| STATE STREET BANK AND TRUST COMPANY 505103 | 5,829 | 1.06 |
| Total | 196,973 | 35.91 |

Note: The Company holds 40,543 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.

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Management Control

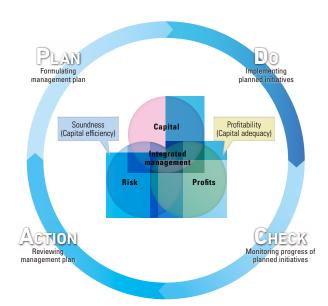
1 ERM

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.

PDCA Cycle



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).

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 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.

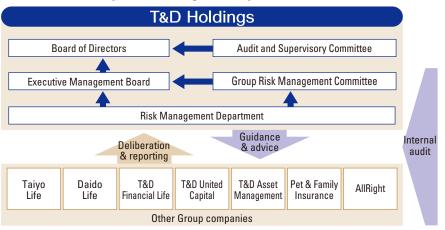
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2. Risk Management

2-2 Risk Management System

Given the social publicness and other characteristics of the life insurance business, the T&D Insurance Group considers the accurate understanding and management of risks to be a high-priority management issue for ensuring management soundness and suitability. At the same time, general management is handled by T&D Holdings—the Group holding company—while each Group company is responsible for suitably managing risk in line with its business characteristics and risk profile.

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 our 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)

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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.

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2. Risk Management

2-7 Handing Emerging Risks

We recognize geopolitical risks—including COVID-19 and other pandemics as well as acts of terrorism—and risks that result in significant changes in net income, net assets, etc. when international accounting standards are applied as emerging risks. Emerging risks are risks that could have a major effect on corporate income and corporate value depending on environmental changes and other factors but are also difficult to quantitatively understand, so we organize a risk profile to account for them.

Of the emerging risks we face, we have conducted stress tests using forward-looking stress scenarios (scenarios under which pandemic mortality and attack rates increase as well as increased payments and decreased stock prices and interest rates due to terrorist attacks using chemical weapons) to analyze geopolitical risks that include COVID-19, other pandemics, and acts of terrorism, and we have verified our Group's ability to handle such risks while also confirming that there are no problems in terms of our soundness. Regarding risks that result in significant changes in net income, net assets, etc. when international accounting standards are applied, we have done various trial calculations assuming the application of such standards to confirm the effects on our net income, net assets, and other financial figures.

2-8 Cyber Security Initiatives

3-3

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 Rules on the Group's Cyber Security Management, which all executives and employees are obligated to follow.

T&D Information System—the Group's information system development, maintenance, and operation subsidiary—acquired ISO 27001 certification, an international standard for information security management systems, for its *host computer operation services* in March of 2007 and for its *server operation services* in March of 2011. The information service firm has continued to renew this certification for each of the above services as part of its efforts to maintain a high level of information security.

The Group's Cyber Security System

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 at each Group company, we regularly participate in cross-industry training and exercises, and, when we

discover 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 cyber security 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.



Please see our website for our Privacy Policy.

WEB https://www.td-holdings.co.jp/en/information/privacy.html

2-9 Protection of Customer Privacy

2-25 3-3

418-1

The T&D Insurance Group considers as complaints any customer request that, at the time of its receipt, expressed dissatisfaction, and makes efforts to respond appropriately when such complaints are received.

Note that, in fiscal 2022, we received 145 complaints related to the handling of personal information.

D:-1- M------

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2. Risk Management > 3. Compliance

2-10 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 set forth basic policies for developing systems that enable continuity or early restart of insurance claims and benefit payment operations, recognizing that doing so is our important social mission, and for placing top priority on securing the lives and safety of our staff and supporting affected people and areas. The Group has 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 COVID-19 pandemic, we prioritized the safety of our customers and employees by implementing a variety of measures to prevent the spread of the virus while also taking appropriate steps, such as continuing to carry out operations that included ensuring the payment of insurance claims and benefits and maintaining call centers. The COVID-19's category has been reduced to Class V under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases, but—if the disease starts to rapidly spread or some other crisis occurs in the future—we will strive to respond as necessary in line with government policies, etc.

Compliance 3-3 205-2

3-1 Our Concept of Compliance

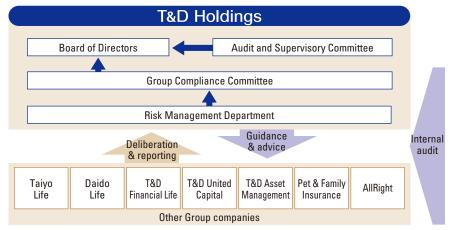
The T&D Insurance Group positions legal compliance as a key management issue. The CSR policy, "We will strictly observe laws, regulations and rules, and act with sincerity and integrity according to high ethical standards," is stated in the T&D Insurance Group CSR Charter. We work to make all Group executives 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, and we strive to ensure thorough awareness of them. In addition, if an act that possibly violates our compliance or internal rules is discovered through the internal reporting system, etc., the procedures in the compliance manuals must be followed to apply feedback to fact checking, research, and reporting at each Group company's compliance division and elsewhere.

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Compliance Training

The Group and our Group companies provide annual education and training to executives and employees in line with our *compliance program* plan, and we strive to raise awareness of compliance while also making everyone aware of laws, ordinances, and internal rules related to doing business and ensuring that such rules are followed. Our compliance training includes explanations of risks related to bribery and corruption as well as details on prohibited acts.

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." 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 2022, 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.

8-5 Whistleblower System

2-16 2-25 2-26 207-2

3. Compliance

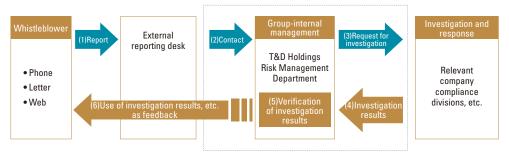
At the T&D Insurance Group, each of the Group's three life insurance companies and other Group members used to operate their own whistleblower systems. In April 2005, however, the T&D Insurance Group Helpline was established for use by all executives and employees in the Group.

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, the web, etc. through an external reporting company and that also accepts reports anonymously. (Reports can be accepted 24 hours a day, except by phone.) Reports are investigated in accordance with internal rules, and then the reports and the results of the investigations into them are reported to the Audit and Supervisory Committee members and to management.

Flow After Receiving a Report



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

| FY2020 | 320 |
|--------|-----|
| FY2021 | 309 |
| FY2022 | 354 |

^{*}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.

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4. Tax Approach and Management

4. Tax Approach and Management

3-3 207-1 207-2 207-3 207-4

4-1 Tax Policy

With the aim of strengthening its corporate governance on taxation (tax governance), the T&D Insurance Group has established the T&D Insurance Group Basic Tax Policy, which sets out its approach to taxation (the organization's tax principles, approach to tax planning, and engagement with tax authorities) through a resolution of the Board of Directors. The T&D Insurance Group Basic Tax Policy is administered by the accounting unit of each Group company, the tax handling situation is confirmed annually, and any serious issues, etc. that are discovered are reported to the Board of Directors.

In addition, 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. We ensure tax compliance according to the T&D Insurance Group Basic Tax Policy in accordance with these CSR policies. The whistleblower system for compliance applies also to tax compliance.

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.

Please see our website for the amount of taxes paid by country.

WEB https://www.td-holdings.co.jp/en/csr/library.html

Third-Party Opinion

It was extremely fascinating to read this report—which started with President Uehara's powerful message concerning the Group's efforts to resolve social issues through its business and *sow happiness in the world* by *creating shared value*—and covered the Group's progress on various activities. I fully expect even more effective efforts by the Group and have provided my third-party opinion below.

1 Promoting SDGs management and creation of value

The Group's Sustainability Advisory Committee was established in fiscal 2021. The Group receives expert proposals from and engages in dialogues with this committee, thereby demonstrating the Group's actions and commitment, and the committee seems highly effective in terms of working towards *SDGs management and creation of value*, a goal set forth under the Group Long-Term Vision (Try & Discover 2025).

The specific proposals from these experts on *working towards decarbonization, the Sustainability Statement, ESG investment,* and *support for SMEs* are also addressed by follow-up topics, which shows that the Group takes proposals from the committee seriously and acts accordingly. Going forward, I expect the Group to make specific progress and further expand its information disclosure.

2 Initiatives on respect for human rights

This year, the Group published information on *identified human rights risks*, and, under its items for priority confirmation, it disclosed research results concerning *harassment* and *excessive working hours*.

In terms of the Group's future initiatives, I expect the Group to delve deeper into its report that it has *confirmed that no serious human rights issues requiring correction have arisen in the Group's business activities,* such as by describing the specific kinds of human rights due diligence the Group implements and disclosing the methods and specific results. Regarding *step 4: human rights risk mitigation measures and remedial measures,* I also expect the Group to make progress on specific actions to mitigate risks in particular.

In addition, the current trend is for people around the world to demand that the influence of human rights due diligence extend over the entire value chain, including business partners, customers, and investment and loan recipients. As a leader in Japan's insurance industry, I expect the Group to expand the range of such activities, thereby increasing value.

3 Climate change measures

I feel like the Group has taken a major step forward by disclosing climate-related financial information based on the TCFD recommendations, publishing the future-prediction-based *results* of quantitatively analyzing the effects of physical risks on underwriting profitability, publishing information on the CO₂ emissions of investment and loan recipients, and disclosing the following information: CO₂ emissions of 1.989 million tons as of the end of fiscal 2022 based on the investment and loan recipient portfolio and achieving a 33.3% reduction compared to 2020.

I suspect that the above is a result of the Group, which is an institutional investor, requesting that its investment and loan recipients *implement comprehensive information disclosure, including publishing emission reduction goals and a roadmap for achieving them*, in the interest of addressing climate change to achieve net zero emissions, while also engaging in constructive dialogues with such recipients.

Currently, the Group's investment and loan recipients subject to disclosure consist of *stocks*, bonds, and loans issued by Japanese listed companies and included in the assets owned by Taiyo Life or Daido Life, but I feel like—if the Group starts disclosing information on a wider range of initiatives covering not only Japanese listed companies but also other investment and loan recipients throughout the Group's portfolio as a whole—the Group will gain the deeper understanding of its stakeholders.

Starting at the end of March 2023, it became a requirement to disclose information on human capital, resulting in a need to promote human capital management. The subject of *Group Employee Dialogue*, which are actively being held in new areas, also came up in this report. The Group has established a goal of reaching a 30% ratio of female managers by 2030, but the Group is also tackling a wide range of other items, including human resource development, engagement, fluidity, diversity, health and safety, labor practices, compliance, and ethics. Thanks to the Group's comprehensive medium- to long-term vision and goal setting, I expect it to achieve even more successful participation by wonderful human resources.

Ai Aonuma Representative Director, Kamakura Sustainability Institute (KSI)

In 2011, after working for an SRI investment advisory company, Ai Aonuma began working in the area of social audits and labor environment improvement work. Later, she joined the sustainability department of a major apparel company, where she was in charge of sustainable supply chains. In 2018, she established KSI. Presently, she is engaged in social audits in Japan and overseas in various industries while also providing sustainability consulting. She also serves as a board member of WaterAid Japan.



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Index GRI Standards

GRI Content Index

| Statement of Use | T&D Holdings, Inc. reports in accordance with the GRI Standards for the period April 1, 2022 through March 31, 2023. |
|---------------------------------|--|
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standards | N/A |

| GRI Standards/
Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
|---------------------------------|--|--|--|
| GENERAL DISC | LOSURES | (Titles of sustainability report web) | |
| GRI 2: | 1. The organization and its | s reporting practices | |
| GENERAL
DISCLOSURES
2021 | 2-1 Organizational details | II Organizational Profile ▶ 1. Organizational Profile ▶ 1-2 T&D Insurance Group Companies and Foundations II Organizational Profile ▶ 1. Organizational Profile ▶ 1-3 Corporate Profile (as of March 31, 2023) WII Governance and Internal Control ▶ 2. Disclosure of Information to Shareholders and Investors ▶ 2-5 Shareholders | |
| | 2-2 Entities included in
the organization's
sustainability reporting | Sustainability Report 2023 ▶ Report Publication Information ▶ Scope of report II Organizational Profile ▶ 1. Organizational Profile ▶ 1-2 T&D Insurance Group Companies and Foundations | |
| | 2-3 Reporting period,
frequency and contact
point | Sustainability Report 2023 Report Publication Information Sustainability Report 2023 Contact Information | |
| | 2-4 Restatements of information | N/A | |
| | 2-5 External assurance | V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3.Environmental Impact-reduction Initiatives ▶ 3-5 Independent Assurance Report | |
| | 2. Activities and workers | | |
| | 2-6 Activities, value chain
and other business
relationships | II Organizational Profile ▶ 1. Organizational Profile ▶ 1-1 Outline of the T&D Insurance Group's Business II Organizational Profile ▶ 1. Organizational Profile ▶ 1-2 T&D Insurance Group Companies and Foundations II Organizational Profile ▶ 2. Supply Chain ▶ 2-1 Definition of Supply Chain | |
| | 2-7 Employees | II Organizational Profile ▶ 1. Organizational Profile ▶ 1-4 Number of Employees | |
| | 2-8 Workers who are not employees | II Organizational Profile ▶ 1. Organizational Profile ▶ 1-4 Number of Employees | The number of agency workers managed by the Group is included in the number of temporary employees in "1-4 Number of Employees". |

| GRI Standards/
Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
|---------------------------------|--|---|----------|
| GENERAL DISCI | LOSURES | | |
| GRI 2: | 3. Governance | | |
| GENERAL
DISCLOSURES
2021 | 2-9 Governance structure and composition | I Sustainability Management 7. Sustainability Promotion Framework (FY2022) I Sustainability Management 8. Committees that Respond to Sustainability Issues Governance and Internal Control 1. Corporate Governance WEB Corporate Governance Corporate Governance Corporate Governance Corporate Governance Report (https://www.td-holdings.co.jp/en/company/governance/) | |
| | 2-10 Nomination and
selection of the
highest governance
body | | |
| | 2-11 Chair of the highest
governance body | | |
| | 2-12 Role of the highest
governance body in
overseeing the
management of
impacts | I Sustainability Management ▶ 7. Sustainability Promotion Framework (FY2022) I Sustainability Management ▶ 8. Committees that Respond to Sustainability Issues | |
| | 2-13 Delegation of responsibility for managing impacts | I Sustainability Management ▶ 7. Sustainability Promotion Framework (FY2022) I Sustainability Management ▶ 8. Committees that Respond to Sustainability Issues | |
| | 2-14 Role of the highest
governance body
in sustainability
reporting | I Sustainability Management ▶ 7. Sustainability Promotion Framework (FY2022) ▶ Group SDGs Committee | |
| | 2-15 Conflicts of interest | WEB Corporate Governance ▶ Basic Approach to Corporate Governance ▶ Corporate Governance Report (https://www.td-holdings.co.jp/en/company/governance/) | |
| | 2-16 Communication of critical concerns | I Sustainability Management ▶ 11. Initiatives on Respect for Human Rights IX Management Control ▶ 3. Compliance ▶ 3-5 Whistleblower System | |

| GRI Standards/
Other Sources | Disclosed Items | Publication Location (Titles of sustainability report/web) | Omission |
|---------------------------------|---|---|---|
| GENERAL DISCL | OSURES | | |
| GRI 2: | 3. Governance | | |
| DISCLOSURES
2021 | 2-17 Collective knowledge
of the highest
governance body | ■ Governance and Internal Control | |
| | 2-18 Evaluation of the performance of the highest governance body | W Governance and Internal Control ▶ 1. Corporate Governance ▶ 1-5 Nomination and Compensation Committee W Governance and Internal Control ▶ 1. Corporate Governance ▶ 1-8 Executive Compensation | |
| | 2-19 Remuneration policies | ▼ Governance and Internal Control ► 1. Corporate Governance ► 1-8 Executive Compensation | |
| | 2-20 Process to determine remuneration | ▼ Governance and Internal Control ▶ 1. Corporate Governance ▶ 1-5 Nomination and Compensation Committee ▼ Governance and Internal Control ▶ 1. Corporate Governance ▶ 1-8 Executive Compensation | |
| | 2-21 Annual total compensation ratio | _ | This disclosure is in
the process of being
considered for possi-
ble disclosure. |
| | 4. Strategy, policies and p | practices | |
| | 2-22 Statement on
sustainable
development
strategy | Message from the President | |
| | 2-23 Policy commitments | I Sustainability Management ▶ 2. Philosophy and Policy of T&D Insurance Group VI Priority Theme 4 Invest to Help Build a Sustainable Society ▶ 1. Basic Concept ▶ 1-1 T&D Insurance Group ESG Investment Policy WEB T&D Insurance Group Human Rights Policy (https://www.td-holdings.co.jp/en/csr/csr-policy/human-right-policy.html) WEB The T&D Insurance Group Compliance Code of Conduct (https://www.td-holdings.co.jp/en/csr/csr-policy/csr-compliance.html) | |
| | 2-24 Embedding policy commitments | I Sustainability Management ▶ 11. Initiatives on Respect for Human Rights VI Priority Theme 4 Invest to Help Build a Sustainable Society IX Management Control ▶ 3. Compliance | |
| | 2-25 Processes to remediate negative impacts | I Sustainability Management ▶ 11. Initiatives on Respect for Human Rights IX Management Control ▶ 2. Risk Management ▶ 2-9 Protection of Customer Privacy IX Management Control ▶ 3. Compliance ▶ 3-5 Whistleblower System | |
| | 2-26 Mechanisms for seeking advice and raising concerns | IX Management Control ▶ 3. Compliance ▶ 3-5 Whistleblower System | |
| | 2-27 Compliance with
laws and regulations | N/A | |

| GRI Standards/
Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
|---|---|--|----------|
| GENERAL DISCL | .OSURES | | |
| GRI 2: | 4. Strategy, policies and p | oractices | |
| GENERAL
DISCLOSURES
2021 | 2-28 Membership
associations | I Sustainability Management ▶ 9. Stakeholder Engagement ▶ Dialogues with Main Stakeholders ▶ Protecting the environment and contributing to local communities II Organizational Profile ▶ 1. Organizational Profile | |
| | 5. Stakeholder engageme | ent | |
| | 2-29 Approach to
stakeholder
engagement | I Sustainability Management 9. Stakeholder Engagement III Priority Theme 1 Promote Healthy and Abundant Lives for All People 3. Improving Customer Satisfaction 3-2 Initiatives to Respond to Customer Feedback 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 & 3-3 Employee Questionnaire on Sustainability and CSR VI Priority Theme 4 Invest to Help Build a Sustainable Society 4. Initiatives to Conform to the Principles for Responsible Institutional Investors (Japan's Stewardship Code) VIII Governance and Internal Control 2. Disclosure of Information to Shareholders and Investors 2-3 IR Activities | |
| | 2-30 Collective bargaining agreements | II Organizational Profile ▶ 1. Organizational Profile ▶ 1-5 Dialogue and Consultations with Labor Unions | |
| Material Topics | | | |
| GRI 3:
Material Topics
2021 | 3-1 Process to determine material topics | I Sustainability Management
▶ 4. Priority Themes for Promoting Sustainability | |
| 2021 | 3-2 List of material topics | I Sustainability Management
▶ 4. Priority Themes for Promoting Sustainability | |
| Economic Perfor | mance | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion I Sustainability Management 9. Stakeholder Engagement V Priority Theme 3 Help Mitigate and Adapt to Climate Change 2. Disclosure of Climate-related Financial Information Based on the TCFD Recommendations | |
| GRI 201:
Economic
Performance
2016 | 201-1 Direct economic
value generated and
distributed | WEB Sustainability Library Organizational Profile ▶ Financial Highlights WEB Sustainability Library Other Initiatives ▶ Corporate Philanthropic Contributions | |

| GRI Standards/ | | Publication Location | |
|--|--|---|---|
| Other Sources | Disclosed Items | (Titles of sustainability report/web) | Omission |
| Material Topics Economic Perfor | mance | | |
| GRI 201:
Economic
Performance
2016 | 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 | |
| Indirect Econom | ic Impacts | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability I Sustainability Management ▶ 6. Status of Sustainability Promotion I Sustainability Management ▶ 9. Stakeholder Engagement III Priority Theme 1 Promote Healthy and Abundant Lives for All People ▶ 1. Provision of Products and Services which Meet the Needs of Society VI Priority Theme 4 Invest to Help Build a Sustainable Society | |
| GRI 203:
Indirect
Economic
Impacts 2016 | 203-2 Significant indirect economic impacts | III Priority Theme 1 Promote Healthy and Abundant Lives for All People ▶ 1. Provision of Products and Services which Meet the Needs of Society Ⅵ Priority Theme 4 Invest to Help Build a Sustainable Society ▶ 2. Our Initiatives as a Responsible Institutional Investor ▶ 2-2 Specific ESG Investment Initiatives | |
| Anti-corruption | | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ♣ 4. Priority Themes for Promoting Sustainability I Sustainability Management ♣ 9. Stakeholder Engagement IX Management Control ♣ 2. Risk Management IX Management Control ★ 3. Compliance | |
| GRI 205:
Anti-corruption
2016 | 205-1 Operations
assessed for risks
related to corruption | \Management Control \Display 2. Risk Management \Display 2-4 Risk Awareness and Assessment (risk profile) | "Total number
and percentage of
operations assessed
for risks related to
corruption" are not
disclosed, as risks are
managed by category. |
| | 205-2 Communication and
training about
anti-corruption
policies and
procedures | IX Management Control ▶ 3. Compliance | Matters required for reporting include items awaiting the collection of information. The items will be disclosed within a few years. |
| | 205-3 Confirmed incidents of corruption and actions taken | N/A | |
| Anti-competitive | Behavior | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability I Sustainability Management ▶ 9. Stakeholder Engagement IX Management Control ▶ 2. Risk Management IX Management Control ▼ 3. Compliance | |

| GRI Standards/
Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
|---|---|---|----------|
| Material Topics | | | |
| Anti-competitive | Behavior | | |
| GRI 206:
Anti-
competitive
Behavior 2016 | 206-1 Legal actions for
anti-competitive
behavior, anti-trust,
and monopoly
practices | N/A | |
| Tax | | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability I Sustainability Management ▶ 9. Stakeholder Engagement IX Management Control ▶ 4. Tax Approach and Management | |
| GRI 207:
Tax 2019Topic | 207-1 Approach to tax | IX Management Control ▶ 4. Tax Approach and Management | |
| management
disclosures | 207-2 Tax governance,
control, and risk
management | IX Management Control ▶ 3. Compliance ▶ 3-5 Whistleblower System IX Management Control ▶ 4. Tax Approach and Management | |
| | 207-3 Stakeholder
engagement and
management of con-
cerns related to tax | IX Management Control ▶ 4. Tax Approach and Management | |
| GRI 207:
Tax 2019 Topic
disclosures | 207-4 Country-by-country reporting | IX Management Control ▶ 4. Tax Approach and Management | |
| Materials | | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion V Priority Theme 3 Help Mitigate and Adapt to Climate Change 3. Environmental Impact-reduction Initiatives | |
| GRI 301:
Materials 2016 | 301-1 Materials used by weight or volume | V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3. Environmental Impact-reduction Initiatives | |
| Energy | | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion I Sustainability Management 9. Stakeholder Engagement V Priority Theme 3 Help Mitigate and Adapt to Climate Change | |
| 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 | |

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112 1 1 2 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 1 2 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Management Control Third-party Opinion Index

112 1 3 4 Social Activities Governance and Internal Control Third-party Opinion Index

112 1 3 4 Social Activities Governance Activiti

| GRI Standards/
Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
|---|--|---|----------|
| Material Topics | | | |
| Water and Efflue | ents | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3. Environmental Impact-reduction Initiatives | |
| GRI 303:
Water and
Effluents 2018
Topic
management | 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 | |
| disclosures | 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 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability | |
| 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 V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 5. Environmental Communications and Educational Activitie | |
| Emissions | | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion I Sustainability Management 9. Stakeholder Engagement V Priority Theme 3 Help Mitigate and Adapt to Climate Change | |
| GRI 305:
Emissions 2016 | 305-1 Direct (Scope 1)
GHG emissions | V Priority Theme 3 Help Mitigate and Adapt to
Climate Change
▶ 3. Environmental Impact-reduction Initiatives | |
| | 305-2 Energy indirect
(Scope 2) GHG
emissions | V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3. Environmental Impact-reduction Initiatives | |
| | 305-3 Other indirect
(Scope 3) GHG
emissions | V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3. Environmental Impact-reduction Initiatives | |

| GRI Standards/
Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
|---|---|---|--|
| Material Topics
Waste | | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability V Priority Theme 3 Help Mitigate and Adapt to Climate Change 3. Environmental Impact-reduction Initiatives | |
| GRI 306:
Waste 2020
Topic
management | 306-1 Waste generation
and significant
waste-related
impacts | V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3. Environmental Impact-reduction Initiatives | |
| disclosures | 306-2 Management of
significant
waste-related
impacts | V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3. Environmental Impact-reduction Initiatives V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3. Environmental Impact-reduction Initiatives ▶ 3-5 Independent Assurance Report | |
| GRI 306:
Waste 2020
Topic
disclosures | 306-3 Waste generated | V Priority Theme 3 Help Mitigate and Adapt to Climate Change ▶ 3. Environmental Impact-reduction Initiatives | All waste is
"non-hazardous
waste" and disposal
depends on "local
government disposal
methods. |
| Environmental (| Compliance | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management
▶ 4. Priority Themes for Promoting Sustainability | |
| GRI 307:
Environmental
Compliance
2016 | 307-1 Non-compliance
with
environmental laws
and regulations | N/A | |
| Employment | | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 9. Stakeholder Engagement IV Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively | |
| GRI 401:
Employment
2016 | 401-1 New employee
hires and employee
turnover | II 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/
Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
|---|---|---|--|
| Material Topics | | | |
| Occupational He | ealth and Safety | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion I Sustainability Management 9. Stakeholder Engagement IV Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively 4. Health Promotion for Employees | |
| 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 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 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 IV Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively ▶ 4. Health Promotion for Employees | |
| GRI 403:
Occupational
Health and
Safety 2018
Topic
disclosures | 403-9 Work-related injuries | WEB Sustainability Library ▶ Initiatives to address the working environment ▶ Occurrence of Occupational Accidents | Managed based on
the number of oc-
cupational accidents. |
| Training and Edu | ıcation | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion I Sustainability Management 9. Stakeholder Engagement IV Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively 1. Human Capital Management | |

| | GRI Standards/
Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
|---|---|---|--|---|
| ı | Material Topics | | | |
| | Training and Edu | ucation | | |
| | GRI 404:
Training and
Education 2016 | 404-1 Average hours of
training per year per
employee | WEB 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 "occupations training/education" from a large number of training programs, indicators by employee category are not disclosed. |
| | | | IV Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively ▶ 1. Human Capital Management | |
| | Diversity and Eq | ual Opportunity | | |
| | GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion I Sustainability Management 9. Stakeholder Engagement IV Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively 2. Diversity Promotion Initiatives | |
| | GRI 405:
Diversity
and Equal
Opportunity
2016 | 405-1 Diversity of governance bodies and employees | | |
| | Human Rights A | ssessment | | |
| | GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 9. Stakeholder Engagement I Sustainability Management 11. Initiatives on Respect for Human Rights | |
| | 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. "Tota hours of employee training" are not disclosed. |
| | Local Communit | ties | | |
| | GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability I Sustainability Management ▶ 6. Status of Sustainability Promotion I Sustainability Management ▶ 9. Stakeholder Engagement | |
| | | | | |

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| GRI Standards/ | | Publication Location | |
|---|--|---|--|
| Other Sources | Disclosed Items | Publication Location
(Titles of sustainability report/web) | Omission |
| Material Topics | | | |
| Local Communit | ties | | |
| GRI 413:
Local
Communities
2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | ₩ 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 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 9. Stakeholder Engagement | |
| GRI 414:
Supplier Social
Assessment
2016 | 414-1 New suppliers that
were screened
using social criteria | II Organizational Profile ▶ 2. Supply Chain ▶ 2-2 Cooperation with Suppliers | |
| Marketing and L | abeling | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management
▶ 4. Priority Themes for Promoting Sustainability | |
| GRI 417:
Marketing and
Labeling 2016 | 417-1 Requirements for product and service information and labeling | III Priority Theme 1 Promote Healthy and Abundant Lives for All People ▶ 2. Providing Wholehearted Reassurance III Priority Theme 1 Promote Healthy and Abundant Lives for All People ▶ 3. Improving Customer Satisfaction | |
| Customer Privacy | | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability I Sustainability Management ▶ 9. Stakeholder Engagement X Management Control ▶ 2. Risk Management ▶ 2-8 Cyber Security Initiatives X Management Control ▶ 2. Risk Management ▶ 2-9 Protection of Customer Privacy | |
| GRI 418:
Customer
Privacy 2016 | er privacy and losses
of customer data | IX Management Control ▶ 2. Risk Management
▶ 2-9 Protection of Customer Privacy | |
| Socioeconomic | Compliance | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability IX Management Control ▶ 2. Risk Management IX Management Control ▶ 3. Compliance | |
| GRI 419:
Socioeconomic
Compliance
2016 | 419-1 Non-compliance
with laws and regu-
lations in the social
and economic area | N/A | |

| GRI Standards/ | | Publication Location | |
|-----------------------------------|-----------------------------------|---|----------|
| Other Sources | Disclosed Items | (Titles of sustainability report/web) | Omission |
| Material Topics | | | |
| Better Products | and Services* | | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management ▶ 4. Priority Themes for Promoting Sustainability I Sustainability Management ▶ 6. Status of Sustainability Promotion I Sustainability Management ▶ 9. Stakeholder Engagement II Priority Theme 1 Promote Healthy and Abundant Lives for All People ▶ 1. Provision of Products and Services which Meet the Needs of Society WEB Sustainability Library ▶ Other Initiatives ▶ Activities to Respond to the Customer Feedback | |
| | on of Community and En | nployees* | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion I Sustainability Management 9. Stakeholder Engagement III Priority Theme 1 Promote Healthy and Abundant Lives for All People 1. Provision of Products and Services which Meet the Needs of Society IV Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively 4. Health Promotion for Employees III Social Activities 2. Improving Health and Welfare (Health, Medical Care, Welfare, etc.) | |
| Responsibility a | s Institutional Investors | * | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 6. Status of Sustainability Promotion I Sustainability Management 9. Stakeholder Engagement VI Priority Theme 4 Invest to Help Build a Sustainable Society | |
| Measures again | st Demographic Change | and Aging* | |
| GRI 3:
Material Topics
2021 | 3-3 Management of material topics | I Sustainability Management 4. Priority Themes for Promoting Sustainability I Sustainability Management 9. Stakeholder Engagement III Priority Theme 1 Promote Healthy and Abundant Lives for All People 1. Provision of Products and Services which Meet the Needs of Society 1-6 Best Senior Service VII Social Activities 3. Developing a Sound Society (Education, Sports, Local Community Contribution, etc.) IV Priority Theme 2 Provide Workplace Environments that Enable All People to Participate Actively 1. Human Capital Management 1-4 Promoting the Active Participation of the Elderly | |

^{*} Material items not included in GRI Itemized Standard disclosures