



**CREATE VALUE FOR  
PEOPLE AND SOCIETIES.**

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## Sustainability Report 2024

### Report Publication Information

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Published in	November 29, 2024 (Previous Issue: November 30, 2023; Next Issue: Scheduled for November 2025)
Scope of report	All companies and foundations in the T&D Insurance Group * Contents of this report are selected taking into account the importance of each item, and we indicate the scope of each item as necessary. Please refer to "Scope and Calculation Methods of Environmental Performance Data and Group-Wide Targets and Results" on P.68-69 for the scope of environmental performance data and Group-wide targets and results.
Period covered	April 2023 to March 2024 (annual) * Also includes reports on some significant activities and events having occurred in and after April 2024.

### Contact Information

2-3

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

### Regarding Third-Party Opinion

As 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 2024 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. In fiscal 2024, aside from publishing the Sustainability Report, the Group is expanding its disclosure of sustainability-related information on its website to reach a wider audience of stakeholders. The Sustainability Report 2024 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 2024

- Corporate Philosophy/Group Vision
- Message from the President
- Sustainability Management Approach
- Priority Theme 1 Promote Healthy and Abundant Lives for People
- Priority Theme 2 Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively
- Priority Theme 3 Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation
- Priority Theme 4 Invest to Help Build a Sustainable Society
- Group Employee Dialogue
- External Evaluation/Principles That the T&D Insurance Group Endorses and Supports
- History of the T&D Insurance Group
- Sustainability Advisory Committee

## Corporate Philosophy/Group Vision

### T&D Insurance Group's Corporate Philosophy

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

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

### Creation of shared value

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

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

### Goal of the T&D Insurance Group

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

### Enterprise that can grow over the medium to long term

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

→ Enterprise that creates social and  
economic value



# History of the T&D Insurance Group

2000-

2020-

## Contributing to solving social issues

2008

### ● Taiyo Life

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

### ● Pet & Family

Launched *Genki Number One*

2010

### ● T&D Financial Life

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

2010

### ● Daido Life

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

2012

### ● T&D Financial Life

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

2014

### ● Taiyo Life

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

2016

### ● Taiyo Life

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

2017

### ● Daido Life

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

2018

### ● Taiyo Life

Launched *Himawari Dementia Prevention Insurance*

2019

### ● Taiyo Life

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

### ● Daido Life

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

2021

### ● Taiyo Life

Launched *Cancer and Critical Illness Prevention Insurance*

### ● T&D Financial Life

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

2022

### ● Daido Life

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

\* Kenkoinei® (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. Kenkoinei® is a registered trademark of Nonprofit Organization Kenkoinei.

## Sustainability topics

2005

Issued CSR report

2006

Enforced the Group CSR Charter

2007

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

2011

Established the Group CSR Committee

2012

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

2014

Signed the Principles for Financial Action for the 21st Century

2015

Signed the UN Global Compact

2016

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

2017

Expressed support for the TCFD recommendations

2019

The Group CSR Committee was reorganized into the Group SDGs Committee

2020

Established the Group Human Rights Policy

2021

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

2022

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

2023

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

2024

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

## Management



1893

### ● Taiyo Life was founded

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



1902

### ● Daido Life was founded

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

1999

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

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

2001

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

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

2002

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

2004

### T&D Holdings was established

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

2007

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

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

2019

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

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

2022

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

2024

T&D Holdings celebrated its 20th anniversary.



## Outline of the T&D Insurance Group's Business 2-6

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.

### Number of Group Companies

As of March 31, 2024

- Consolidated subsidiaries **20**
- Affiliated companies **5**



### Number of Employees

As of March 31, 2024

- 20,408**
- Domestic **20,388**
  - Overseas **20**



### Performance

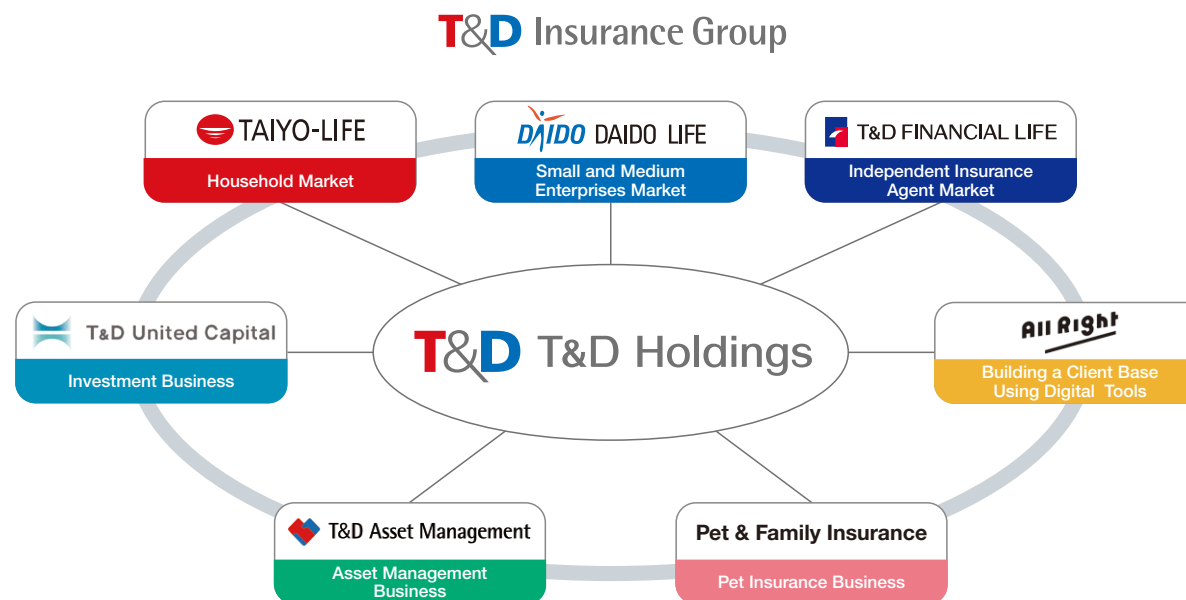
FY2023 results

- Ordinary revenues **¥3,207.9 billion**
- Ordinary profit **¥159.8 billion**
- Net profit\*1 **¥98.7 billion**
- Group Adjusted Profit\*2 **¥103.5 billion**

\*1 Profit attributable to owners of parent

\*2 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.

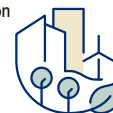
### Group Structure as of March 31, 2024



### Environment & Society

FY2023 results

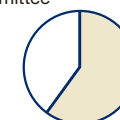
- CO<sub>2</sub> emission (Scope 1 + 2) reduction rate  
Compared to FY2013 **41.2%** reduction
- CO<sub>2</sub> emission reduction rate of investees and borrowers  
Compared to FY2020 **49.2%** reduction
- Renewable energy introduction rate **21.3%**
- ESG-themed investment and financing **¥960.0 billion**



### Governance

As of July 31, 2024

- Ratio of outside directors  
Board of Directors **43%**  
6 people / 14 people
- Audit and Supervisory Committee **60%**  
3 people / 5 people



## Outline of the T&D Insurance Group's Business

### 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, 20 consolidated subsidiaries and 5 affiliated companies that are engaged in life insurance and other businesses as described below.

(○: Consolidated subsidiaries ◇: Equity method affiliated companies)

T&D Holdings, Inc.		<a href="https://www.td-holdings.co.jp/en/">https://www.td-holdings.co.jp/en/</a>
Insurance & insurance-related businesses	Insurance	⊙ Taiyo Life Insurance Company <a href="https://www.taiyo-seimei.co.jp/">https://www.taiyo-seimei.co.jp/</a>
		⊙ Daido Life Insurance Company <a href="https://www.daido-life.co.jp/">https://www.daido-life.co.jp/</a>
		⊙ T&D Financial Life Insurance Company <a href="https://www.tdf-life.co.jp/">https://www.tdf-life.co.jp/</a>
		⊙ Pet & Family Insurance Co., Ltd. <a href="https://www.petfamilyins.co.jp/">https://www.petfamilyins.co.jp/</a>
		◇ Capital Taiyo Life Insurance Limited
	Insurance-related	◇ FGH Parent, L.P. <a href="https://fortitude-re.com/">https://fortitude-re.com/</a>
		⊙ All Right Co., Ltd. <a href="https://www.all-right.co.jp/">https://www.all-right.co.jp/</a>
		⊙ T&D Risk Solutions Co., Ltd. <a href="https://www.tdrs.co.jp/en/">https://www.tdrs.co.jp/en/</a>
		⊙ T&D Confirm Ltd.
		⊙ Toyo Insurance Agency Co., Ltd. <a href="https://www.sonpo.co.jp/toyohkdaiko/">https://www.sonpo.co.jp/toyohkdaiko/</a>
Investment-related businesses	Investment management and advisory, etc.	⊙ Daido Management Service Co., Ltd. <a href="https://www.dms-hp.co.jp/">https://www.dms-hp.co.jp/</a>
		⊙ Taiyo Life Aging Society Institute <a href="https://www.taiyo-institute.co.jp/">https://www.taiyo-institute.co.jp/</a>
	Other investment-related	⊙ T&D Asset Management Co., Ltd. <a href="https://www.tdasst.co.jp/en/">https://www.tdasst.co.jp/en/</a>
		⊙ T&D United Capital Co., Ltd. <a href="https://www.tduc.co.jp/en/">https://www.tduc.co.jp/en/</a>
		⊙ T&D United Capital North America Inc.
		⊙ T&D Lease Co., Ltd. <a href="http://www.td-lease.co.jp/index.html">http://www.td-lease.co.jp/index.html</a>
Administration-related businesses	Administration-related businesses	⊙ Taiyo Credit Guarantee Co., Ltd. <a href="https://www.taiyo-sinyo-hosyo.co.jp/">https://www.taiyo-sinyo-hosyo.co.jp/</a>
		◇ Alternative Investment Capital, Ltd. <a href="https://www.aicapital.co.jp/en/">https://www.aicapital.co.jp/en/</a>
		⊙ T&D Information System Ltd. <a href="https://www.td-system.co.jp/">https://www.td-system.co.jp/</a>
		⊙ Nihon System Shuno, Inc. <a href="https://www.nss-jp.com/">https://www.nss-jp.com/</a>
Foundations		⊙ Zenkoku Business Center Co., Ltd. <a href="https://www.zbc-jp.com/">https://www.zbc-jp.com/</a>
		◇ Thuriya Ace Technology Company Limited
		The Taiyo Life Welfare Foundation <a href="http://www.taiyolife-zaidan.or.jp/">http://www.taiyolife-zaidan.or.jp/</a>
		Daido Life Welfare Foundation <a href="https://www.daido-life-welfare.or.jp/">https://www.daido-life-welfare.or.jp/</a>
		The Daido Life Foundation <a href="https://daido-life-fd.or.jp/english/">https://daido-life-fd.or.jp/english/</a>

\* Includes main Group companies and foundations as of March 31, 2024.

\* 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.

## Outline of the T&D Insurance Group's Business

### Corporate Profile (as of March 31, 2024)

2-1

#### T&D Holdings, Inc.

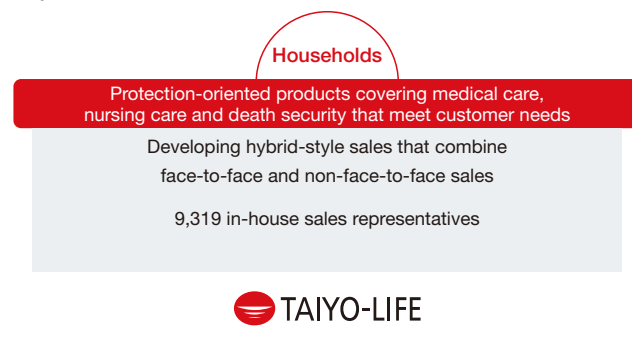
Established	April 2004
Head office location	7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan
Capital stock	¥207.1 billion
Number of employees	129
Independent accounting auditor	Ernst & Young ShinNihon LLC
Description of business	Insurance holding company for the T&D Insurance Group conducting the following: <ul style="list-style-type: none"> <li>• Management control of life insurance subsidiaries and affiliates under the Insurance Business Act and other laws and regulations</li> <li>• Other businesses associated with the above</li> </ul>



#### 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: 9,319 Administrative: 2,380 Total: 11,699

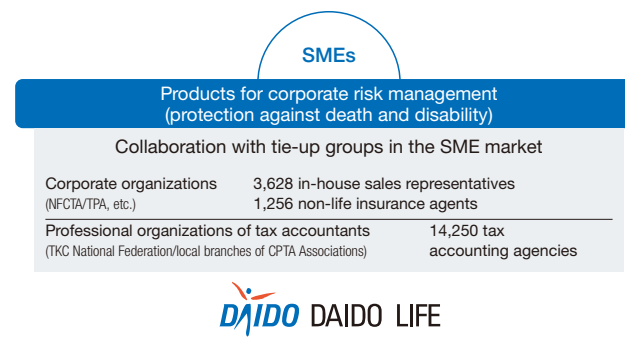
#### Taiyo Life's Business Model



#### 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: 3,628 Administrative: 3,202 Total: 6,830

#### Daido Life's Business Model



#### T&D Financial Life Insurance Company

Established	July 1947 (Founded April 1895)
Head office location	1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-0023, Japan
Capital stock	¥56 billion
Number of employees	273

#### T&D Financial Life's Business Model



### Industry Association to which the Three Life Insurance Companies Belong: The Life Insurance Association of Japan 2-28

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.

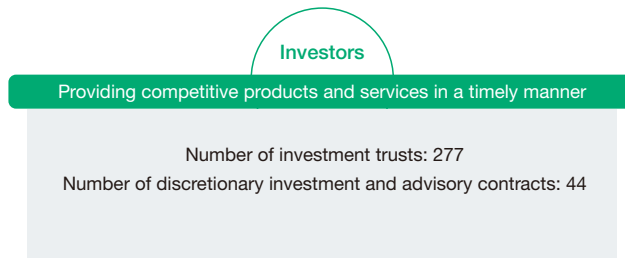


## Outline of the T&D Insurance Group's Business

### T&D Asset Management Co., Ltd.

Established	December 1980
Head office location	Mita Bellju Building, 36-7, Shiba 5-chome, Minato-ku, Tokyo 108-0014, Japan
Capital stock	¥1.1 billion
Number of employees	144

#### T&D Asset Management's Business Model



### 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	83

#### Pet & Family Insurance's Business Model



### Pet & Family Insurance

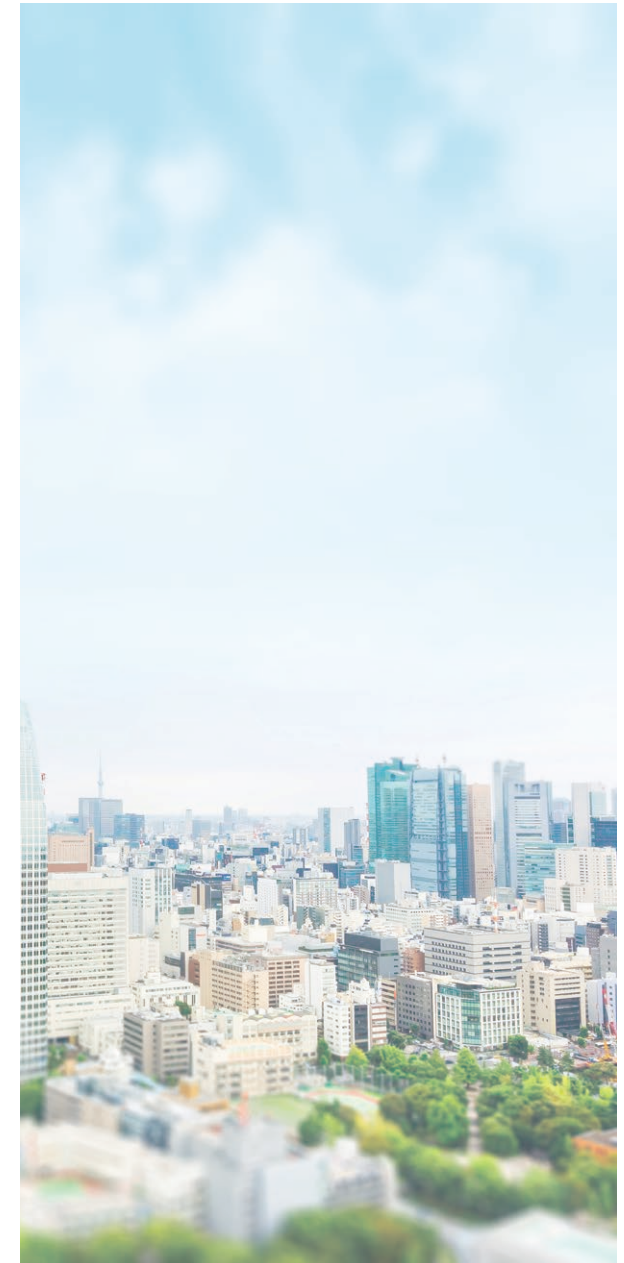
### T&D United Capital Co., Ltd.

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	39
Description of business	Principal investment and investment management aimed at diversification and optimization of the Group's business portfolio • Closed book business • Other business



### 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	26
Description of business	• Providing services in the healthcare and wellness field • Planning, development, and sales of service content and products



## Outline of the T&D Insurance Group's Business

### Number of Employees

2-7

2-8

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

Business sector	March 31, 2022		March 31, 2023		March 31, 2024	
	(Number of temporary employees)		(Number of temporary employees)		(Number of temporary employees)	
Insurance & insurance-related businesses	18,411	(882)	18,794	(909)	19,165	(847)
Investment-related businesses	451	(16)	483	(20)	494	(19)
Administration-related businesses	783	(62)	739	(58)	749	(36)
Total	19,645	(960)	20,016	(987)	20,408	(902)
Male	3,829	(9)	3,799	(10)	3,814	(7)
Female	15,816	(951)	16,217	(977)	16,594	(938)
Of which Japan	19,628	(960)	19,982	(987)	20,388	(945)
Of which Asia-Pacific	17	(0)	22	(0)	7	(0)
Of which Europe & North America	0	(0)	12	(0)	13	(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.

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

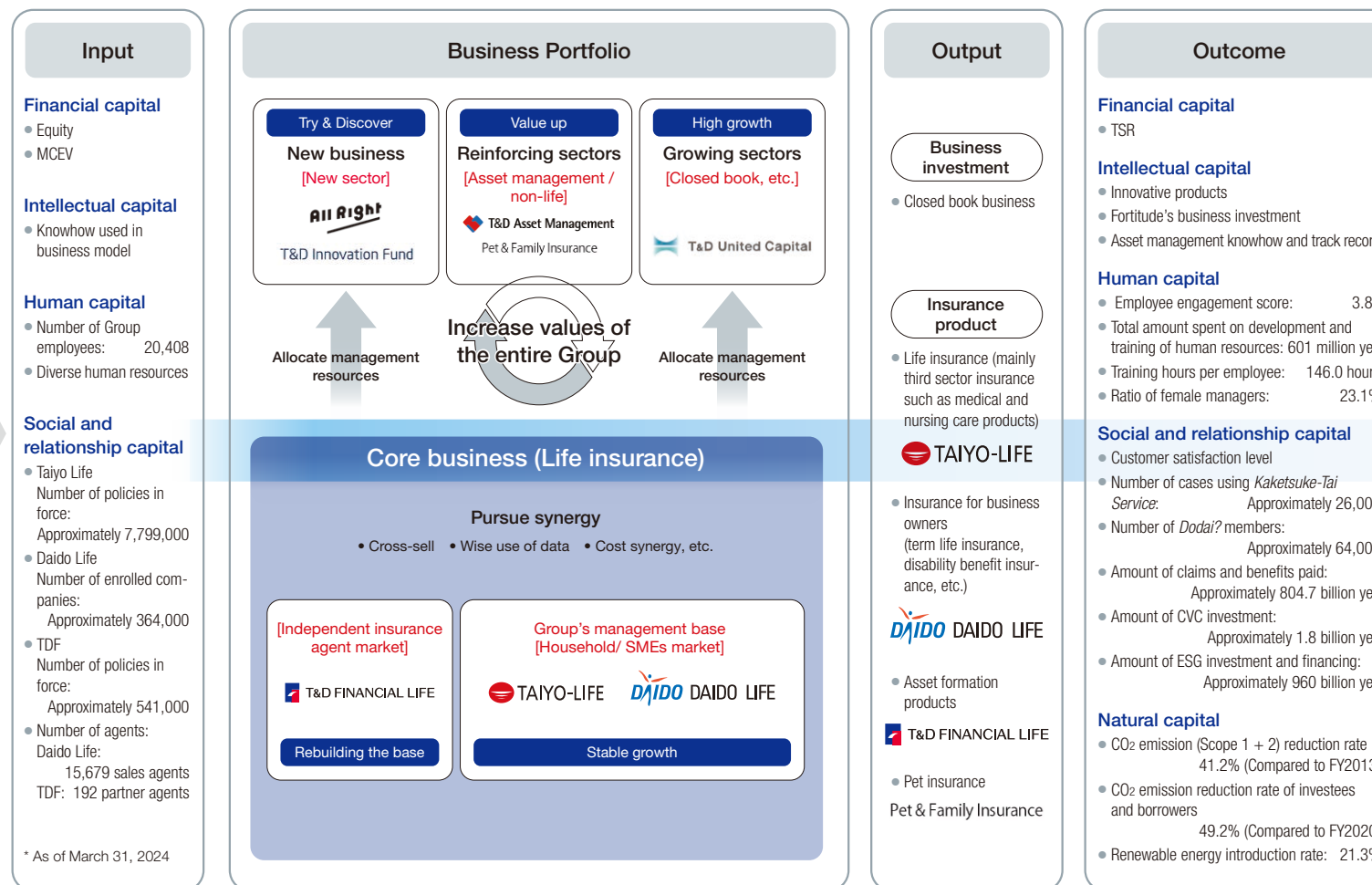
#### Number of Employees and Number of People Hired by the Group's Three Life Insurance Companies 401-1

	Number of employees			Number of employees hired		
	March 31, 2022	March 31, 2023	March 31, 2024	FY2021	FY2022	FY2023
Number of employees	17,963	18,374	18,802	3,090	3,232	3,507
Male	3,356	3,350	3,362	142	167	170
Female	14,607	15,024	15,440	2,948	3,065	3,337
Sales representatives	12,233	12,593	12,947	2,820	2,941	3,197
Male	290	274	265	38	34	32
Female	11,943	12,319	12,682	2,782	2,907	3,165
Administrative	5,730	5,781	5,855	270	291	310
Male (Managers)	3,066 (2,117)	3,076 (2,155)	3,097 (2,174)	104	133	138
Female (Managers)	2,664 (499)	2,705 (603)	2,758 (583)	166	158	172

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

# T&D Insurance Group Value Creation Process

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



Sustainability management

Materiality (Sustainability Priority Themes) Integrated Report P.43

Group Long-Term Vision “Try & Discover 2025” Integrated Report P.40



## Message from the President 2-22

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

— SDGs Management  
and Creation of Value —

**Masahiko Moriyama**

Representative Director and President  
T&D Holdings, Inc.



T&D保険グループ

T&D 株式会社 T&Dホールディングス

太陽生命保険株式会社

DAIDO 大同生命保険株式会社

T&Dフィナンシャル生命保険株式会社

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

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

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

#### Sustainability Priority Themes

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

## Message from the President

### Promote Healthy and Abundant Lives for People

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

### Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively

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

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

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

### Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation

The T&D Insurance Group has set CO<sub>2</sub> emissions as one of the non-financial KPIs in its long-term vision, and implements various initiatives to achieve a decarbonized society.

Since life insurance is the core business of the Group, much of our direct CO<sub>2</sub> emissions stem from power consumption. For this reason, we have joined RE100, an international initiative aiming to procure all electricity used in business activities from renewable energy, and promote the use of power derived from renewable sources. As a result of these efforts, we achieved our FY2025 goal of reducing CO<sub>2</sub> emissions by 40% in FY2023, ahead of schedule. In response, we set the new target of reducing CO<sub>2</sub> emissions by 70% by FY2030, and brought forward our deadline for achieving net-zero emissions from 2050 to 2040. We will further accelerate our efforts to reduce CO<sub>2</sub> emissions to meet these targets.

### Invest to Help Build a Sustainable Society

To achieve economic development and a sustainable society as a responsible institutional investor, the T&D Insurance Group has set interim CO<sub>2</sub> reduction targets for FY2030 to be met by our investment and financing recipients, and are working to ensure these reductions. We encourage our investment and financing recipient companies to advance their decarbonization efforts through engagement, and support companies tackling climate change

issues through financing projects aimed at investments and other uses.

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

### Initiatives on Respect for Human Rights

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

### The T&D Insurance Group Vision

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

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

September 2024

# Sustainability Management Approach

## T&D Insurance Group Sustainability Statement

3-3

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

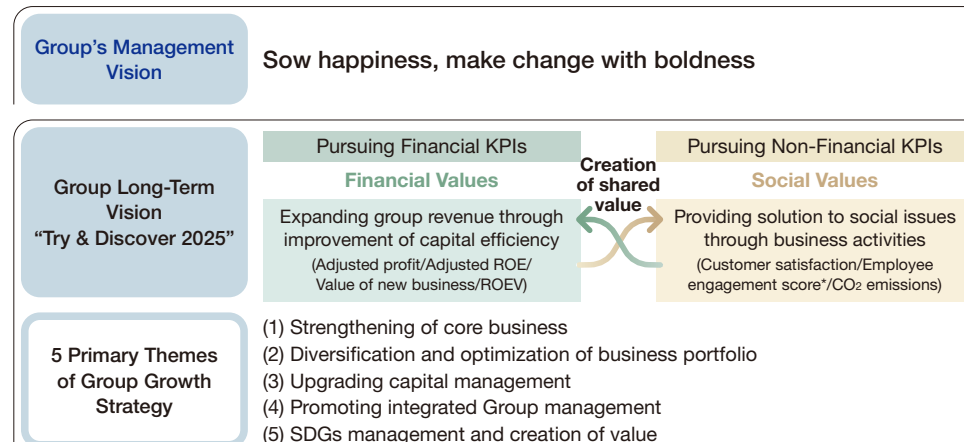
### Basic concepts

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

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

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

### Group's Management Vision/Group Long-Term Vision



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

## Sustainability priority themes

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

### Priority Theme 1

#### Promote Healthy and Abundant Lives for People

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

##### Our Target

- Customer satisfaction level at or above the FY2020 level\* by fiscal 2025

➤ For details, please see P.26



### Priority Theme 2

#### Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively

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

##### Our Target

- Employee engagement score level at or above the FY2020 level\* by fiscal 2025

➤ For details, please see P.49



### Priority Theme 3

#### Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation

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

##### Our Target

- Reduce our CO<sub>2</sub> emissions by 40% by fiscal 2025
- Reduce our CO<sub>2</sub> emissions by 70% by fiscal 2030
- Reduce our CO<sub>2</sub> emissions to net zero by fiscal 2040

➤ For details, please see P.59



### 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 CO<sub>2</sub> emissions of investees and borrowers by 50% by fiscal 2030
- Reduce the CO<sub>2</sub> emissions of investees and borrowers to net zero by fiscal 2050

➤ For details, please see P.72



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



## Sustainability Management Approach

### Sustainability Promotion Framework

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The T&D Insurance Group has established the Group Sustainability Promotion Committee,\*1 which consists mainly of officers in charge of sustainability/CSR (planning and CSR) at each Group company.

The Group is enhancing sustainability promotion framework by deliberating Group-wide sustainability policies and initiatives by the committee, while encouraging each Group company to actively pursue sustainability promotion efforts in its respective operations.

\*1 In fiscal 2024 the Group SDGs Committee was renamed to the Group Sustainability Promotion Committee.

### Group Sustainability Promotion Committee 2-14

The committee has been positioned as a subordinate body of the Board of Directors, with the aim of further promoting sustainability within the Group and unifying as a Group to advance initiatives. The committee will serve as the driving force of the Group's sustainability promotion efforts, responsible for determining basic policies and priority themes for SDG and CSR activities, formulating annual plans, and regularly monitoring the status of implementation. The committee is chaired by the President of T&D Holdings (Representative Director and Chairperson of the Board of Directors), with the officer in charge of the T&D Holdings Sustainability Promotion Department serving as vice chairperson. In fiscal 2023 the committee met four times. Matters deliberated over, considered and shared by the committee are reported to the Board of Directors. In addition, to proactively respond to increasingly important climate change issues, two dedicated subcommittees have been established as subordinate bodies to the Group Sustainability Promotion Committee: the Climate Change Risk Subcommittee\*2 and the ESG Investment Subcommittee. In fiscal 2023, a new Social Impact Study Subcommittee was established as a subordinate body to the Group Sustainability Promotion Committee, with the aim of establishing mechanisms and rules to measure the positive impact on the environment and society achieved by our insurance products and services, as well as our ESG investment and loan activities. 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 Sustainability Promotion Working Group,\*3 which comprises the departments in charge of sustainability/CSR at 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, and assisting with the management and activities of the Group Sustainability Promotion Committee. The Group Sustainability Promotion 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 Sustainability Promotion Committee is instrumental in obtaining external assurance for major indicators related to priority sustainability themes, obtaining third-party opinions related to sustainability reports, and engaging in dialogue with experts on sustainability issues.

\*2 In May 2024, the Climate Change Risk Subcommittee and Sustainability Promotion Working Group were consolidated into the newly established Sustainability Promotion Subcommittee.

\*3 In fiscal 2024, the SDGs Working Group was renamed to the Sustainability Promotion Working Group.

### Sustainability Advisory Committee

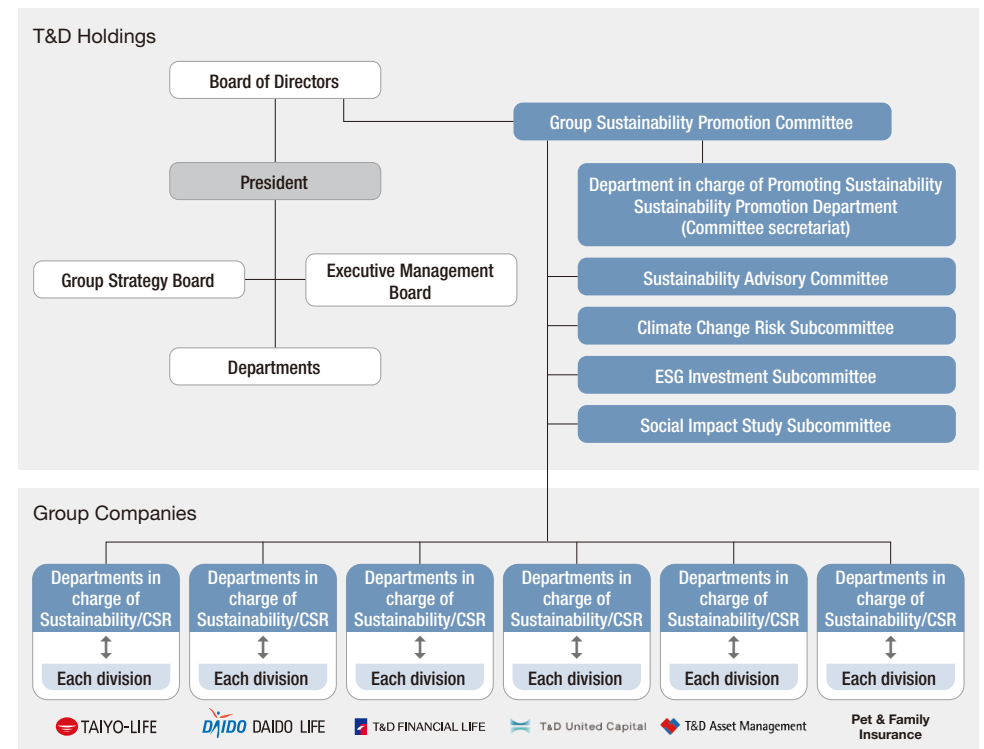
This committee was established in fiscal 2021 to improve the Group's sustainability initiatives by incorporating the perspectives of external experts and the latest trends.

### Disseminating information related to the promotion of Group sustainability

We disseminated sustainability/CSR-related information within the Group through Group newsletters and training including e-learning to raise the sustainability awareness of executives and employees.

Executive officer in charge of sustainability at T&D Holdings	Executive officer: Yasuhiro Mori (fiscal 2023) 100% attendance at Group SDGs Committee meetings in fiscal 2023
Department in charge of promoting sustainability at T&D Holdings	Sustainability Promotion Department, T&D Holdings
Departments in charge of sustainability/CSR at each Group company	Established departments in charge of sustainability/CSR at each Group company (planning and public relations departments)

### Sustainability Promotion System in the T&D Insurance Group (as of July 2024)



## Sustainability Management Approach

### Committees That Respond to 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 Subjects and Themes of ISO 26000	
Executive Management Board Group Strategy Board	President of T&D Holdings	Organizational governance	Organizational governance
Group Sustainability Promotion Committee (Number of meetings held in fiscal 2023: 4)	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
		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 2023: 4)	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 2023: 12) * Handled by the Group Human Capital Improvement Subcommittee from fiscal 2024.	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 Human Capital Improvement Committee (Scheduled to meet four times in fiscal 2024)	Executive officer in charge of personnel at T&D Holdings	Labor practices	Matters relating to the formulation and revision of Group human resources strategy, matters related to the promotion of Group human resources strategy, and other Group-wide challenges aimed at improving human capital
Group Risk Management Committee (Number of meetings held in fiscal 2023: 16)	Executive officer in charge of the Risk Management Department at T&D Holdings	Fair operating practices	Corporate social responsibility in the value chain
		Consumer issues	Consumer data protection and privacy
Customer service department and product development 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 Sustainability Promotion 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.95.

#### 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 issues related to promoting fair business practice, 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 Human Capital Improvement Committee

To improve human capital to further the growth of the T&D Insurance Group, the existing Group HR Committee was reorganized as the Group Human Capital Improvement Committee as a subordinate committee to the Group Strategy Board on April 1, 2024. Meeting quarterly, the committee is tasked with formulating and promoting the Group's human resources strategy, while exploring and deliberating over challenges to improving human capital across the Group. The committee is chaired by the officer in charge of the Human Resources & General Affairs Department of T&D Holdings, and its members include the officers in charge and general managers of human resources departments at the Group's three life insurance companies, and to coincide with the reorganization, also includes the officer in charge of the Group Planning Department and its general manager, establishing a system to strengthen coordination between management strategy and human resources strategy.

A Group Human Capital Improvement Subcommittee subordinate to the Group Human Capital Improvement Committee, which meets monthly, has also been established. The subcommittee is tasked with specific consideration and implementation of the matters considered and deliberated over by the Group Human Capital Improvement Committee.

#### 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 discussions 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.

## Sustainability Advisory Committee

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

### Sustainability Advisory Committee members



**Takejiro Sueyoshi**  
Special Advisor  
UNEP Finance Initiative



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



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

### Toward decarbonization

#### Efforts to address the recommendations made up to FY2022

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

#### FY2023 Initiatives

##### Recommendations from committee members

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

\* Intergovernmental Panel on Climate Change

#### Response

The CO<sub>2</sub> emission reduction targets of the T&D Insurance Group were revised.

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

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

### Sustainability Advisory Committee meetings held in FY2023: 4 times

#### <Major Themes>

- Trends regarding the climate crisis and COP28
- Green business trends
- ESG investment trends
- Regional revitalization and sustainability
- Trends in innovation aimed at achieving net zero emissions
- Biodiversity and TNFD-related trends
- Sustainable finance-related trends
- Human capital management trends and current status

### Support to small to medium enterprises

#### Efforts to address the recommendations made up to FY2022

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

#### FY2023 Initiatives

##### Recommendations from committee members

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

#### Response

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



## Sustainability Advisory Committee

### Addressing biodiversity

#### FY2023 Initiatives

##### Recommendations from committee members

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

##### Response

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

\* The analysis results are listed on page 64.



### ESG investment

#### FY2023 Initiatives

##### Recommendations from committee members

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

##### Response

The T&D Insurance Group will consider the impact its past investment activities as an institutional investor have had on the realization of a sustainable society, and engage in investments that take the environment, society and governance into account. In response to the committee's recommendations, in FY2023 we set areas of focus for ESG investments and financing in light of the Group's business characteristics, the thinking behind our Sustainability Statement and other factors. We strengthened our investment, financing and engagement activities to this end. Moreover, to provide stakeholders with a deeper understanding of our stance and initiatives related to responsible investment, Taiyo Life and Daido Life each publish a responsible investment report, and quantitatively measure and disclose CO<sub>2</sub> emission reductions and number of beneficiaries of medical services as part of the social impact of their investment and financing activities. Going forward, we will aim to improve the level of contributions our investment and financing activities make to sustainability issues, and further enhance our information disclosures and related activities.



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



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

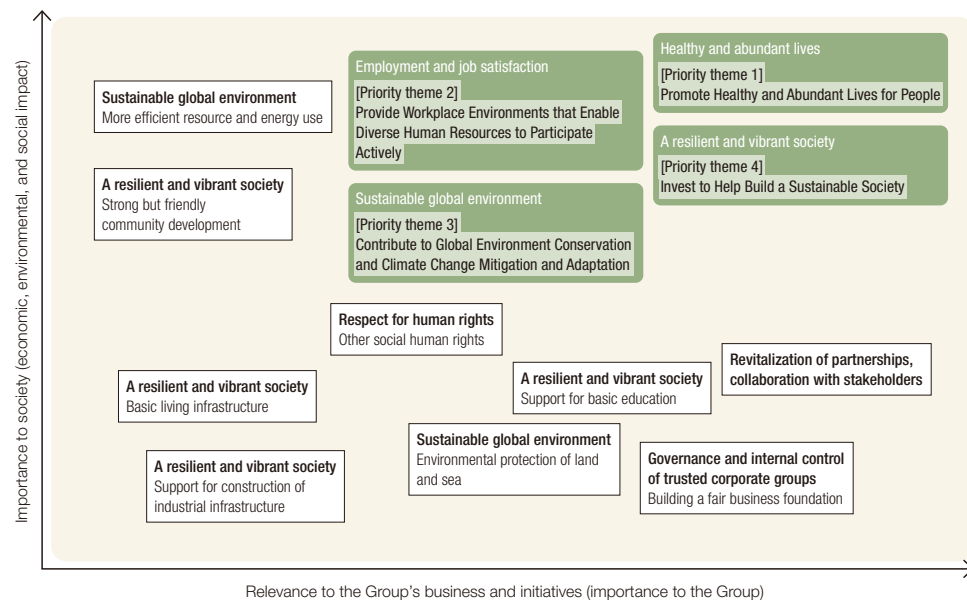
## Priority Themes for Promoting Sustainability

3-1

3-3

### 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.



### 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.

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

#### (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.17.

#### (4) Prioritize shared values and sustainability themes

We evaluated the importance of each shared value and sustainability theme based on both a) importance to society, and b) relevance to the Group's business 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 important 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 (now the Group Sustainability Promotion 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 3-2

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 and status of promotion, where they are described, and the corresponding GRI topics are shown below.

Shared value and sustainability theme	Important social issues	Impact of initiatives to respond to social issues	Description location	GRI topics
<b>Healthy and abundant lives</b> [Priority theme 1] <b>Promote Healthy and Abundant Lives for People</b> (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 societal changes such as the acceleration of Japan's declining birthrate and aging population, is an opportunity for the Group to both grow and contribute to the health promotion of our customers.	<ul style="list-style-type: none"> <li>Reduce economic and social risks in an aging society</li> <li>Help people maintain good health</li> <li>Encourage all people to engage in social and economic activities</li> </ul>	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.	<a href="#">▶P.27</a>	Measures against demographic change and aging Better products and services 203: Indirect Economic Impacts 417: Marketing and Labeling
	<ul style="list-style-type: none"> <li>Promote use of insurance and financial services for all</li> </ul>	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.	<a href="#">▶P.27</a>	
	<ul style="list-style-type: none"> <li>Support for solving management issues of SMEs</li> <li>Support for promoting health management in SMEs</li> </ul>	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.	<a href="#">▶P.32</a>	
	<ul style="list-style-type: none"> <li>Provide proper information on products and services</li> </ul>	To avoid possible impacts of customers not being able to obtain accurate or sufficient information, we will promote the provision of suitable product and service information while also strengthening our initiatives to respond to customer feedback.	<a href="#">▶P.41</a>	
<b>Employment and job satisfaction</b> [Priority theme 2] <b>Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively</b> (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 sustainable society and simultaneously serves as an opportunity to further vitalize the Company, so we are promoting various initiatives accordingly.	<ul style="list-style-type: none"> <li>Support human resources and skills development</li> </ul>	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.	<a href="#">▶P.50</a>	401: Employment 404: Training and Education
	<ul style="list-style-type: none"> <li>Respect worker personalities and diversity</li> <li>Promote active participation of women</li> </ul>	By actively promoting both respect for worker personalities and diversity as well as active participation of women, we will nurture a corporate culture where a diverse workforce can feel job satisfaction and reach its potential.	<a href="#">▶P.52</a>	405: Diversity and Equal Opportunity
	<ul style="list-style-type: none"> <li>Create healthy and safe workplace environments</li> <li>Promote decent work</li> </ul>	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.	<a href="#">▶P.54</a>	403: Occupational Health and Safety
<b>Sustainable global environment</b> [Priority theme 3] <b>Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation</b> (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.	<ul style="list-style-type: none"> <li>Increase use of renewable energy</li> <li>Strengthen resilience to climate change</li> <li>Improve energy efficiency</li> </ul>	By increasing use of renewable energy, improving energy efficiency, etc., we will considerably reduce CO <sub>2</sub> 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.	<a href="#">▶P.60</a>	302: Energy 305: Emissions 201: Economic Performance
<b>A resilient and vibrant society</b> [Priority theme 4] <b>Invest to Help Build a Sustainable Society</b> (Investment and lending) By considering the environment, society, and corporate governance when conducting investment activities as an institutional investor engaged in long-term fund management, we will contribute to the achievement of a sustainable society.	<ul style="list-style-type: none"> <li>Promote investments in sustainable development</li> <li>Promote investments in clean energy</li> </ul>	By conducting investing and lending activities from a long-term perspective that considers ESG factors, we will mitigate ESG risks and contribute to the sustainable growth of investment and loan recipients as an institutional investor.	<a href="#">▶P.70</a>	Responsibilities as an institutional investor 203: Indirect Economic Impacts
	<ul style="list-style-type: none"> <li>Promote initiatives aimed at addressing the sustainability issues of investment and loan receiving companies</li> </ul>		<a href="#">▶P.78</a>	

## Initiatives for Solving Social Issues and Creating Shared Value

### 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 issues	Impact of initiatives to respond to social issues	Description location	GRI topics
<b>Governance and internal control of trusted corporate groups</b> <ul style="list-style-type: none"> <li>Building a fair business foundation</li> </ul>	<ul style="list-style-type: none"> <li>Eradicate corruption and bribery</li> <li>Ensure fair and free competition</li> </ul>	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.	<a href="#">P.104</a>	205: Anti-corruption 206: Anti-competitive Behavior
	<ul style="list-style-type: none"> <li>Manage and protect personal information</li> <li>Information security</li> </ul>	By strengthening our information security systems, we will prevent impacts due to the leakage of personal information.	<a href="#">P.103</a>	419: Socioeconomic Compliance 418: Customer Privacy
	<ul style="list-style-type: none"> <li>Tax approach focused on tax compliance</li> </ul>	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.	<a href="#">P.106</a>	207: Tax
<b>Respect for human rights</b> <ul style="list-style-type: none"> <li>Other social human rights</li> </ul>	<ul style="list-style-type: none"> <li>Stop discrimination against women and violence</li> <li>Prevent harassment</li> </ul>	By preventing discrimination and harassment based on gender, disabilities, race, and sexual orientation, we will prevent related impacts on human rights.	<a href="#">P.23</a>	412: Human Rights Assessment
<b>Sustainable global environment (biodiversity, resources, forests, and pollution prevention)</b> <ul style="list-style-type: none"> <li>Efficiently using resources and energy</li> </ul>	<ul style="list-style-type: none"> <li>Enhance efficiency of resource use</li> <li>Increase reuse and recycling activities</li> </ul>	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.	<a href="#">P.65</a>	301: Materials 303: Water and Effluents
<b>Sustainable global environment (biodiversity, resources, forests, and pollution prevention)</b> <ul style="list-style-type: none"> <li>Environmental protection of land and sea</li> </ul>	<ul style="list-style-type: none"> <li>Protect marine resources and prevent marine pollution</li> <li>Conserve terrestrial biodiversity</li> </ul>	By promoting the recycling of plastic bottles, we will prevent ocean pollution. By promoting tree planting, we will contribute to the preservation of biodiversity.	<a href="#">P.71</a>	304: Biodiversity 306: Waste
	<ul style="list-style-type: none"> <li>Conserve forests</li> </ul>			
<b>Resilient and vibrant society (community contribution activities)</b> <ul style="list-style-type: none"> <li>Support for basic education</li> <li>Build basic living infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Provide equal access to education</li> </ul>	By conducting social contribution activities, we will contribute to improving the social environment in terms of aging, health, education, poverty, and the environment.	<a href="#">P.89</a>	Measures against demographic change and aging
	<ul style="list-style-type: none"> <li>Improve nutrition in poor households</li> <li>Take measures to combat infectious and contagious diseases</li> <li>Support use of health services</li> </ul>			Promoting community and employee health 413: Local Communities
<b>Revitalization of partnerships / Collaboration with stakeholders</b>	<ul style="list-style-type: none"> <li>Collaborate with stakeholders</li> </ul>	By engaging with stakeholders, we will enhance our organizational transparency to gain their trust, which is essential for our long-term growth.	<a href="#">P.20</a>	414: Supplier Social Assessment




















## 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. The SDGs 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.

### Sustainability priority themes and SDGs



#### Sustainability priority themes and the SDGs

Sustainability priority themes	Main related SDG targets	Initiatives
<b>1</b> Promote Healthy and Abundant Lives for People	   	We will contribute to the sustainable growth of society and to the solution of social issues through the insurance business by offering high-quality, optimal products and services that meet customer needs.
<b>2</b> Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively	   	To respect the human rights of all people and respect the personalities and diversity of our employees, we ensure a healthy and safe working environment and develop our human resources.
<b>3</b> Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation	   	We will contribute to climate change mitigation and adaptation and work to create a net zero society and conserve biodiversity through our own business activities as a provider of insurance products and services to customers.
<b>4</b> 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.

### SDG Compass comparison table

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

#### SDG Compass comparison table

Item	SDG Compass contents	Relevant material (P indicates the page of this report)
Executive summary	Why do the SDGs matter for business? What is the SDG Compass?	P.9-10 Message from the President P.19 SDG Compass Comparison Table
Step 1 Understanding the SDGs	What are the SDGs? Understanding the business case The baseline responsibilities for business	P.19 Contribution to SDGs
Step 2 Defining priorities	Map the value chain to identify impact areas Select indicators and collect data Define priorities	P.16 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.52 Priority theme 2 (Targets set for promoting female employees to management positions) P.67 Priority theme 3 (Group-wide targets and results)
Step 4 Integrating	Anchoring sustainability goals within the business Embed sustainability across all functions Engage in partnerships	P.16 Priority Themes for Promoting Sustainability • Initiatives for solving social issues and creating shared value P.8: The T&D Insurance Group’s Value Creation Process
Step 5 Reporting & communicating	Effective reporting and communication Communicating on SDG performance	<ul style="list-style-type: none"> <li>• Publication of Sustainability Report (this report)</li> <li>• Website <a href="https://www.td-holdings.co.jp/en/csr/">https://www.td-holdings.co.jp/en/csr/</a></li> </ul>  <ul style="list-style-type: none"> <li>• Integrated Reports <a href="https://www.td-holdings.co.jp/en/ir/document/annual.php">https://www.td-holdings.co.jp/en/ir/document/annual.php</a></li> </ul> 

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

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

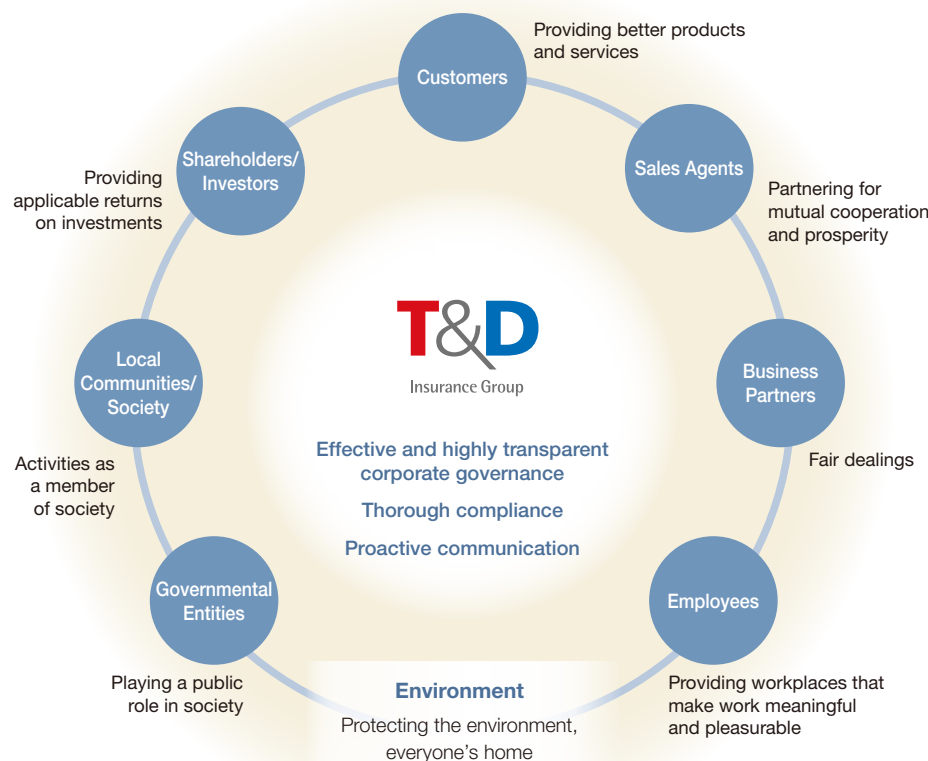
# Stakeholder Engagement

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## The T&D Insurance Group and Its Stakeholders



## Management Reflecting Stakeholders' Opinions

The T&D Insurance Group proactively engages in dialogue with stakeholders as set out in the T&D Insurance Group CSR Charter (see "4. Communication"). By taking every possible opportunity to interact, T&D Holdings and each Group company collect the opinions of policyholders, sales agents and other stakeholders and reflect them in their respective business management.

## Proactive Information Disclosure

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

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

## Dialogues with main stakeholders

Shareholders and investors	<p><b>Shareholders' meetings, financial results briefings, individual meetings for institutional investors, etc.</b></p> <p>In addition to shareholders' meetings, we hold information meetings, teleconferences, and individual meetings for institutional investors.</p>
Customers	<p><b>Customer feedback, customer surveys, customer information meetings, business reporting meetings, Service Quality Improvement Committee, Service Supervision Committee, etc.</b></p> <p>The Group has set up many points of contact with its customers, including sales representatives, agents, call centers and the Internet, as well as a new policy procedures survey that focuses on the attitudes of sales representatives and the understandability of application forms and other documents and customer satisfaction surveys, giving the Group access to a wide range of customer feedback. A committee has also been established to improve customer satisfaction, and the Group incorporates the opinions of outside committee members, including attorneys and experts in consumer issues, in its management.</p>
Employees	<p><b>Education and training, human rights training, employee engagement score surveys, dialogues and consultations with labor unions, an internal reporting system, etc.</b></p> <p>Education and training are provided through on-the-job training and group training, and through support for self-education efforts. The Group also conducts human rights awareness training that addresses discrimination, harassment and other issues as a way of deepening employees' understanding of the importance of respecting human rights. Awareness surveys such as employee engagement score surveys are conducted to collect information on employee opinions and requests regarding job satisfaction and enhancing motivation. Through dialogues with its labor unions, the Group has an opportunity to discuss a wide range of subjects, including management policies, wages, working hours, leave, human resource systems and benefits.</p>
Protecting the environment and contributing to local communities	<p><b>Participation in the UN Global Compact, Principles for Financial Action for the 21st Century, and Global Environment Information Forum, Japan, support for the Japan Down Syndrome Society, implementing Forests of Taiyo Life activities, supporting activities by The Nature Conservation Society of Japan, etc.</b></p> <p>The Group participates in the UN Global Compact, Principles for Financial Action for the 21st Century, and other initiatives. It also exchanges views in a wide range of areas through study groups and dialogues with the participating companies. Furthermore, the Group has opportunities to understand stakeholders' expectations toward enterprises and to explore possibilities of the Group's contribution through support of and participation in the activities of NPOs active in each field.</p>

## Stakeholder Engagement

### Disclosure of Information to Shareholders and Investors

#### 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.

#### 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, non-financial, corporate, 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.

#### ■ 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.

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

### IR activities 2-29

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.

For more details, please see "IR Library" under "Investor Relations" on our website.

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

#### ■ Main activities

##### Presentations for institutional investors and securities analysts

We hold conference calls chaired by the general manager 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 hold individual meetings with institutional investors and securities analysts.

##### Presentations for individual investors

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

##### Presentations for overseas investors

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

##### IR information posted on our website

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

##### 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 Group portal sites.

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

<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/>

## Stakeholder Engagement

### Shareholders' Meetings

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 disclose 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. Additionally, we have introduced an online electronic voting system to improve shareholder convenience, and the money saved from postage is donated to support students experiencing financial hardship in continuing their education. 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 2024 as well, we broadcast the Shareholders' Meeting live on the Internet so that distant shareholders could conveniently observe the proceedings from their homes and other places.

### Shareholders 2-1

#### Proportion of shares held (as of March 31, 2024)

Shareholder category	Financial institutions	Financial product dealers	Other corporations	Foreign corporations	Individuals and others	Total
Number of shares held (1,000 shares)	152,437	20,912	91,252	231,005	48,391	544,000
Proportion of shares held (%)	28.02	3.84	16.77	42.46	8.90	100.00

#### Principal shareholders (as of March 31, 2024)

Name of shareholders	Number of shares held (1,000 shares)	Percentage of total shares outstanding (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	90,320	17.01
Custody Bank of Japan, Ltd. (Trust Account)	29,680	5.59
GOLDMAN, SACHS & CO. REG	13,844	2.61
SSBTC CLIENT OMNIBUS ACCOUNT	13,251	2.50
JP MORGAN CHASE BANK 385632	10,339	1.95
STATE STREET BANK WEST CLIENT-TREATY 505234	9,380	1.77
JP MORGAN CHASE BANK 385781	7,799	1.47
JPMorgan Securities Japan Co., Ltd.	6,222	1.17
THE BANK OF NEW YORK MELLON 140044	6,014	1.13
AIG General Insurance Company, Ltd.	6,000	1.13
Total	192,852	36.31

Note: The Company holds 12,906 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 after deducting treasury shares.



## Respect for Human Rights

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### T&D Insurance Group Human Rights Policy

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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.

<https://www.td-holdings.co.jp/en/csr/csr-policy/human-right-policy.php>

### 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

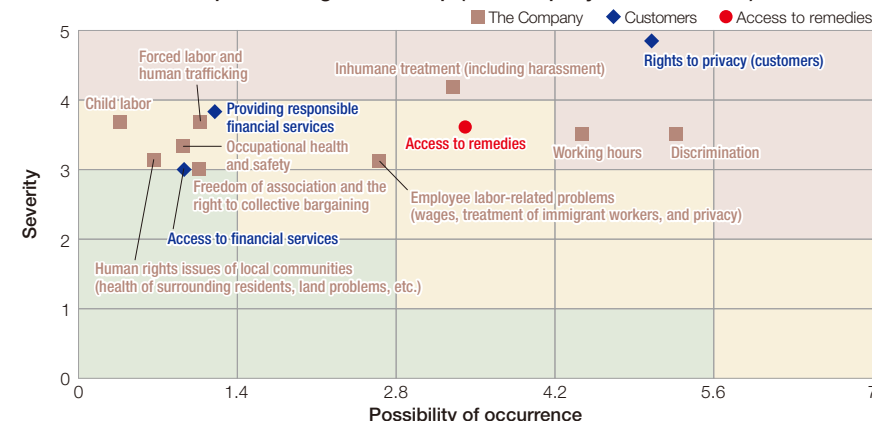


\* Recently, STEP 2 Formulation of the process and STEP 3 Human rights assessment have been implemented as human rights due diligence covering the period up to March 31, 2024.

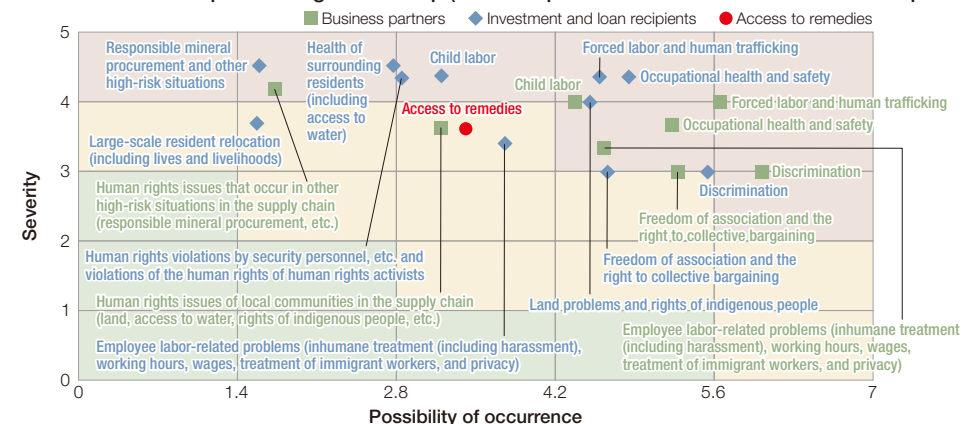
### Identification of human rights risks

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 severity of every issue/field according to its possibility of occurrence and then find the total.

Possibility of occurrence: The value found calculated 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).

## Respect for Human Rights

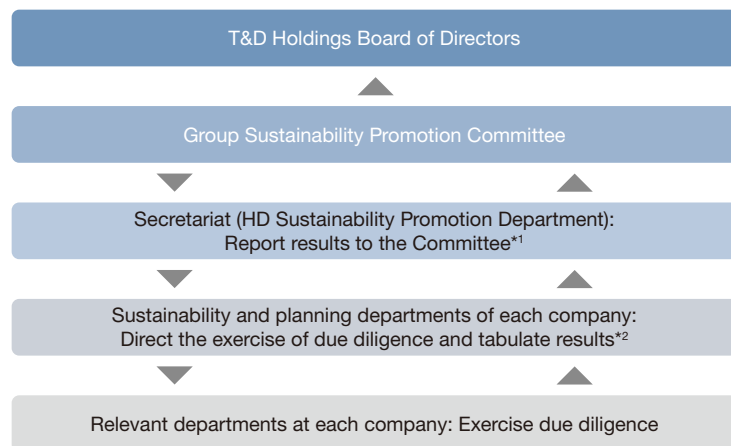
### Implementation of human rights due diligence and confirmation results

The Group exercised human rights due diligence at the Company and its consolidated subsidiaries covering the period up to March 31, 2024.

During our due diligence, we comprehensively confirmed human rights problems, including the development status 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. Based on the T&D Insurance Group Human Rights Risk Map that was formulated in fiscal 2023, we recently added “customers’ rights to privacy” to the items we check and confirmed related systems, the status of emerging human rights risks, and other matters.

In our assessment, we focused on our own risks in relation to “harassment” and “long working hours,” which are particularly important human rights risks for us. 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.

### 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.

### Additional item: rights to privacy (customers) 3-3

We confirmed that each company has established systems to protect the right to privacy, and verified that the necessary measures are being implemented in case of the leaking of personal information.

### Items for priority confirmation: harassment

The number of cases of harassment in fiscal 2023 is shown on the right.

The Group handles reports and consultations related to harassment (sexual, power and other harassment) via the T&D Insurance Group Helpline—which was established as an internal reporting system—as well as Harassment Consultation Desks established at the three life insurance companies, etc.

The Group Helpline and Harassment Consultation Desks also deal with whistleblowing reports and consultations from employees about human rights related issues including harassment, and work to provide remedy to victims and prevent recurrence. If our investigations uncover violations of laws and regulations or internal rules, we take measures to provide remedy to victims, including reshuffling personnel, and we also take disciplinary action in accordance with the work rules.

\* For details on our whistleblower system, see Whistleblower System on P.105.

### Harassment occurrence situation (fiscal 2023)

Number of confirmed targets	
Number of harassment-related consultations received*	70
Number of incidents certified as harassment	10

\* Total from all reception desks

### Items for priority confirmation: excessive working hours

While no serious human rights issues due to long working hours have occurred, some managers have been working in excess of 80 hours overtime per month. To prevent excessive working hours, the Group promotes initiatives in line with the situation of each company.

### Over 80 hours per month of non-statutory work

	Fiscal 2021	Fiscal 2022	Fiscal 2023
Non-statutory work of over 80 hours per month	20 people	18 people	20 people

\* T&D Holdings and seven directly owned subsidiaries

## Respect for Human Rights

### 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
- Providing labor management training for managers

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 Sustainability Promotion 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.

### Human rights education sessions 412-2

The T&D Insurance Group brings in outside instructors for Group Manager Human Rights Seminars, and conducts human rights awareness-raising training at each Group company incorporating themes on a range of issues associated with human rights, including various forms of harassment, and diversity. These activities reflect our commitment to providing employees with a deeper understanding of human rights.

#### ■ Taiyo Life

With the aim of deepening an understanding of human rights issues and cultivating a spirit of respect for human rights, the company has created a Human Rights Education Program, which holds courses for all employees on the topic of human rights. In fiscal 2023, we provided in-office workshops and training (via e-learning) on human rights issues for administrative personnel, and brought in outside instructors to conduct human rights workshops for branch employees. In addition, training was also held for persons in management positions on the theme of cultivating a harassment-free workplace.



#### ■ 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 2023, to reflect harassment prevention as a priority issue, related manager training and workplace training sessions were held. In addition, 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 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 raise employees' awareness for 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 2023, to thoroughly enforce the prevention of power harassment, group-based harassment prevention training was conducted for all persons in management positions, with the aim of developing a workplace environment with a high level of psychological safety.

Training on cultivating a harassment-free workplace environment is also provided when personnel are promoted into management positions.

#### ■ Initiatives as an institutional investor

The corporate philosophy of the T&D Insurance Group states that with our "Try & Discover" motto for creating value, we aim to be a group that contributes to all people and societies. In keeping with this philosophy, in our asset management activities we have to help realize a sustainable society in addition to ensuring stable revenue in the long term. Accordingly, as a responsible institutional investor we believe it is important to engage in investment that takes the environment, society and corporate governance (ESG) into account. In addition to adopting methods such as negative screening that excludes companies and businesses from investment and lending if they are unfavorable from the viewpoint of ESG, we tackle action on human rights as an institutional investor, such as investing in social bonds that contribute to education, employment support and gender equality in developing countries.

## Priority Theme 1



## Promote Healthy and Abundant Lives for People

With the main business of the T&D Insurance Group being the life insurance business, contributing to promote healthy and abundant lives for 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 Promote the use of digital technology to meet diversifying customer needs
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

### Our target

Customer satisfaction level  
at or above the fiscal 2020 level by fiscal 2025

### FY2023 results

Taiyo Life	91.4% (91.8%)
Daido Life	85.0% (82.3%)
T&D Financial Life	79.2% (72.8%)

\* Figures in parentheses indicate FY2020 results

### 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

#### FY2023 Initiatives

- Launched *Preventive Insurance Series* to support initiatives aimed at customer prevention through insurance
- Enhanced online insurance product lineup including *Sma-Hoken* and Remote Application
- 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 community for working on resolving social issues in collaboration with SMEs
- Bolstered product lineups to respond to diversifying customer needs, etc.

#### Planned for FY2024

- 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.



## Provision of Products and Services Which Meet the Needs of Society

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### Products and Services of Group Companies That Help Solve Social Issues

The T&D Insurance Group strives to provide the ideal high-quality products and services that meet the needs of customers in various markets, including those for households, SMEs and independent insurance agents. Through this approach, we contribute to solving social challenges stemming from social change, such as the declining birthrate, aging society, efforts to extend people's healthy lifespans, and the advance of IT technologies. The following table shows initiatives to address important social issues through the products and services of Group companies.

#### Initiatives Through the Products and Services of Group Companies to Address Important Social Issues

Important social issues	Corresponding products and services	
Reduce economic and social risks in an aging society	Taiyo Life	• Consideration for elderly customers (activities to pay visits to customers, initiatives when customers take out new policies or renew existing ones) <a href="#">P.40</a>
	Daido Life	• Consideration for elderly customers (initiatives during enrollment, after enrollment and during payment, improved service and hospitality) <a href="#">P.40</a>
	T&D Financial Life	• Insurance and services to prepare for the nursing care needs of business owners ( <i>Kaigo Relief a</i> ) <a href="#">P.33</a>
Help people maintain good health		• Consideration for elderly customers (initiatives when enrolling, taking out a policy or going through procedures) <a href="#">P.40</a>
	Taiyo Life	• Prevention Initiatives ( <i>Preventive Insurance Series</i> ) • Prevention Initiatives (services) <a href="#">P.28-29</a>
	Daido Life	• Initiatives to disseminate Kenkokeiei® (Health and Productivity Management) • Various other health and management support services, etc. <a href="#">P.34, 36</a>
Encourage all people to engage in social and economic activities	T&D Asset Management	• About Neuro HALFIT®, a HALFIT service <a href="#">P.33</a>
		• Contributing to the Promotion of a Healthy Society through Investment <a href="#">P.39</a>
Promote use of insurance and financial services for all	T&D Financial Life	• Provision of asset formation products encouraging all people to thrive socially and economically <a href="#">P.38</a>
	Taiyo Life	• Various initiatives that cater to diverse needs <a href="#">P.30</a>
Promote the use of digital technology to meet diversifying customer needs	Daido Life	• Procedural systems for foreign employees <a href="#">P.34</a>
		• Application procedures through DX utilization <a href="#">P.30</a>
	Taiyo Life	• Expansion of procedures available through <i>Taiyo Life My Page</i> (during policy term) <a href="#">P.31</a>
	Daido Life	• <i>Kaketsuke-Tai Service</i> supporting claim procedures (at time of payment) <a href="#">P.31</a>
Support the establishment and growth of SMEs and the improved health of their employees	T&D Financial Life	• Procedures that Connect <a href="#">P.34</a>
		• Initiatives aimed at improving customer satisfaction <a href="#">P.39</a>
	Daido Life	• Provision of protection that widely covers the human risks faced by SMEs <a href="#">P.32-33</a>
		• Initiatives toward support for the resolution of the management issues of SMEs <a href="#">P.34-36</a>

## Provision of Products and Services Which Meet the Needs of Society

### 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 non-face-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

#### Prevention initiatives (Preventive Insurance Series)

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.

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 March 2024, sales of our dementia-related products exceeded 950,000 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 aged-generation.

Launched in October 2018



Himawari Dementia Prevention Insurance

**Benefit 1** Application with a simple declaration is possible even if there are health concerns

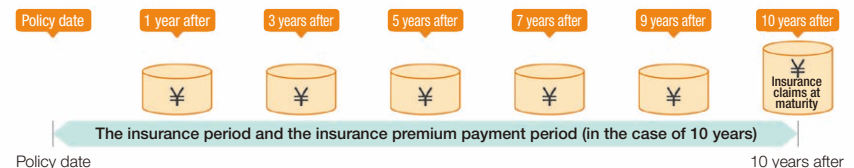
**Benefit 2** Coverage of dementia using double insurance claims (dementia diagnosis insurance claims and dementia treatment insurance claims)\*

**Benefit 3** 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 treatment insurance"

**Benefit 4** Special survival benefits (preventive benefits) that can be utilized for dementia prevention and various other purposes

[Preventive Benefits]



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

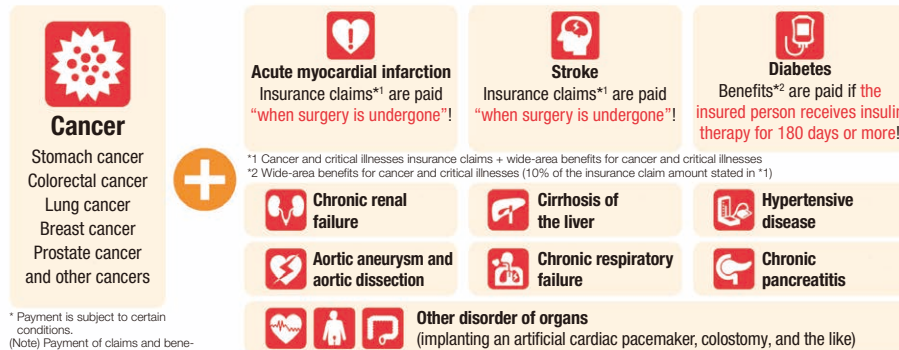
## Provision of Products and Services Which Meet the Needs of Society

Launched in June 2021



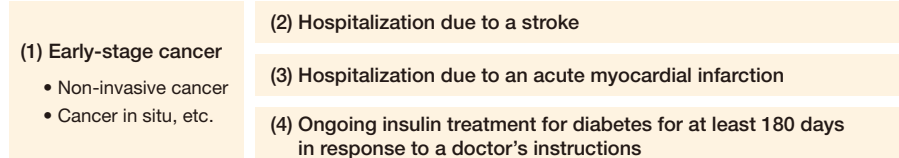
Cancer and Critical Illness Prevention Insurance

### Benefit 1 Broad coverage of cancer and certain critical illnesses



\* Payment is subject to certain conditions.  
(Note) Payment of claims and benefits is limited to one time only.

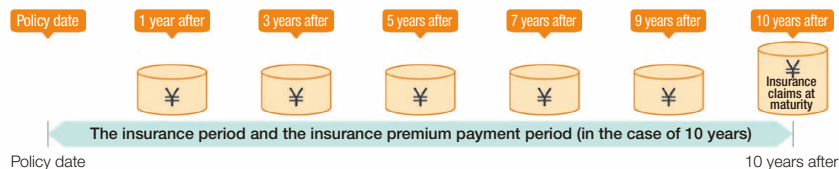
### Benefit 2 Even in the case of early-stage disease, 10% of the insurance claim amount (wide-area benefits for cancer and critical illnesses) is paid.



\* Payment is subject to certain conditions.

### Benefit 3 Special survival benefits (preventive benefits) can be utilized for disease prevention services

[Preventive Benefits]

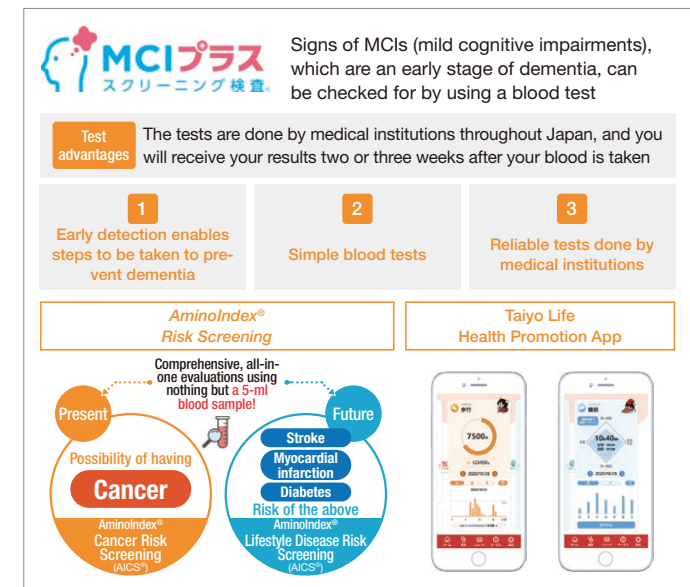


### Prevention initiatives (services)

For customers enrolled in 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 other benefits. In addition, in March 2021, we entered into a business agreement with Ajinomoto, H.U. Frontier, and H.U. Wellness, and began offering *AminolIndex® 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 *AminolIndex® 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.



### Kurort® Health Walking Experience Tour



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



## Provision of Products and Services Which Meet the Needs of Society

### Various initiatives that cater to diverse needs

Launched in May 2023



Simplified cancer diagnosis insurance



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.

Launched in May 2024



### 働けなくなったときの保険

Insurance for when unable to work, etc.

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

### Application procedures through DX utilization

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 August 2024, this was further evolved and transformed as *T-AI-Face*, a mobile terminal driven by AI technologies. A new way of developing proposals has been achieved, using AI to suggest the optimum protection plan, and doing so from anywhere, thanks to the use of digital technology.

Through the Internet sales channel, customers can obtain insurance quotes and apply online at a convenient time and from a convenient location. Building on this, we have launched *Sma-Hoken*, combining these options with the personalized in-person services we have cultivated over the years to develop a unique concept that allows us to provide online-only insurance with enhanced follow-up support. In addition to the *Simplified cancer diagnosis insurance* and *Simplified cancer treatment insurance* newly launched in 2023, we have started offering online-only *Sma-Hoken* for educational insurance and individual annuities.

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-to-face 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 make use of information via internet advertising and other channels to promote hybrid sales combining in-person and non-in-person interactions, while also making use of DX in every field to evolve our business models, boost productivity and enhance service. We will also drive growth to become “a company that supports the healthy and long lives of customers through challenges and innovation,” as declared in our management plan.

### 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.

#### Consideration for elderly customers (activities to pay visits to customers, initiatives when customers take out new policies or renew existing ones)

We proactively recommend that the family members of a senior customer be present when he or she concludes a contract to prevent misunderstandings. Also, we offer the senior support desk service, where our in-house sales representatives make use of the videophone function for mobile devices so that our





## Provision of Products and Services Which Meet the Needs of Society

staff at the headquarters can 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. 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.

### ■ Expansion of procedures available through *Taiyo Life My Page* (during policy term)

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 April 2022, we started providing a new *Taiyo Life My Page* service—the web insurance certificate and 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 160,000 as of March 2024.

### 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 and digital certificates
- Account applications and changes
- Electronic barcode payments

#### 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.

In May 2023 we launched a new service that allows customers to access *Taiyo Life My Page* to create their own electronic barcode and use it to pay their second and subsequent insurance premiums at a convenience store. We also made it possible to use electronic barcodes for other payments, such as for first premium reserve payments in December 2023, and the repayment of policyholder loans in January 2024. As a result, the number of registered members for the *Taiyo Life My Page* service increased by approximately 500,000 from the end of fiscal 2022, reaching 1.72 million by the end of fiscal 2023.

An official LINE account was also set up in September 2023 to further improve convenience and enhance services. Registering the account has made it possible for customers to make use of our Internet-based services such as insurance-related procedures from LINE. We have also begun disseminating information on a regular basis through the account, and use it as a more intimate tool of communication to support customers in addition to existing services including service desks and our website.

### ■ *Kaketsuke-Tai Service* supporting claim procedures (at time of payment)

We implement a *Kaketsuke-Tai Service* where office workers with specialized knowledge visit customers or their families directly to help them with various procedures, such as claiming benefits. With this service, which involves the use of sales terminal devices to generate paperless benefit claims, benefits can be paid in as little as ten minutes or so, thanks to the entirely paperless procedure\*. Additionally, with regard to dementia, we implement follow-up initiatives to ensure that if a customer fails to meet the payment criteria at one point despite having made a claim for benefits, they do not miss out on future claims. Since the service launched until the end of March 2024, we followed up on 3,274 cases, 1,298 of which led to benefits being paid out.

\* Results can vary depending on the nature of the claim, the situation under which the claim is received, and other factors.



## Provision of Products and Services Which Meet the Needs of Society

### 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

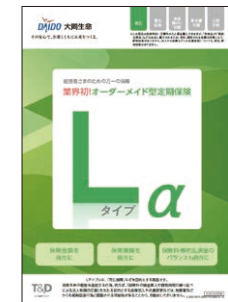
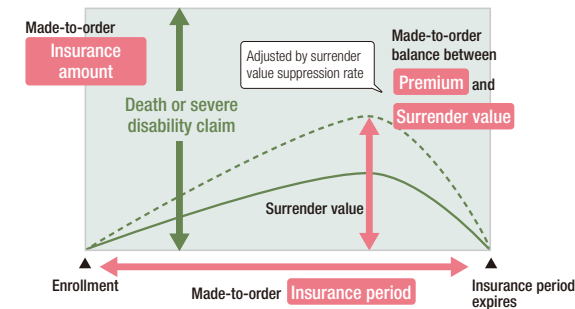
Proposal of reasonable integrated coverage for the corporation and individuals (a full range of protection)

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).

### Made-to-order insurance to meet diverse coverage needs (*L-type*, *J-type*, and *T-type* products)

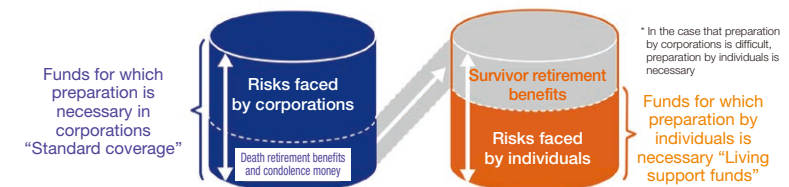
With the arrival of the era of the 100-year life and facing a serious lack of successors, a phenomenon including the aging of SME owners and the lengthening of their working careers is advancing. Meanwhile, structural changes in society and industry are presenting SMEs with more diverse management challenges 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* [non-participating age-specific maturity term life insurance (specified surrender value suppression rate type)], *J-type* [non-participating critical illness insurance (specified surrender value suppression rate type)], and *T-type* [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.

How it works (conceptual image)



### Main product lineup

Protect corporations	Insurance to prepare for death	Insurance to prepare for critical illnesses	Insurance to prepare for serious physical disability	Insurance to prepare for hospitalization and/or surgery
	R-type L-type α	J-type J-type α Stage-limited cancer J-type	T-type T-type α	Lump-sum payment M-type
	Kaisha Minnade KENCO+			
Protect individuals	Insurance to prepare for loss of income	Insurance to prepare for nursing care costs	Asset succession and inheritance preparation	Preparation for old age and asset formation
	Shunyu Relief	Kaigo Relief α	Life Gift α	Individual annuity Whole life insurance



### Medical insurance covering both corporate working capital and cost of hospitalization and surgery with a lump-sum payment (*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.

## Provision of Products and Services Which Meet the Needs of Society

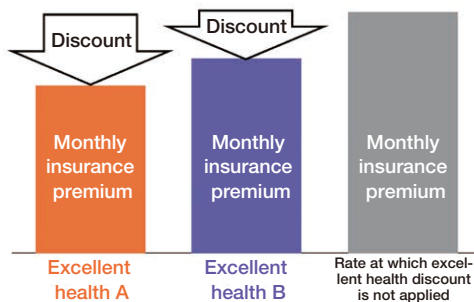
### Insurance and services to prepare for the nursing care needs of business owners (*Kaigo Relief a*)

As a result of the aging society, there has been an increase in the number of people requiring long-term care in the public long-term care insurance system, as well as the number of elderly people with dementia. Accordingly, the needs for nursing-care benefits of SME owners and individual business owners are also on the rise. To satisfy these needs, since April 2019, Daido Life has been offering *Kaigo Relief a* [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.

### Kenko Yell Wari (excellent health discount rider)

To make it easier for all business owners, irrespective of their age, to secure the necessary protection, in December 2023 we released *Kenko Yell Wari* (excellent health discount rider), which combines two insurance premium categories, namely “insurance premium rates that carry a large discount,” and “insurance premium rates with a wide range of discounts.”

#### Image of insurance premium discounts



- ✓ **Excellent health A**, offering large discount to customers confident about their health
- ✓ **Excellent health B**, which applies to many customers

\* Rate ratio to which the excellent health discount is not applied

### 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 a*, 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

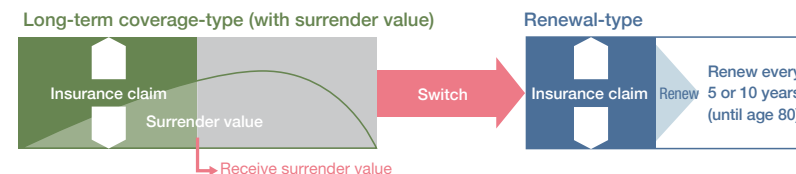


Provided by ©CYBERDYNE, Inc.

### 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 allowing customers who are enrolled in medical insurance and riders, including the former M type, to update their insurance coverage with simple procedures (not requiring declarations) and to review coverage in accordance with business conditions.

#### Example of switch (conversion) from “long-term coverage-type” to “renewal-type”



## Provision of Products and Services Which Meet the Needs of Society

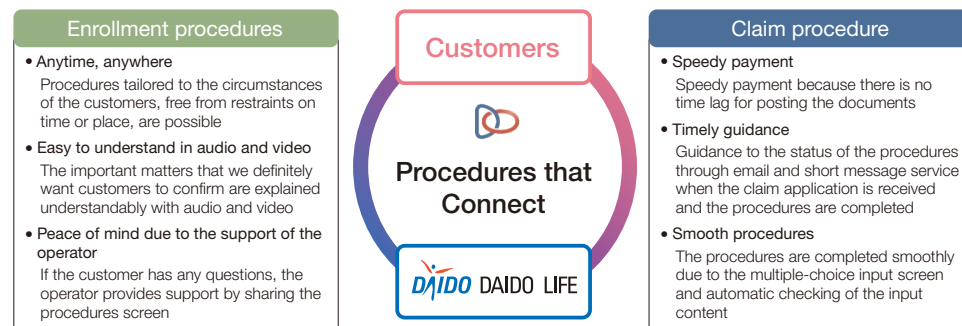
### Initiatives to improve the convenience of insurance procedures

#### ■ 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.)

#### Eight languages

Chinese, Vietnamese, Filipino, Portuguese, Nepalese, Korean, English, and Spanish

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

#### ■ Initiatives to Promote Health and Productivity Management\*

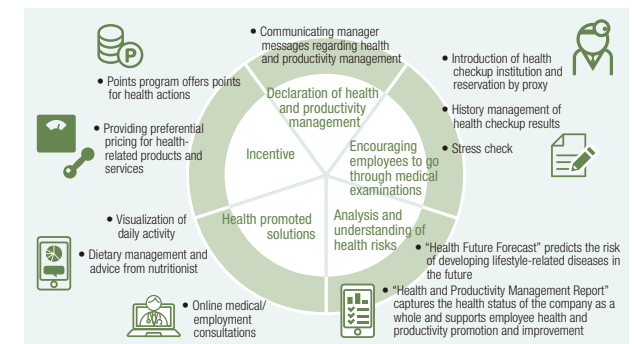
Daido Life assists SMEs in implementing Health and Productivity Management. The aims are to contribute to creating a society where SMEs and their employees can be active and vigorous and to solving issues faced by Japan's rapidly aging society.

\* 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 Kenkokei.

#### 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+

To prevent illness through health and productivity management, and prepare for unforeseen retirements, since January 2022 we have been offering a health-promoting insurance integrating the KENCO SUPPORT PROGRAM with protection. 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.





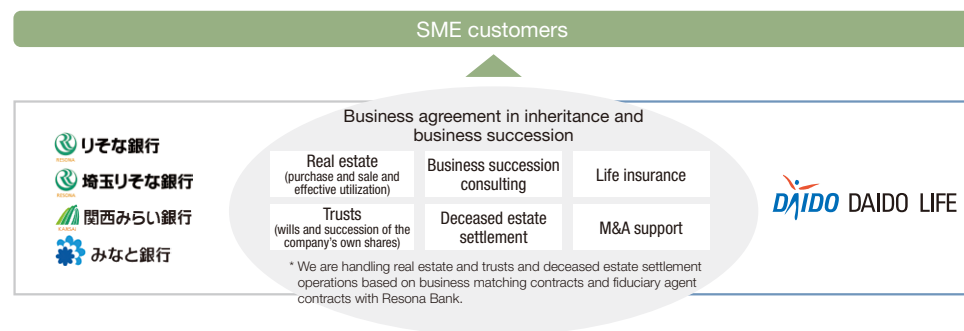
## Provision of Products and Services Which Meet the Needs of Society

### Support for inheritance and business succession

Recently, business owners have rapidly developed a growing interest in business succession. To accommodate business owners worried about whether they can smoothly hand on their business to a successor, since 2016 we have formed an organization of financial planning (FP) and inheritance consultants\* who are specialists in inheritance and business succession, establishing a system to provide ongoing support to help customers solve their issues.

Our FP and inheritance consultants provide advice about transferring a company's own shares and risk management based on financial analysis, reflecting the results of estimated company share valuations. Additionally, through collaboration with partners, we are offering a wide range of consulting tailored to the issues customers face as experts in inheritance and business succession. These include M&A support services for third-party succession, Daido Management Academy as a successor development program, and the provision of solutions from the banking sector through our collaboration with the Resona Group.

\* These are 1st-grade financial planning technicians (grade-1 FPs) or staff who have obtained CFP® qualifications, and who have been certified as inheritance and business succession experts after completing our dedicated training program



### 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.

In 2022—our 120th year in business—we renewed these courses to make them a place of learning, expanding the targets to include not just business owners and employees at SMEs, but also anyone aspiring to start their own business, including students. To date, the courses have been held a cumulative total of 155 times, with participants numbering around 18,000 in total.

In fiscal 2023, we launched a series of lectures at Meiji University, jointly hosted seminars with the University of Tokyo Hospital, held online courses together with Japan Women's University, Hito wo Taisetsu ni Suru Keiei Gakkai (the Human-centric Management Society) and the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN, and also provided entrepreneurial support to 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 community *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?* comprises four functions: “Consult” (a community where business owners can share ideals and worries with each other), “Learn” (introduction of real examples close to home for business owners), “Utilize” (provide centralized guidance about the various services available to support management), and “Connect” (provide company and business introductions and messaging functions). 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.

More than 70,000 companies!



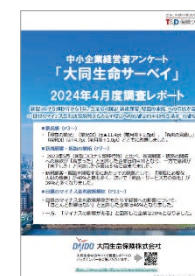
Web community *Dodai?*



Mascot  
Dodai-kun

### 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 9,000 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.



Daido Life website  
Daido Life Survey  
(Japanese only)



### Publication of a *Sustainability Management Implementation Guide* for SMEs

We have produced and distributed a new *Sustainability Management Implementation Guide* for SMEs that is designed to respond to feedback regarding sustainability management that has emerged from SME business owners, such as being unsure about the need to implement sustainability management at one's own company, or being uncertain of how to specifically put it into practice. This Guide includes basic knowledge and key points of sustainability management as well as case studies of SMEs that practice



Sustainability Management  
Implementation Guide



## Provision of Products and Services Which Meet the Needs of Society

sustainability management. It also clearly summarizes useful support and assistance available to SMEs that are getting to grips with sustainability management.

### ■ 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.



### ■ Recruitment and training support services

We offer “Free Consultation on Recruitment and Training of Human Resources (General Human Resources Consultation)” and four fee-based services in order to respond to a wide range of concerns regarding human resources, which is one of the management issues of SMEs.

#### General Human Resources Consultation [Free]

Free consultation regarding personnel hiring and development, advice about recruitment and hiring interviews, etc.



Guidance about the range of services based on the personnel difficulties companies face

Support for the recruitment of high school graduates



Support for mid-career hiring



Provision of an in-house manual creation tool (video)

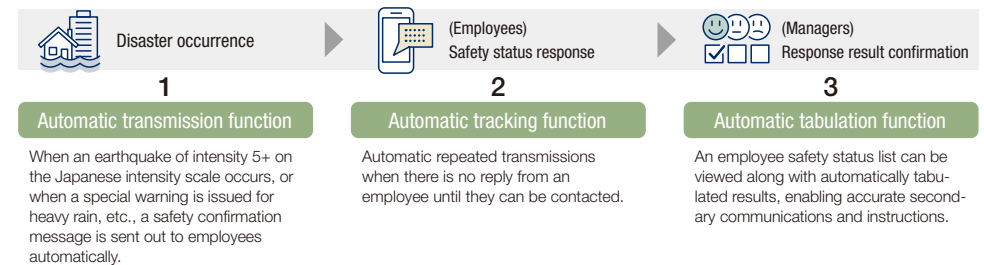


Provision of e-learning courses



### ■ Safety confirmation system

In recent years, large and unforeseen natural disasters have been on the rise. To respond to the wishes of SME business owners regarding the safety of their employees when disasters such as major earthquakes, typhoons or torrential rains strike, we provide a *Safety Confirmation System* that allows the safety status of employees to be promptly confirmed. This service is equipped with all of the functions necessary for safety confirmation at SMEs in the event of a disaster.



### ■ Various other health/management support services

To help SMEs resolve management issues, Daido Life provides various support services below.

#### Daido Life's health/management support services

##### Health support: more leisure time

Supporting truly healthy daily living

- T&D Club Off
- Health Screening Referral Service
- Health Hotline 24
- Second Opinion Service
- Stress Check Service
- Simultaneous Cancer Treatment and Job Support Service
- Kaigo Concierge
- Daido Premier Concierge
- Welby My-Karte
- Cancer Rehabilitation Exercise Support

##### Management support

Providing services that are useful for corporate management

- Online Public Support Service
- Online Employment Regulation Diagnosis Service
- DAIDO Business Reports
- Internal Rule Template Providing Service
- Accounting Method Guidance Service
- Company Stock Evaluation Estimation Service
- Corporate Value Calculation Service
- M&A Support Service
- Daido Management Academy
- Targeted Attack Email Response Training Service
- SME-Oriented Information Security Service
- Overseas Expansion Support Service

## Provision of Products and Services Which Meet the Needs of Society

### TOPIC

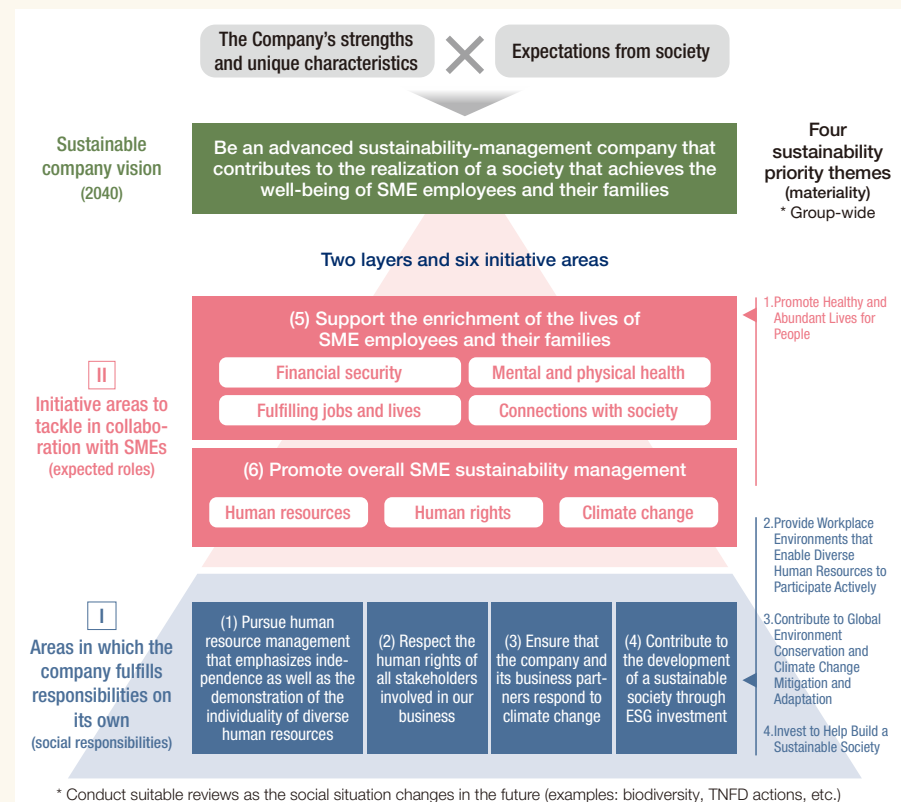
#### The Initiatives of Daido Life

### Initiatives Based on the Sustainability Promotion Plan

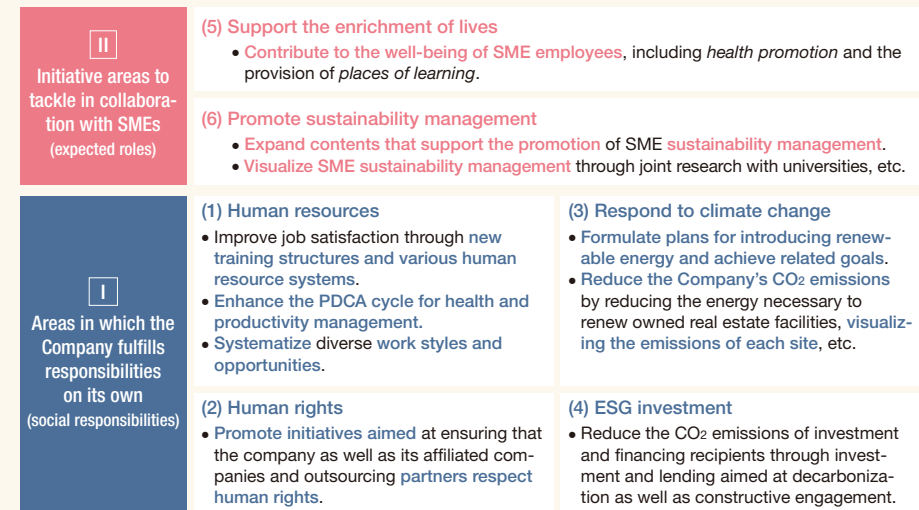
#### – Contributing to the realization of a society that achieves the well-being of SME employees and their families –

In March 2023, Daido Life formulated a Sustainability Promotion Plan spelling out two layers and six initiative areas to work on alongside SMEs to address social issues while continuing to fulfill its own social responsibilities. Daido Life continues to drive initiatives based on the plan with the aim of being a company that “contributes to the realization of a society that achieves the well-being of SME employees and their families.”

#### Sustainability Promotion Plan



#### Action plan leading up to 2025



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

Initiative areas		KPIs
(1) Human resources	Job satisfaction	1) Employee satisfaction of at least 4.00 points by fiscal 2025
	Health	2) Presenteeism of at least 80% by fiscal 2025*1
	Diversity	3) 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 to climate change	Renewable energy	6) Transition to renewable energy to cover at least 60% of the Company's used power by fiscal 2030
(4) ESG investment	CO <sub>2</sub> emissions	7) 40% reduction in CO <sub>2</sub> emissions by fiscal 2025 compared to fiscal 2013
		8) 50% reduction in the CO <sub>2</sub> 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

## Provision of Products and Services Which Meet the Needs of Society

### The 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 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 encouraging all people to thrive socially and economically

Taking into account the attributes and diverse needs of customers, T&D Financial Life responds to various requirements such as growing and using funds after retirement, leaving assets to family members, and preparing for long-term care or dementia. At the same time, we develop products and services that help customers use their life insurance to form and manage assets, and have worked to bolster our product lineup.

#### Foreign currency-denominated whole life insurance *Shogai Premium World 5*

In July 2019, we launched *Shogai Premium World 5*, an update to our *Shogai Premium World* series of single-premium whole life insurance products that allows customers to utilize overseas interest and foreign exchange and leave money for family members while receiving money to use for themselves.

We have revised the content of the product so that it can meet the broader needs of customers. It inherits from its predecessor products the characteristic that the customers can enroll in the insurance without paying any foreign exchange fees, but it eliminates any initial fees previously borne by customers, and also adds a function minimally guaranteeing in yen the death benefits of the same value as a single premium for a certain period and other functions. From April 2024, we introduced a *Plan for Continuation Upon Target Value Attainment* for *Shogai Premium World 5*, which includes a *Whole Life Insurance Transition Rider Upon Target Value Attainment*. This allows customers, upon request, to resume asset management under the same currency as when they took out their policy once the target value has been attained.



#### Yen-denominated whole life insurance *Shogai Premium Japan 5*

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.

#### Whole life insurance *Minna Ni Yasashii Shushinhoken*

In July 2022, we launched a revised version of *Minna Ni Yasashii Shushinhoken*, a whole life insurance product that allows applications from customers without health declarations up to 95 years of age. The revised product enables customers of various ages to secure death benefits with peace of mind based only on an occupational declaration. While maintaining the original product feature allowing customers to choose from a yen-denominated course or currency diversification course, under the yen-denominated course customers can choose from two plans to suit their preferences, a bequeathment plan and a lifetime gifting plan. In this way, the product has evolved into an insurance product that allows customers to ensure bequeathment or lifetime gifting.



#### Variable insurance *Hybrid Series*

We provide the *Hybrid Series* to support asset formation through self-provision in the era of 100-year lifespans by combining an investment trust with life insurance.

In June 2021, we launched *Hybrid Asset Life*, a yen-denominated single-premium variable whole life insurance product. We developed the product to help customers enjoy life to the fullest by drawing down assets in a planned manner while continuing to invest, with a focus on long-term diversified investment. The product also helps customers prepare themselves and their families for nursing care, dementia and inheritance.

In December 2021, we launched *Hybrid Anshin Life*. This product inherits the product features of *Hybrid Asset Life*, 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.





## Provision of Products and Services Which Meet the Needs of Society

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 March 2024, we launched *Hybrid Omakase Life*, a variable whole life insurance product. The product takes out existing variable whole life insurance and adds *Omakase Investment* that manages assets based on the individual customers' desires and needs.

### Individual annuities *Fiveten World 3*

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.



### Initiatives to enhance customer satisfaction

T&D Financial Life has been working to further improve customer satisfaction by making administrative and system improvements that contribute to customer-oriented business operations, such as collecting customer feedback, conducting interviews with solicitation agents, and studying the market environment including various financial products, legal aspects and industry trends.

Since May 2023, we have adopted an AI-driven voice-based response system (*Voice Bot*) to promptly respond to customer inquiries. When a customer contacts our service center by telephone, they can answer questions from the *Voice Bot* verbally. This has made it possible to accept requests for some procedural documents and inquire about matters such as surrender values 24 hours a day, including on weekends and public holidays.

In February 2024, we launched the *AI Fund Prediction Service*. The service, the first of its kind in the industry, predicts unit price movement for separate accounts based on economic indicators and other data. Through the service, customers can view AI-driven predicted unit price change rates (versus the end of the previous month) for separate accounts being handled through the *Hybrid Asset Life*, *Hybrid Anshin Life* and *Hybrid Tsumitate Life* products.

In March 2024, we adopted *Gokazoku Anshin Service* (services that bring peace of mind to family members) as the informal name for our Family Registration Program and expanded the service to enable policy change procedures as well as the designation of accounts in the names of registered family members as payee accounts for insurance payouts and benefits.

## The Initiatives of T&D Asset Management

### Contributing to the promotion of a healthy society through investment

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

## Initiatives of Pet & Family Insurance

### Insurance protection for precious family members

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



### 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 2024, the number of articles topped 435.

In addition, information on preventing injuries and providing preventative care against disease is regularly disseminated via the Pet & Family Insurance website and official LINE account.

## Provision of Products and Services Which Meet the Needs of Society

### 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. Furthermore, Taiyo Life has adopted the Family Registration Program in the event contact with policyholders become impossible when large-scale disasters occur and recommends this service to policyholders. 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 200,000 home visits had been made through this service (as of the end of March 2024) since its launch in April 2016. Moreover, by making the procedures for claiming benefits paperless, customers can check the details of their claims and complete procedures by simply signing on their mobile device.

### Major initiatives by Daido Life

#### ■ (1) Initiatives for enhancing sense of ease during and after enrollment

##### <Presence 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.

In addition, for changes made to a policyholder or beneficiary, we recommend family members to be present, so that they can understand what the procedures entail and continue with a policy with peace of mind.

##### <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 published annually 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, T&D Financial Life 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

## Provision of Products and Services Which Meet the Needs of Society

features of a product, and similar. In addition, the company has employed universal color designs in the solicitation materials for customers with partial color-blindness, and universal design fonts that reduce reading mistakes. This helps customers to accurately understand the contents, systems, and important matters regarding recommended products. The *Shogai Premium World 5* and *Shogai Premium Japan 5* pamphlets have earned the “easy to look at” design certification from the UCDA. Furthermore, the company has prepared auxiliary solicitation materials that complement our pamphlets to clearly describe the risks and actual yields of foreign currency-linked single-premium whole life insurance with foreign exchange risks, as well as videos to introduce and explain our single-premium products, which are posted on our website.

### ■ (2) Measures during enrollment

We introduced the *Gokazoku Anshin Service* (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 Nursing Care and Dementia Annuity Payment Transfer Rider, Nursing Care Annuity Payment Transfer Rider, or Nursing Care and 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.

## Providing Wholehearted Reassurance 417-1

### 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

Basic Policy	Description Location
<b>1. Providing better products and services</b> We provide optimal and high-quality products and services tailored to customers' situations and needs.	Provision of Products and Services which Meet the Needs of Society <a href="#">P.27</a>
<b>2. “Customer-oriented” proposals and sales</b> (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.	Establishment of Solicitation Policies <a href="#">P.42</a> Efforts to Offer Customer-oriented Services <a href="#">P.42</a>
<b>3. Improvement of the quality of business operations</b> 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.	Efforts to Offer Customer-oriented Service <a href="#">P.42</a> Working Toward Better After-sales Service <a href="#">P.43</a> Initiatives to Respond to Customer Feedback <a href="#">P.46</a>
<b>4. Appropriate management of conflict-of-interest transactions</b> 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.	Efforts to Offer Customer-oriented Services <a href="#">P.42</a>
<b>5. Development of human resources who practice “customer-oriented” actions and other activities</b> (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.	In Order to Provide Better Services <a href="#">P.44</a> Cooperation with Sales Agents and Cooperating Organizations <a href="#">P.45</a>
<b>6. Promotion framework</b> 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.	The policies on implementing initiatives and specific content of the initiatives of the group companies can be seen at the Company's website. (Japanese only) <a href="https://www.td-holdings.co.jp/en/information/business_operations.php">https://www.td-holdings.co.jp/en/information/business_operations.php</a> T&D Insurance Group Basic Policy Related to Customer-oriented Business Operations / Site Information / T&D Holdings

\* 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).

## Providing Wholehearted Reassurance

### 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 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.

### 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 policies (In the case of Taiyo Life)

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

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

### 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

#### ■ Daido Life

#### Obtaining Five-Star Certification for Call Center Operation in HDI-Japan's 2023 Quality Ratings

Point of contact for customers and point of contact for sales agents at Daido Life's call center both received the highest rank of 3 Stars in HDI-Japan's 2023 Quality Ratings, which evaluate service quality, for the fourth consecutive year. In addition, this marked the first time Daido Life has received *Five-Star Certification*, which can only be obtained when call center operations, management and other aspects are comprehensively recognized as being consistent with international certification standards.

### Receiving Various Awards at the 2023 UCDA Awards

Daido Life received the following awards in the 2023 UCDA Awards, at which the Universal Communication Design Association (UCDA) commends outstanding communication design.

Award	Explanation	What was Subject to Evaluation
2023 UCDA Awards	Eligible for the Grand Prize	<i>Lump-sum payment M-type</i> product pamphlet Video "Examples of use of <i>lump-sum payment M-type</i> benefits"
Another Voice Award	Awarded for something highly evaluated by consumers	KENCO SUPPORT PROGRAM app
Comprehensive Award (Bronze)	Award for universal communication design activities during a year	Company

### 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.



## Providing Wholehearted Reassurance

### 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 (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 (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)
- Distribution of messages via LINE (T&D Financial 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 (the three life insurance companies)
- If a claim satisfies certain requirements, submission of a medical certificate can be omitted or a copy of a medical certificate can be accepted (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 (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 (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 (Taiyo Life) (Daido Life)
- Periodic follow-up of customers who take a long time to submit claim documents despite having declared an intention to make insurance claims (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 (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 and suchlike (the three life insurance companies)
- Benefit claim procedures via My Page (Taiyo Life) (Daido Life)

### Working Toward Better After-Sales Services

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 handle inquiries and insurance claims from customers nationwide over the telephone in a considerate, polite, prompt, and accurate manner. Also, each member of staff is dedicated to providing post-contract support to our customers. 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 conducts 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.

### Other Services

As shown below, the Group's three life insurance companies and Pet & Family Insurance 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 checkups, 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 issues

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.

## Providing Wholehearted Reassurance

### 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

- Payment of insurance premiums through electronic barcode-based payments
- Inquiries about insurance policy details, Himawari Tsushin (general notice of policy terms), and life insurance premium deduction certificates (inquiries, downloads)
- Policy-related changer procedures (change of address, application or change of bank account for the automated deduction of insurance premiums, change of beneficiary or designated proxy claimant for death insurance benefits, etc., name change procedures, addition of designated proxy claim rider, PIN change)
- Reissue of insurance certificates, annuity payment certificates and deferred fund payment certificates
- Claims for hospitalization benefits, etc. and cancellation of foreign currency-denominated products (handled by financial institution agents)
- Use and withdrawal of funds (policyholder loans, accumulated dividends, various types of deferred funds, etc.)
- Sending application document (for loan repayment)

#### Daido Life

- 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.)
- Change of information related to contracts and insurance claims such as changes of address, changes of account, making policyholder loans or repaying such loans, insurance claims and benefits, and surrender requests
- Life insurance premium deduction certificates (reissuance and electronic issuance)
- Web-ATM for withdrawing accumulated dividends or deposited money

#### 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 life insurance premium deduction certificate and other matters)
- Registration and changes for Gokazoku Anshin Service (family member registration system)
- Variable insurance change procedures (transfer of accumulated funds, change to details of periodic increase of amount, etc.)
- Sending out various forms for procedures (transfer of ownership, changing first or last name, reissue of insurance policy, etc.)

#### Pet & Family Insurance

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

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.

\* For details on the various health/management support services provided by Daido Life for SMEs, see P.36.

### 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

## Providing Wholehearted Reassurance

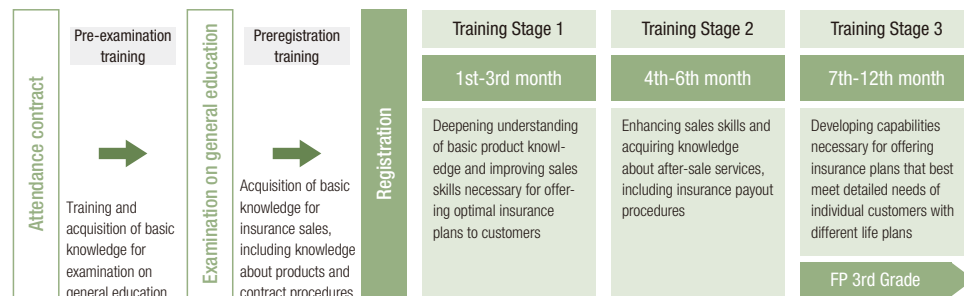
developed human capital training programs for such diverse staff, and we always work to provide them with the best educational and training opportunities.

### Education program for new employees (Taiyo Life)

Taiyo Life has established a range of training programs for its sales representatives to ensure we offer consulting tailored to each customer, along with reliable peace of mind and fulfilling services. Through internal training and the earning of qualifications, representatives acquire knowledge of products, taxation issues and financial planning (FP) so that they can plan and sell life insurance tailored to the needs of each customer, taking into account family composition, occupation, income, educational plans for children, insurance enrollment status, and other factors.

### Education programs for new sales representatives (progress)

New employees thoroughly learn the basics of sales, including the mindset needed to sell life insurance, along with related knowledge and technologies.



### Implementation of education and training for in-house sales representatives (Daido Life)

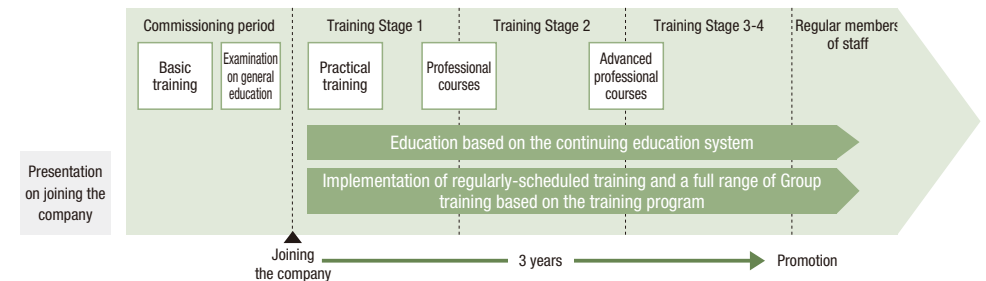
#### Training program in the development period

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.

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.

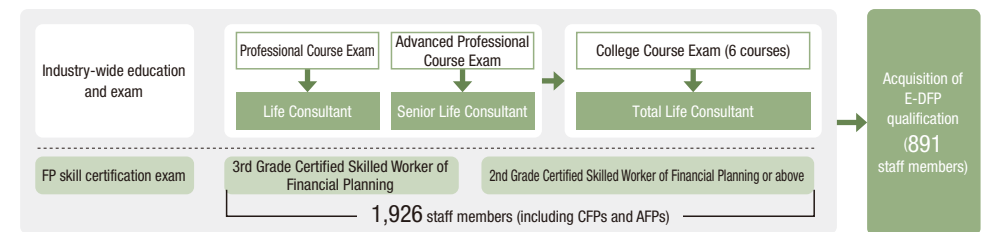
\* In addition to basic training and practical training, it implements professional courses, advanced professional courses, and education based on the continuing education system.



### 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 2024)



### 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.

## Providing Wholehearted Reassurance

### 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. As the environment changes dramatically, such as the arrival of the era of 100-year life due to the progress of an aging society with a declining birthrate, the needs with respect to the welfare systems of companies and organizations are diversifying.

Operating under these conditions, Taiyo Life offers the following products with a focus on third sector insurance.

- Non-participating group insurance for the three major diseases (launched in May 2024)

This insurance provides coverage for cancer (malignant neoplasm), acute myocardial infarction and stroke, and coverage can also be arranged for severe illnesses such as diabetes with the addition of riders.

- *Group Hospitalization Lump-sum Payment Insurance*

This is a hospitalization lump-sum insurance product covering everything from one-day hospitalization, and coverage can also be arranged for surgery with the addition of riders

- *Group Life Nursing-care Insurance*

Nursing care insurance that not only covers employees own nursing care needs but those of their parents

- *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

## Initiatives to Respond to Customer Feedback

2-29

417-1

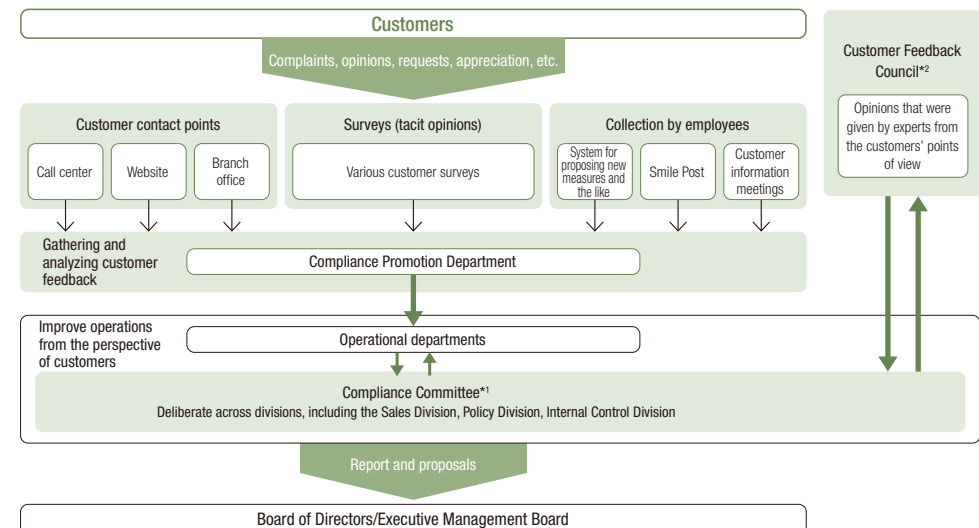
### Initiatives to Respond to Customer Feedback

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, 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 "customer-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.



## Initiatives to Respond to Customer Feedback

### Examples of Reflecting Customer Feedback in Operations

#### Taiyo Life

##### Customer Information Meetings

Taiyo Life holds regular meetings with policyholders, called Customer Information Meetings, in order to help them gain a deeper understanding about Taiyo Life and life insurance, as well as to ask them for their opinions and requests regarding our products and services. At Customer Information Meetings, the company explains its management policy and yearly performance, information regarding the services it offers to customers, new products, and similar. The valuable opinions we have received from participating customers are used to improve our business practices and customer services.

##### Acquiring a third-party opinion on ISO 10002 compliance

In March 2008, Taiyo Life declared the introduction of ISO 10002, an international standard for handling complaints as regards quality management, customer satisfaction and guidelines for complaints handling in organizations, and since then has been committed to continually enhancing customer-oriented service and operations by utilizing customer feedback (including complaints). In March 2024, following on from March 2023, we obtained a third-party opinion on ISO 10002 compliance that recognized our complaint management system as complying with ISO 10002 and functioning effectively. We have been working to improve our business processes based on ISO 10002 and educate employees through training programs.

#### Customer complaints\* by type

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

Type of feedback	FY2020		FY2021		FY2022		FY2023	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	1,907	31.7	2,170	32.6	1,919	20.8	1,854	26.5
Payment of premiums	355	5.9	381	5.7	375	4.0	431	6.1
Conservation work	1,203	20.0	1,246	18.7	1,067	11.6	1,280	18.3
Insurance claims and benefits	1,060	17.6	1,508	22.6	3,947	42.8	1,646	23.5
Others	1,498	24.9	1,355	20.3	1,918	20.8	1,791	25.6
Total	6,023	100.0	6,660	100.0	9,226	100.0	7,002	100.0

\* "Complaints" refer 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)

[https://www.taiyo-seimei.co.jp/company/activity/voice/voice\\_casestudy.html](https://www.taiyo-seimei.co.jp/company/activity/voice/voice_casestudy.html)

#### Daido Life

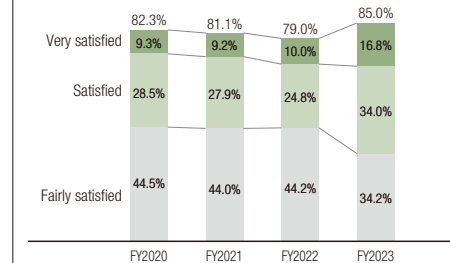
##### Customer satisfaction surveys

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

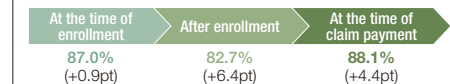
We define "complaint" as an expression of dissatisfaction by a customer regarding the company's operations. Upon receiving complaints, we immediately respond in a sincere manner, setting out to resolve such issues. At the same time we take these complaints as valuable information to be used for improving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

#### Customer Satisfaction Level (Corporate and Individual Business Owners)



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

#### Satisfaction Level for Each Case



\* Figures in brackets show the comparison with fiscal 2022.

#### Customer complaints by type

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

Type of feedback	FY2020		FY2021		FY2022		FY2023	
	No. received	%	No. received	%	No. received	%	No. received	%
Purchase of life insurance policy	809	13.1	802	13.4	774	12.3	638	12.9
Payment of premiums	429	6.9	454	7.6	355	5.6	315	6.4
Procedures after making a contract	2,200	35.6	2,015	33.8	1,815	28.9	1,550	31.3
Payment of insurance claims and benefits	980	15.9	1,087	18.2	1,556	24.8	936	18.9
Others	1,763	28.5	1,607	26.9	1,785	28.4	1,517	30.6
Total	6,181	100.0	5,965	100.0	6,285	100.0	4,956	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 website. (Japanese)

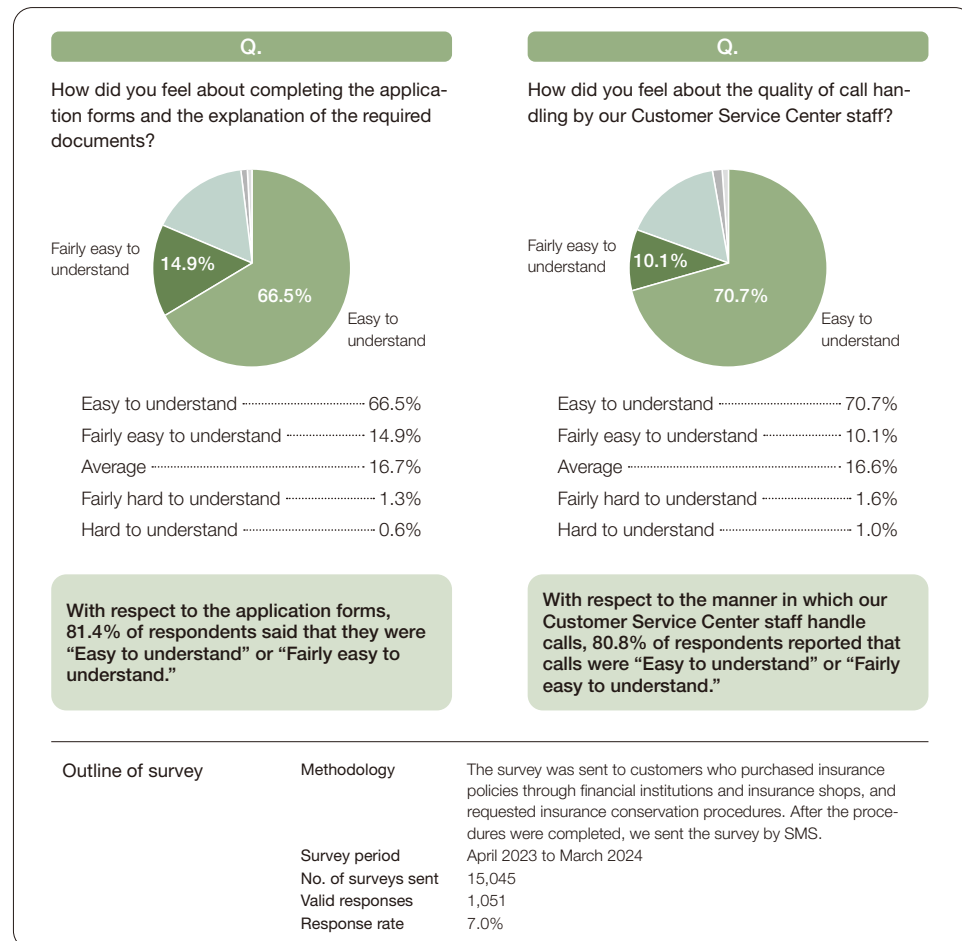
<https://www.daido-life.co.jp/company/satisfied/voice.html>

## Initiatives to Respond to Customer Feedback

### T&D Financial Life

#### Customer survey

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



#### Provision of information on the Internet

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

#### Customer complaints\* by type

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

Type of feedback	FY2020		FY2021		FY2022		FY2023	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	209	23.6	284	32.8	315	36.5	207	33.0
Payment of premiums	60	6.8	69	8.0	45	5.2	52	8.3
Procedures after making a contract	371	41.9	310	35.8	328	38.0	201	32.0
Insurance claims and benefits	146	16.5	118	13.6	105	12.2	85	13.6
Others	100	11.3	86	9.9	70	8.1	82	13.1
Total	886	100.0	867	100.0	863	100.0	627	100.0

\* "Complaints" refer 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 2023 to make improvements based on customer feedback, please see T&D Financial Life's website. (Japanese)

<https://www.tdf-life.co.jp/company/solvency/2023.html>

## Priority Theme 2



## Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively 3-3

We believe that in order to provide workplace environments that enable diverse people to participate actively, it is necessary to respect the personalities 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 personalities 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.

### Related social issues and group initiatives to solve them

Social Issues	Primary Stakeholders	Initiatives	Our Target									
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 Respect and promote diversity by promoting employment for persons with disabilities, conducting training on LGBT (sexual minorities), and operating a consultation desk for harassment	Achieving an employee engagement score that is equivalent or superior to the fiscal 2020 level by fiscal 2025									
			<table><tr><th colspan="2">FY2023 results</th></tr><tr><td>T&amp;D Holdings</td><td>4.06 (3.84)</td></tr><tr><td>Taiyo Life</td><td>3.58 (3.61)</td></tr><tr><td>Daido Life</td><td>3.94 (3.75)</td></tr><tr><td>T&amp;D Financial Life</td><td>3.82 (3.55)</td></tr></table>	FY2023 results		T&D Holdings	4.06 (3.84)	Taiyo Life	3.58 (3.61)	Daido Life	3.94 (3.75)	T&D Financial Life
FY2023 results												
T&D Holdings	4.06 (3.84)											
Taiyo Life	3.58 (3.61)											
Daido Life	3.94 (3.75)											
T&D Financial Life	3.82 (3.55)											
Promote active participation of women Create healthy and safe workplace environments	Employees	Establish and implement action plans for encouraging the active participation of women and targets for promoting female employees to management positions Establish systems for returning to the workplace from childrearing, including returning to work after childcare leave										

\* Figures in parentheses indicate FY2020 results

\* Figures in parentheses indicate FY2020 results

### Initiative results and plans

Policy	FY2023 Initiatives	Planned for FY2024
To respect the human rights of all people, respect the personalities and diversity of our employees, ensure a healthy and safe working environment, and develop our human resources	<ul style="list-style-type: none"> <li>Enhanced various support systems to achieve better work-life balance, including balancing work with childcare and nursing care</li> <li>Encouraged male employees to take childcare leave</li> <li>The three life insurance companies were recognized as Certified Health and Productivity Management Organizations "White 500"</li> <li>Promoted an internal structure enabling diverse work styles, including the utilization of a home-based work system and a satellite office work system</li> <li>Promoted human rights education to ensure psychological safety</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>

# Human Capital Management

3-3

## 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.

## Initiatives to Provide Opportunities for Growth

404-2

The three life insurance companies conduct education and training, primarily through OJT (on-the-job training), group training, support for personal development, and reskilling/relearning. Each Group company encourages autonomous career development by each employee, by actively helping them to acquire qualifications and offering a diverse curriculum, including correspondence education, online courses, and e-learning, according to their educational plans. In addition, each Group company has introduced systems such as management by objectives and a 360-degree evaluation system, to ensure that employees clearly understand their roles and objectives and can experience confidence and satisfaction by achieving their objectives. These initiatives lead to accelerate employees' career advancement and the development of human resources.

### Taiyo Life, Daido Life, T&D Financial Life

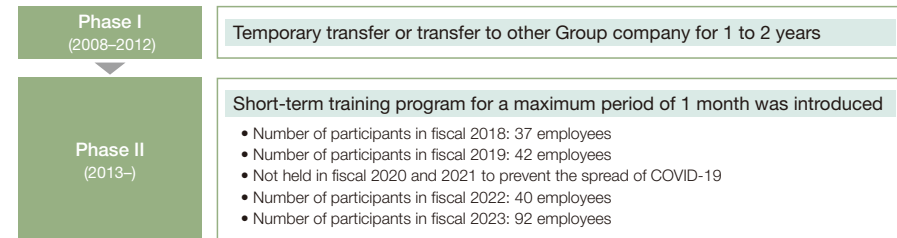
The three life insurance companies support employee career development by providing opportunities for them to actively refine their skills.

#### 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 knowledge possessed by each Group company.



#### Global human resources development

##### Taiyo Life

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

##### Daido Life

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

#### Provision of reskilling and relearning opportunities

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

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

#### Management training

##### Taiyo Life

For managers and managerial candidates, Taiyo Life offers in-house training and dispatches employees to business schools throughout the year to acquire management knowledge and skills. In addition, training on 1-on-1 meeting techniques is provided to managers to help them build positive relationships within their organizations. In order to develop human resources that will support the company's sustainable growth, Taiyo Life is enhancing training opportunities and strengthening efforts to develop managers.

##### 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. Daido Life is also working to develop managers who will create inclusive organizations where diverse human capital can actively participate and experience job satisfaction by clarifying the requirements as managers and strengthening initiatives to develop them.



## Human Capital Management

### T&D Financial Life

T&D Financial Life introduced 1-on-1 meetings this fiscal year for the purpose of improving employee engagement and motivation, encouraging employee growth, and building relationships of trust between managers and those they manage. Line managers and assistant managers are given training to teach them the necessary mindset and skills before they conduct 1-on-1 meetings. They are also given follow-up training to improve on the 1-on-1 meetings they have had.

### 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.

#### ■ 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 employees 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.

### Systematic Personnel Rotation

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

companies exist, rotation from each company within the Group to T&D Holdings and personnel exchanges and dispatches within the Group are implemented, encouraging greater mobility of human resources within the Group.

### Promoting the Active Participation of the Elderly

3-3

404-2

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

### 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 introduced a new personnel system so that it could better manage the mandatory retirement plan (65 years of age), and let employees of all ages, including senior employees, demonstrate their capabilities. The new system promotes a highly motivated work environment by revamping the evaluation criteria to make them clearer and adopting performance-based compensation.

### 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

### Employment of Persons with Disabilities

As of the end of March 2024, a total of 402 employees with disabilities, including 50 new recruits for fiscal 2023, worked at the three life insurance companies, which account for 2.58% of the total number of employees. We have put in place several measures designed to create a comfortable workplace for employees with disabilities. As a pre-hire initiative, we encourage the attendance of a placement support worker at job interviews, so that job candidates can go through the screening process without worry. We also hold workplace tours for candidates to prevent assignment mismatches. After hiring, we strive to provide company-wide support, through measures such as preparing a comfortable working environment by introducing specialized computers and other equipment, and taking commuting routes into consideration. In addition, job coaches who specialize in support for employees with disabilities are dispatched to the company, and a placement support worker holds interviews together with the employee and his or her supervisor, and offers advice. 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.70 "Independent Assurance Report")

	FY2021	FY2022	FY2023★
Employment rate of people with disabilities	2.54%	2.48%	2.58%

\* 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 24 members (as of March 2024).

\* 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.

### Initiatives to Support Active Participation of Women

The T&D Insurance Group has accelerated efforts to create a corporate culture where a diverse workforce can feel job satisfaction and reach their potential. 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 set targets for promoting female employees to management positions (25% by 2027 and 30% by 2030), and are working to systematically nurture female employees for promotion to management positions.

### Promote active participation of women at the three life insurance companies

The 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.

\* The figure including junior managers is calculated with a view toward the systematic and gradual development of female management executives.

#### Initiatives

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

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

Ratio of female managers

TAIYO-LIFE

Create an environment where diverse human resources can demonstrate their abilities and play an active role

DAIDO LIFE

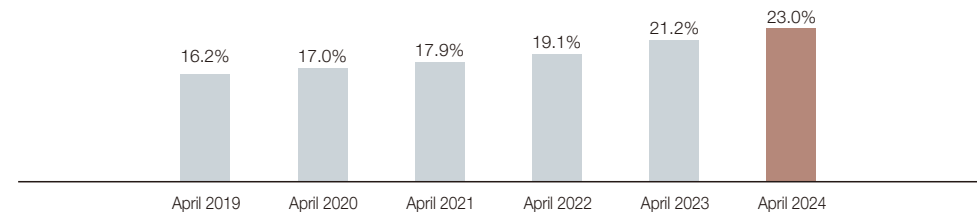
Promote diverse work styles and support new challenges

T&D FINANCIAL LIFE

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

30% or more (by April 2030)

### Ratio of female managers (Total of the three companies)



### Ratio of female managers in administrative personnel of the three life insurance companies 405-1

★ indicates limited verification has been carried out by a third party. (P.70 "Independent Assurance Report")

	FY2021	FY2022	FY2023★
The ratio of female managers	19.1%	21.2%	23.0%

\* The eligible persons for calculation of the ratio of female managers are administrative personnel of Taiyo Life, Daido Life and T&D Financial Life.

\* The ratio of female managers is calculated as of April 1 of the following fiscal year.

\* The ratio of female managers is calculated based on the following definitions.

- Taiyo Life: Senior Deputy Manager or higher position
- Daido Life: Assistant Manager or higher position
- T&D Financial Life: Assistant Manager or higher position

## Diversity Promotion Initiatives

### Gender wage gap at the three life insurance companies 405-2

★ indicates limited verification has been carried out by a third party. (P.70 “Independent Assurance Report”)

Gender wage gap (Wages for women/Wages for men)	FY2022	FY2023★
All employees	42.0%	42.0%
Full-time employees	42.3%	42.3%
Part-time and fixed-term employees	33.9%	34.9%

\* The eligible organizations for calculation of the gender wage gap are Taiyo Life, Daido Life and T&D Financial Life.

\* The gender wage gap is calculated in accordance with the provisions of the Act on the Promotion of Women’s Active Engagement in Professional Life.

\* The gender wage gap is largely attributable to the difference in the ratios of male and female regular employees in management positions.

#### Taiyo Life

##### ■ Establishment of Human Development Department

Taiyo Life established the Human Development Department in April 2024, strengthening systems for supporting the career development of female employees, with “recruitment,” “development,” “support for work-life balance” and “development of organizational culture” as the axes for promoting diversity and inclusion.

##### ■ Development of female managers

To nurture human resources capable of participating actively as managers, Taiyo Life deploys job rotation to give employees a wide range of professional experience and knowledge and also offers systematic training opportunities, including seniority-based and job-based training and selection-type training for female managers and female manager candidates. The company has introduced a “mentor system” through which newly appointed female managers are supported by more senior managers, and supports the “improvement of skills” after promotion and the “creation of comfortable workplace environments.” Taiyo Life also implements measures to encourage autonomous career development such as calling for applications from within the company or the Group to motivate employees to take on new challenges.

#### Daido Life

##### ■ Greater opportunities for participation

Daido Life is working to support the career development 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. In April 2024, the company appointed six women to senior management positions (department general manager).

##### ■ 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.

#### 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.

Daido Life treats same-sex partners as spouses under its leave and benefit program and has also established an “LGBT Consultation Desk” that gives advice to and deals with a wide range of inquiries from sexual minority employees.

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

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

## Worker-friendly Work Environment

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### Work-Life Balance Initiatives

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The T&D Insurance Group companies are strengthening various initiatives, including enhancement of child-care 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. To enable diverse work styles, the company introduced a flextime system with no core hours, the home-based work system and satellite office work system. The company also has other systems to support employees to balance their jobs with life at home that go above and beyond what is required by law. For instance, a childcare leave system available to employees with children no older than three years, a shorter working hours system available to employees with children up until the end of elementary school, and a nursing care leave system that can be utilized for up to three years. Taiyo Life also encourages male employees to take childcare leave of one month (20 business days), with their salaries paid in full during that time. In addition, the company is implementing initiatives to achieve a work-life balance, including expanding the scope of application of hospital leave, which was previously limited to pre- and post-natal care, infertility treatment and cancer treatment, to include cerebrovascular disease and cardiovascular disease from October 2023.

### Daido Life

Daido Life has introduced a range of initiatives such as a flextime system with no core hours, “early finish” days, and a system of taking leave in units of one hour, and is working to achieve a work-life balance by encouraging all employees to reduce their working hours and take leave.

The company also encourages diverse work styles, reducing constraints on work locations by actively utilizing home-based work and also establishing satellite offices, introducing shared offices operated by private companies, and utilizing online communication tools. In recognition of its approach and initiatives, the company has received a great many awards relating to telework from government ministries and agencies and other organizations.

Meanwhile, Daido Life goes above and beyond what is required by law in supporting employees to balance their jobs with life at home, including expanding eligibility for the system of shorter working hours and childcare leave to the end of the 6th grade of elementary school, and awarding 10 days of paid leave for caring for sick family members/nursing care. The Company provides a wide range of other support systems according to the specific circumstances and provides a handbook explaining the support available to employees to encourage employees to use them.

### 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 home-based 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 401-3

	FY2021	FY2022	FY2023
Number of employees taking maternity leave	415	458	475
Number of employees eligible to take childcare leave	497	538	552
Men	82	80	77
Women	415	458	475
Number of employees taking childcare leave	463	485	512
Men	82	80	77
Women	381	405	435

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

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

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

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

Fiscal 2023 141 (92.8%) (Men 76 (100%), Women 65 (85.5%))

### Acquisition of nursing-care leave

	FY2021	FY2022	FY2023
Number of employees taking nursing care leave	3	1	3
Men	0	0	1
Women	3	1	2

\* Number of administrative personnel of the three life insurance companies taking nursing care leave.

### Average number of paid leave days taken by administrative personnel

	FY2021	FY2022	FY2023
Average number of paid leave days taken	16.5	16.7	18.7

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



## Worker-friendly Work Environment

### Absenteeism among administrative personnel of the three life insurance companies

★ indicates limited verification has been carried out by a third party. (P.70 "Independent Assurance Report")

	FY2021	FY2022	FY2023★
Absence rate	0.55%	0.61%	0.79%

\* The eligible persons for calculation of the absence rate are administrative personnel of Taiyo Life, Daido Life and T&D Financial Life.

\* The absence rate is the total number of days of absence as a percentage of the total number of workdays in each fiscal year. The total number of days of absence includes absences for all kinds of reasons such as sickness absences and personal absences; however, the absence categories have different names depending on the subsidiary.

### Number of employees hired/number of employee turnover 401-1

Number of administrative personnel hired/turnover		Number hired						Number turnover					
		FY2021		FY2022		FY2023*		FY2021		FY2022		FY2023*	
		Number of persons	Percentage compared to number of employees at fiscal year-end	Number of persons	Percentage compared to number of employees at fiscal year-end	Number of persons	Percentage compared to number of employees at fiscal year-end	Number of persons	Percentage compared to number of employees at fiscal year-end	Number of persons	Percentage compared to number of employees at fiscal year-end	Number of persons	Percentage compared to number of employees at fiscal year-end
Total (men and women)	Total	270	4.71%	291	5.03%	310	5.30%	273	4.77%	261	4.52%	260	4.44%
	Under 30	234	4.08%	241	4.17%	217	3.71%	77	7.58%	78	7.34%	95	8.95%
	30-50	34	0.59%	47	0.81%	77	1.32%	65	2.22%	101	3.57%	84	2.98%
	Over 50	2	0.04%	3	0.05%	16	0.27%	131	7.36%	82	4.35%	81	4.10%
Men	Total	104	1.82%	133	2.30%	138	2.36%	138	4.50%	120	3.90%	119	3.84%
	Under 30	94	1.64%	114	1.97%	114	1.95%	38	9.09%	27	6.19%	42	9.33%
	30-50	10	0.18%	19	0.33%	16	0.27%	30	1.84%	56	3.56%	40	2.61%
	Over 50	0	—	0	—	8	0.14%	70	6.90%	37	3.47%	37	3.33%
Women	Total	166	2.90%	158	2.73%	172	2.94%	135	5.07%	141	5.21%	141	5.11%
	Under 30	140	2.44%	127	2.20%	103	1.76%	39	6.52%	51	8.13%	53	8.68%
	30-50	24	0.42%	28	0.49%	61	1.04%	35	2.69%	45	3.58%	44	3.44%
	Over 50	2	0.04%	3	0.05%	8	0.14%	61	7.96%	45	5.50%	44	5.08%

\* The number of administrative personnel hired and leaving employment at the three life insurance companies in fiscal 2023. All percentages are based on the number of employees at the end of fiscal 2023.

The percentage compared to number of employees at fiscal year-end is calculated using the total number of employees at fiscal year-end as the denominator in the "Number hired" section and using the number of employees at fiscal year-end in each category as the denominator in the "Number turnover" section.

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

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

### Measures to Support Raising the Next Generation

Since the enforcement of the Act on Advancement of Measures to Support Raising Next-Generation Children in April 2005, the Group has formulated a unified action plan every two years to enhance the child-care support system and promote work-life balance. 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 401-2

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

\* Exceptions are marked with a △.

## Worker-friendly Work Environment

### Employee composition by age group 405-1

Number of employees		Number of employees		
		March 31, 2022	March 31, 2023	March 31, 2024
Total (men and women)	Total	17,963	18,374	18,802
	Under 30	2,967	3,137	3,237
	30-50	7,854	7,999	8,159
	Over 50	7,142	7,238	7,406
Men	Total	3,356	3,350	3,362
	Under 30	438	452	466
	30-50	1,723	1,660	1,623
	Over 50	1,195	1,238	1,273
Women	Total	14,607	15,024	15,440
	Under 30	2,529	2,685	2,771
	30-50	6,131	6,339	6,536
	Over 50	5,947	6,000	6,133

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

### Officer composition by age group (as of July 31, 2024) 405-1

	Under 30	30-49	50 or over	Total
Men	0	5	71	76
Outside officers	0	1	11	12
Women	0	3	6	9
Outside officers	0	3	2	5

\* 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

### 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

	FY2021	FY2022	FY2023
Labor unionization rate	80.6%	81.9%	82.1%

### 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, loyalty and motivation 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

The 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 fulfill 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 ..... 31.1%
- (2) Provide workplace environments that enable all people to participate actively ..... 30.2%
- (3) Social activities ..... 19.8%
- (4) Message from the President ..... 16.9%
- (5) Sustainability statement ..... 16.1%
- (6) Help mitigate and adapt to climate change ..... 15.2%
- (7) Employee dialogue ..... 14.0%



## Worker-friendly Work Environment

### 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 for human resource development, promoting diversity, workplace environments, and the like); overall Group management (future vision of the Group, business outline of each Group company and the like); and initiatives for the global environment (CO<sub>2</sub> emission and electricity usage reductions, forest conservation, 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.

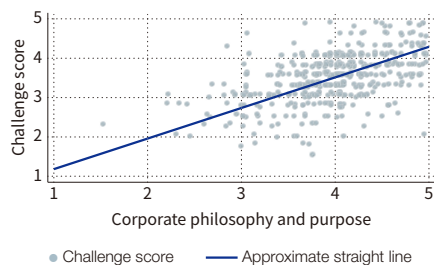
### Reflecting opinions and requests

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.

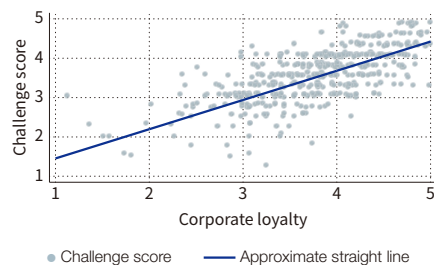
#### Employee Engagement Score Survey (analyzed in collaboration with the Graduate School of Management, Kyoto University)

Based on the assumption that greater willingness to take on new challenges ("Try") on the part of individual employees will have a positive effect on improving company performance, we analyzed sensitivity between the challenge score (survey items related to "Try") and the human capital keyword score for different employee attributes. Results showed that the greater the understanding of corporate philosophy and purpose and the stronger corporate loyalty, the greater the willingness to take on new challenges ("Try") (there is a correlation between the two). We plan to carry out further analysis for the formulation of effective human resources strategies in the future.

Correlation between challenge score and corporate philosophy and purpose



Correlation between challenge score and corporate loyalty



## Health Promotion for Employees

3-3

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### 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 has been promoting Taiyo's GENKI Project\*, an initiative for energizing employees, customers, and society since 2016. In initiatives to help employees work long with good health, the company offers all employees Kurort Health Walking sessions to improve their health, as well as MCI Screening Plus, *AminolIndex® Risk Screening*, and Cervical Cancer HPV Screening (PAPI'Qss), which are useful for the early detection of dementia and serious diseases. Taiyo Life also implements a range of other initiatives to promote health, including maintaining a complete ban on smoking within the company, increasing the guidance implementation rate for people eligible for specific health guidance, providing e-learning to help improve health and utilizing internal and external help desks.

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

#### Daido Life

Daido Life's "DAIDO COCO-KARA" is a variety of 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 checkups 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 quit smoking (the online quit-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.

## Health Promotion for Employees

### 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 checkups, 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 checkups and the provision of health guidance based on Data Health Plans in collaboration with the Health Insurance Association.

### Certified Health and Productivity Management Organization – White 500

The three initiatives of "Taiyo's GENKI Project" at Taiyo 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 (METI)'s 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.



## 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 are 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 checkups including annual physical examinations, and promote cancer screening. Since fiscal 2008, the associations have also carried out specified medical checkups and healthcare guidance aimed at preventing lifestyle diseases. In fiscal 2015, the health insurance associations 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.



## Priority Theme 3



## Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation

3-3

The Paris Agreement adopted in December 2015 set holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels as long term global goals. Achieving net zero emissions and carbon neutrality by 2050 is required to realize this target. Moreover, in December 2022, the Kunming-Montreal Global Biodiversity Framework was adopted, setting out new global goals and targets for biodiversity. The mission of the framework is to take urgent action to halt and reverse biodiversity loss to put nature on a path to recovery by 2030. To protect the environment, transition to a low-carbon or decarbonized society and adapt to climate change, it will be necessary to transform the industrial structure on a large scale and modify our behavioral patterns. The T&D Insurance Group also remains cognizant of the fact that we must do our part as a member of society. The T&D Insurance Group formulated the T&D Insurance Group Environmental Policy\* to clarify the Group's stance on the environment. The Policy is to carry out business activities with full awareness of the importance of environmental concerns, and to ensure that executives and employees understand that they must act in consideration of the protection of the global environment. The Group will achieve sustainable growth along with society while fulfilling the public mission of life insurance and other businesses, and undertaking its corporate social responsibilities. While climate change on a global scale is a risk for the continuity of the Group's business activities, the Group considers it an opportunity to undertake new activities.

\* For more information, please see our website. <https://www.td-holdings.co.jp/en/csr/csr-policy/environment.php>

### Related social issues and group initiatives to solve them

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

**By FY2025**  
Reduce our CO<sub>2</sub> emissions by 40%

**By FY2030**  
Reduce our CO<sub>2</sub> emissions by 70%

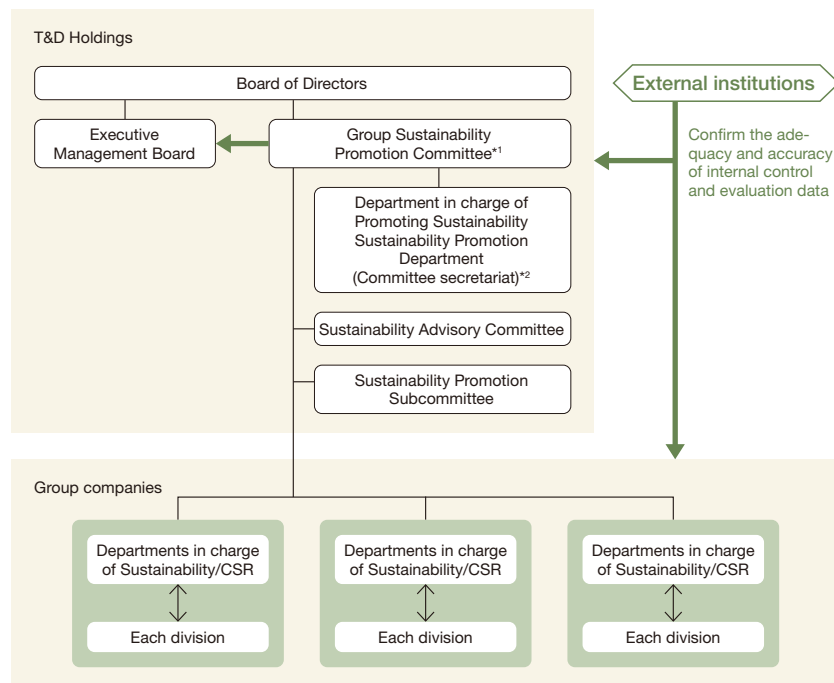
**By FY2040**  
Reduce our CO<sub>2</sub> emissions to net zero

### Initiative results and plans

Policy	FY2023 Initiatives	Planned for FY2024
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	<ul style="list-style-type: none"> <li>Switched to renewable energy sources for 100% of the electricity used at the T&amp;D Holdings, Taiyo Life, Daido Life and T&amp;D Financial Life head office buildings.</li> <li>Disclosed quantitative scenario analysis of "physical risks" that contributes to enhancement of compliance with the TCFD (Task Force on Climate-related Financial Disclosure) recommendations.</li> <li>Became a signatory to Climate Action 100+, a global climate-action initiative.</li> <li>Became a signatory to Spring, a global biodiversity initiative.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in the TNFD (Taskforce on Nature-related Financial Disclosures) Forum, which is aligned with the principles of the TNFD and supports its activities, and conduct a nature-related analysis of our own portfolio in line with the TNFD framework.</li> <li>Further reduce CO<sub>2</sub> emissions by promoting the introduction of renewable energy.</li> </ul>

## Promotion Framework

### Promotion Framework (Environmental Management)



\*1 The chairman of the Group Sustainability Promotion 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 Sustainability Promotion Committee secretariat.

## Disclosure of Climate-Related Financial Information

### Based on the TCFD Recommendations

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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

#### Governance

##### Oversight by the Board of Directors

- The Board of Directors has established the Group Sustainability Promotion 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 Sustainability Promotion 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 Sustainability Promotion Committee, we have established the Sustainability Advisory Committee, Sustainability Promotion Subcommittee, ESG Investment Subcommittee, and Social Impact Study Subcommittee as subsidiary bodies to the Group Sustainability Promotion Committee.
- The Sustainability Promotion Subcommittee investigates and reviews the status of and necessary measures for climate change risks and various sustainability issues, and reports to the Group Sustainability Promotion Committee. 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. We also have a Sustainability Advisory Committee attended by outside experts, to incorporate the perspectives of such experts as well as information on the latest trends and 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's 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.

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

- 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 Sustainability Promotion 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 Sustainability Promotion Committee.

### Strategies

- The following scenario analysis was carried out in order to assess the impact of climate change risks (physical risks<sup>\*1</sup> and transition risks<sup>\*2</sup>) on the Group.

<sup>\*1</sup> 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

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

### 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
<p>■ <b>Premise</b> Strict measures are taken against global warming. By the end of the century, the average annual temperature will increase by between 1.0°C and 1.8°C.</p> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• Due to the rise in average temperatures, natural disasters become more frequent and intense. (However, the impact is kept below a certain level.)</li> <li>• Strict measures to combat global warming increase business costs for each company.</li> <li>• Technology innovation progresses (and new players emerge) in support of low or net-zero carbon emissions.</li> <li>• Reallocation of investment away from companies that are unable to support low or net-zero carbon emissions.</li> </ul> <p>■ <b>Reference scenario</b></p> <ul style="list-style-type: none"> <li>• Physical risk scenarios based on RCP2.6</li> <li>• Transition risk scenarios based on the Disorderly and Orderly categories of NGFS</li> </ul>	<p>■ <b>Premise</b> No measures are taken against global warming beyond the current status quo. By the end of the century, the average annual temperature will increase by between 3.3°C and 5.7°C.</p> <p>■ <b>Overview</b></p> <ul style="list-style-type: none"> <li>• Due to the large rise in average temperatures, the impact of frequent and intense natural disasters becomes significant.</li> <li>• Sea level rise, storm surge, flooding, and heavy rainfall have a significant impact on coastal areas. (A review of lifestyle and BCP is also necessary. The companies face increased business costs.)</li> <li>• Reallocation of investment away from companies that are vulnerable to natural disasters.</li> </ul> <p>■ <b>Reference scenario</b></p> <ul style="list-style-type: none"> <li>• Physical risk scenarios based on RCP8.5</li> <li>• Transition risk scenarios based on the Hot House World category of NGFS</li> </ul>
<p>Physical effects caused by a rise in average temperature (1.5°C scenario &lt; 4°C scenario)</p> <p>[Acute]</p> <ul style="list-style-type: none"> <li>• Natural disasters such as typhoons and floods become more frequent and intense.</li> <li>• The number of injuries and fatalities due to natural disasters increases due to an increase in extreme weather events such as typhoons and floods.</li> </ul> <p>[Chronic]</p> <ul style="list-style-type: none"> <li>• Rainfall and weather patterns change, and average temperatures and sea levels rise.</li> <li>• Increasing average temperatures lead to an increase in the number of heat stress deaths and heat stroke patients.</li> <li>• The risk of contracting an infectious disease increases due to the expansion of the habitats of disease vectors.</li> </ul> <p>Impact of the transition to a society with low or net-zero carbon emissions (1.5°C scenario)</p> <p>[Policies, laws, and regulations]</p> <ul style="list-style-type: none"> <li>• Tighter regulations on greenhouse gas (GHG) emissions and the introduction of a carbon tax. Expanded disclosure requirements (increased business costs for companies).</li> </ul> <p>[Technology development]</p> <ul style="list-style-type: none"> <li>• Progress in reducing the carbon footprint of existing technologies and the introduction of new technologies such as renewable energy, storage batteries, and electric vehicles.</li> <li>• While some companies emerge and grow by seizing new business opportunities, others are unable to respond to low or net-zero carbon emissions measures and fail.</li> </ul> <p>[Changes in investor behavior]</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Expanded investment and financing to companies that contribute to low or net-zero carbon emissions.</li> </ul>	

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

### Scenario analysis: impact on the Group and response measures

	1.5°C scenario	4°C scenario
Physical risks	Impact on underwriting profitability <ul style="list-style-type: none"> <li>The number of heat stress deaths and heat stroke patients increases.</li> <li>Both of these increases will be gradual over a long period of time, which will limit their impact on underwriting profitability.</li> <li>This will be addressed by conducting an appropriate review of premium rates.</li> </ul>	<ul style="list-style-type: none"> <li>Significantly higher average temperatures will lead to larger increases in heat stress deaths and heat stroke patients than under the 1.5°C scenario.</li> <li>Both of these increases will be gradual over a long period of time, but will be larger than under the 1.5°C scenario.</li> <li>We will address this by conducting a more detailed review of premium rates to avoid a significant negative impact on underwriting profitability.</li> </ul>
	BCP response <ul style="list-style-type: none"> <li>A business continuity plan has been established at another site in case a major disaster causes a disruption to the functions of critical sites.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
Transition risks	Impact on asset management income <ul style="list-style-type: none"> <li>In the medium-term time horizon, up to the middle of this century, some industries of the investees of the Group will be significantly affected due to tighter regulations on GHG emissions, the introduction of a carbon tax, the replacement of old technologies with new low or net-zero carbon technologies, changes in consumer values and behaviors, etc.</li> <li>To avoid damage to asset management income from the impact on the investees and borrowers of the Group, we will work as appropriate in accordance with the Principles for Responsible Investment (PRI) through the promotion of investment and financing activities to businesses and companies that contribute to the transition to a society with low or net-zero carbon emissions, for example renewable energy businesses, and through engagement with existing investees.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>In order to avoid damage to our asset management income, we will avoid or withdraw investment and financing to firms with significant physical risks.</li> </ul>

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.

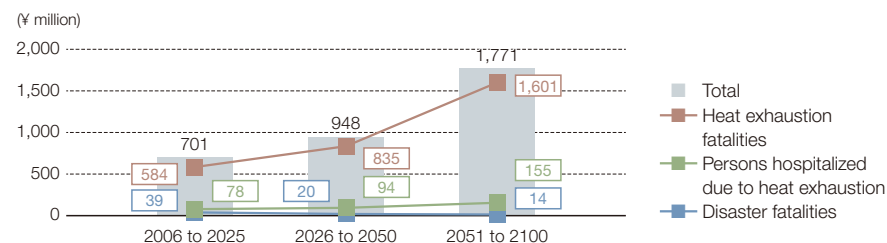
⇒ In both scenarios, the number of people hospitalized/fatalities due to heat exhaustion is expected to increase during the distant future period.

#### 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)

#### Monetary effect: RCP8.5 scenario





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

### 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, climate change-related risks are managed using the perspectives shown below.

#### Management of climate change-related risks

##### 1) Physical risks

- The Group considers the mitigation of the 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 promotes investees and borrowers to respond to decarbonization through engagement.
- The Group monitors trends in economic policies, laws, and regulations, and share the information across the Group, through the Group Sustainability Promotion 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.

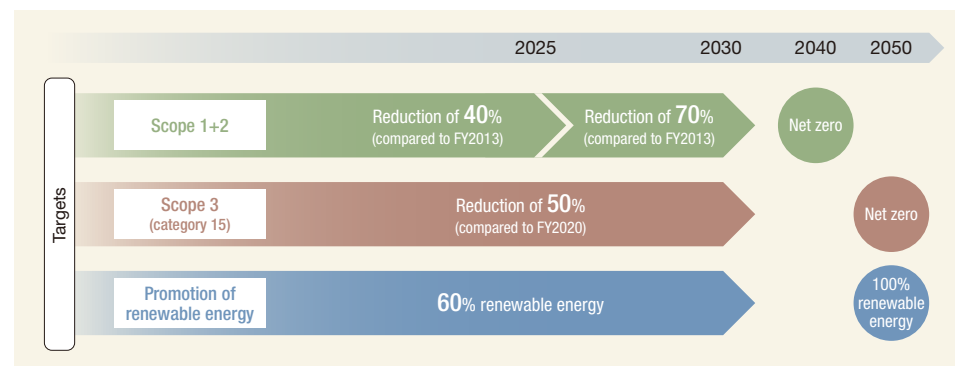
### Metrics and targets

- 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 CO<sub>2</sub> 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.

- As for CO<sub>2</sub> 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 2040 and 2050, respectively.

#### ■ Roadmap to achieving net zero



#### ■ CO<sub>2</sub> emissions reduction target

Subject	Targets
Own emissions (Scope 1 and 2)	FY2025: 40% reduction (compared to FY2013) FY2030: 70% reduction (compared to FY2013) FY2040: Net zero
Investees and borrowers (Scope 3: category 15)	FY2030: 50% 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.

# Nature-Related Risk Analysis in Accordance with the TNFD Recommendations

3-3

## Nature-Related Risk Analysis

The T&D Insurance Group formulated the T&D Insurance Group Environmental Policy and has been working to protect the environment in areas such as forest conservation activities. With the publication of the final recommendation of the TNFD (Taskforce on Nature-related Financial Disclosures) in September 2023, the importance of natural capital disclosure has increased.

Accordingly, the T&D Insurance Group is also taking action in compliance with the TNFD Framework and registered as a TNFD Adopter in September 2024. Our system of governance for nature capital-related organizations is the same as that shown on page 60. The Group recently also conducted an analysis of the nature-related risks of investees according to the LEAP approach.\*1

\*1 The LEAP approach is an integrated process for assessing nature-related issues including an organization's interface with nature, dependencies and impacts on nature, risks and opportunities. It is a way of preparing for TNFD disclosure by first considering the scope of the assessment, and then going through the four phases Locate, Evaluate, Assess and Prepare.

## Analysis methods

- In the analysis, we quantified the extent of dependencies and impacts of each type of industry in accordance with the dependencies and impacts models of ENCORE,\*2 a tool for assessing natural capital-related risks.

\*2 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is an analysis tool for assessing the dependence and impact of investees on natural capital that was jointly developed by international organizations such as the Natural Capital Finance Alliance (NCFA) and the United Nations Environment Programme.

## Analysis results

### Dependencies

- The analysis results showed that our natural capital that is highly dependent is habitats and water.

### Impacts

- The analysis results showed that our greatest impacts on nature are GHG emissions, soil pollution, solid waste and water pollution.

## Dependencies heat map

	Atmosphere	Habitats	Land geomorphology	Minerals	Ocean geomorphology	Soil and sediments	Species	Water
Energy								
Materials								
Industrials								
Consumer Discretionary								
Consumer Staples								
Health Care								
Financials								
Information Technology								
Telecommunication Services								
Utilities								
Real Estate								

## Impacts heat map

	Disturbances	Freshwater ecosystem use	GHG emissions	Marine ecosystem use	Non-GHG air pollutants	Other resource use	Soil pollutants	Solid waste	Terrestrial ecosystem use	Water pollutants	Water use
Energy											
Materials											
Industrials											
Consumer Discretionary											
Consumer Staples											
Health Care											
Financials											
Information Technology											
Telecommunication Services											
Utilities											
Real Estate											

\* Analysis based on file downloaded from the ENCORE website updated November 18, 2023.

\* Dependencies and impacts are evaluated on a scale of 1 to 5 and the greater the dependency and impact, the darker the color of the cell. (Cells with no color indicate zero dependency/zero impact.)



## Initiatives to Reduce the Environmental Impact

3-3

306-1

306-2

### Environmental Initiatives

#### Efforts to achieve Group-wide targets

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

The Group's four targets are to reduce CO<sub>2</sub> emissions, reduce electricity consumption, reduce office paper consumption, and improve the green purchasing ratio.

#### ■ CO<sub>2</sub> emissions: targets and results [P.67](#)

Over 90% of the Group's CO<sub>2</sub> emissions (Scope 1 + 2) arise from electricity use. For that reason, we are endeavoring to reduce CO<sub>2</sub> 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.67](#)

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.68](#)

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.68](#)

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 for online orders of office supplies 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 2023, 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 setting up displays. 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 calculated 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.

## Initiatives to Reduce the Environmental Impact

### Green procurement results

	Portion known to apply/ not apply to standard, in figures				Portion for which applicability/non- applicability is unknown		Total	
	Standard applicable		Standard non-applicable		Quantity or number of orders	Amount (¥ millions)	Number	Amount (¥ millions)
	Number	Amount (¥ millions)	Number	Amount (¥ millions)				
Printing product brochures, riders and other materials								
FY2021	1,007	396	55	34	1	0.0	1,063	430
FY2022	423	297	327	119	98	4.2	848	420
FY2023	748	486	312	131	84	2.4	1,144	620
System equipment and office automation equipment								
FY2021	9,846	702	31,519	319	20	0.2	41,385	1,021
FY2022	1,393	181	2,947	251	40	68	4,380	500
FY2023	1,878	248	4,817	176	0	0	6,695	425
Real estate equipment								
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
FY2023	187	4,483	0	0	3,933	4,483	4,120	8,966

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

### Environmental Performance Data

303-1

303-2

The T&D Insurance Group discloses its measurements of CO<sub>2</sub> emissions, electricity consumption, water consumption, and waste generated and recycling rate. (The applicable scope and calculation methods of this data are described on pages 68-69 in “Scope and Calculation Methods of Environmental Performance Data and Group-Wide Targets and Results.”)

### CO<sub>2</sub> emissions 305-1 305-2 305-3

★ indicates limited verification has been carried out by a third party. (P.70 “Independent Assurance Report”)

Category	FY2021	FY2022	FY2023
Scope 1 (Direct emissions)	1,835 t	1,697 t	1,651 t★
Scope 2 (Indirect emissions)	42,153 t	39,865 t	35,708 t★
Scope 3 (Others)	2,174,754 t	2,047,874 t	1,711,249 t★
Category 1 (Purchased goods and services)	177 t	183 t	159 t★
Category 2 (Capital goods)	13,246 t	40,412 t	29,483 t★
Category 3 (Fuel- and energy-related activities)	8,202 t	8,151 t	7,994 t★
Category 5 (Waste generated in operations)	31 t	37 t	34 t★
Category 6 (Business travel)	2,554 t	2,602 t	2,653 t★
Category 7 (Employee commuting)	6,875 t	7,079 t	7,187 t★
Category 15 (Investments)	2,143,669 t	1,989,410 t	1,663,739 t★
Total	2,218,741 t	2,089,436 t	1,748,608 t★

\* As a result of careful examination of the calculation process of past fiscal years, data for FY2022 was partially revised.

\* Scope 3, Category 15 emissions cover stocks, bonds, and loans held by the Group that were issued by listed companies in Japan. The data for FY2021 and FY2022 is the combined total for Taiyo Life and Daido Life. From FY2023, T&D Asset Management is also included in the calculation.

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

### Electricity consumption 302-1

★ indicates limited verification has been carried out by a third party. (P.70 “Independent Assurance Report”)

	FY2021	FY2022	FY2023
Electricity consumption	96,000 MWh	94,366 MWh	91,003 MWh★
(Of which, the renewable energy purchase amount)	4,948 MWh	8,937 MWh	19,404 MWh★
Total floor space (including portion for tenant use)	941,227 m <sup>2</sup>	938,835 m <sup>2</sup>	940,694 m <sup>2</sup>

\* As a result of careful examination of the calculation process of past fiscal years, data for FY2022 was partially revised.

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

### Water consumption 303-3

★ indicates limited verification has been carried out by a third party. (P.70 “Independent Assurance Report”)

	FY2021	FY2022	FY2023★
Water consumption (utility + reclaimed water)	42,000 m <sup>3</sup>	45,200 m <sup>3</sup>	48,400 m <sup>3</sup>
Reclaimed water usage rate	3.2%	2.7%	2.4%

\* 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.

\* In FY2021 and FY2022, water usage decreased due to action taken in response to the COVID-19 pandemic (lower office attendance due to telecommuting).

\* Since the Group’s water usage is limited to water withdrawal and effluent discharge at offices within Japan, no water is withdrawn from water stressed areas.

Data coverage: fraction of Group employees included in the target employee set 45.62%

## Initiatives to Reduce the Environmental Impact

### Waste generated & recycling rate 306-3

★ indicates limited verification has been carried out by a third party. (P.70 “Independent Assurance Report”)

1) Paper waste	FY2021	FY2022	FY2023★
Total amount	238 t	279 t	255 t
Recycling rate	66.6%	71.9%	73.5%
2) Non-paper waste	FY2021	FY2022	FY2023★
Total amount	67 t	35 t	39 t
Recycling rate	66.7%	29.1%	35.8%

\* 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 45.62%

### Group-Wide Targets and Results

The T&D Insurance Group is working on reducing its environmental impact by setting Group-wide targets for CO<sub>2</sub> emissions, electricity consumption, office paper consumption, and the green purchasing ratio. (The applicable scope and calculation methods of this data are described on pages 68-69 in “Scope and Calculation Methods of Environmental Performance Data and Group-Wide Targets and Results.”)

### CO<sub>2</sub> emissions

Baseline: CO<sub>2</sub> emissions in FY2013 (value per unit of floor space) = 0.0674 t/m<sup>2</sup>

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

Reduction by at least 70% from baseline by FY2030

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

★ indicates limited verification has been carried out by a third party. (P.70 “Independent Assurance Report”)

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

\* As a result of careful examination of the calculation process of past fiscal years, data for FY2022 was partially revised.

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

### Electricity consumption 302-3

Baseline: Electricity consumption in FY2016 (value per unit of floor space) = 111.0 kWh/m<sup>2</sup>

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.70 “Independent Assurance Report”)

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

\* As a result of careful examination of the calculation process of past fiscal years, data for FY2022 was partially revised.

\* As nearly all of the Group's CO<sub>2</sub> 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 CO<sub>2</sub> emissions.

\* The reduction target is based on the premise that the CO<sub>2</sub> 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.

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

### CO<sub>2</sub> emissions of investees and borrowers 305-3

Baseline: CO<sub>2</sub> emissions in FY2020 (intensity/per million yen invested) = 1.14 t/million yen

Target: Reduction by at least 50% from baseline by FY2030

Scope: Stocks, bonds, and loans held by Taiyo Life and Daido Life that were issued by listed companies in Japan

★ indicates limited verification has been carried out by a third party. (P.70 “Independent Assurance Report”)

	Baseline (FY2020)	FY2021	FY2022	FY2023
CO <sub>2</sub> emissions (Scope 3 Category 15)	2,992,322 t	2,143,669 t	1,989,410 t	1,586,688 t★
Energy intensity	1.14 t/million yen	0.81 t/million yen	0.76 t/million yen	0.58 t/million yen
Compared to baseline (FY2020)	—	71.1% (-28.9%)	66.7% (-33.3%)	50.8% (-49.2%)

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



## Initiatives to Reduce the Environmental Impact

### Office paper consumption 301-1

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.70 “Independent Assurance Report”)

FY2019	FY2020	FY2021	FY2022	FY2023★	Progress made (average from FY2019 to FY2023)
129.43 t	100.70 t	96.70 t	99.83 t	86.62 t	102.66 t (27.8% reduction from baseline)

\* Starting in FY2019, the figures include Pet & Family Insurance.

\* Total amount of office paper purchased.

Data coverage: fraction of Group employees included in the target employee set 89.61%

### Green purchasing ratio

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

FY2021	FY2022	FY2023
92.6%	93.1%	94.0% (Target exceeded by 14.0%)

\* Applies to purchases through online purchasing systems.

Data coverage: Fraction of Group employees included in the target employee set 89.49%

### Scope and Calculation Methods of Environmental Performance Data and Group-Wide Targets and Results

#### Scope of environmental performance data and Group-wide targets and results

Disclosure item		Scope
Environmental performance data	Scope 1 (Direct emissions)	T&D Group (since FY2018); Major Group companies (FY2017 and earlier)
	Scope 2 (Indirect emissions)	T&D Group (since FY2018); Major Group companies (FY2017 and earlier)
	Scope 3 (Others)	Category 1 (Purchased goods and services)
		Major Group business sites and Pet & Family Insurance, excluding sales offices and branches of Taiyo Life and Daido Life
		Category 2 (Capital goods)
		T&D Group
		Category 3 (Fuel- and energy-related activities)
		T&D Group
		Category 5 (Waste generated in operations)
		Major Group buildings
CO <sub>2</sub> emissions	Category 6 (Business travel)	T&D Group
	Category 7 (Employee commuting)	T&D Group
	Category 15 (Investments)	Investees and borrowers of Taiyo Life, Daido Life, and T&D Asset Management

Disclosure item		Scope
Environmental performance data	Electricity consumption (total floor space), renewable energy purchase amount	T&D Group (since FY2018); Major Group companies (FY2017 and earlier)
	Water consumption	Major Group buildings
	Waste generated & recycling rate	Major Group buildings
Group-wide targets and results	CO <sub>2</sub> emissions, electricity consumption	T&D Holdings and operating companies
	CO <sub>2</sub> emissions of investees and borrowers	Investees and borrowers of Taiyo Life and Daido Life
	Office paper use	Major Group business sites and Pet & Family Insurance, excluding sales offices and branches of Taiyo Life and Daido Life
	Green purchasing ratio	Major Group buildings

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

\* T&D Customer Service was liquidated in September 2023.

## Initiatives to Reduce the Environmental Impact

### Calculation methods of environmental performance data and Group-wide targets and results

Disclosure item		Calculation method
Environmental performance data		
CO <sub>2</sub> emissions	Scope 1 (Direct emissions)	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 the Ministry of Economy, Trade and Industry) regarding the measurement of greenhouse gas emissions generated by the supply chain. For Category 15 (Investments), the calculation is based on the PCAF standard calculation method.
	Category 1 (Purchased goods and services)	Calculated by multiplying the office paper use by the predetermined coefficient.
	Category 2 (Capital goods)	Calculated by multiplying the expenditure for purchased capital goods, excluding land, by the predetermined coefficient.
	Category 3 (Fuel- and energy-related activities)	Calculated by multiplying the measured input of electric power, steam, and hot and cold water by the predetermined coefficient.
	Category 5 (Waste generated in operations)	Calculated by multiplying the waste generated by the predetermined coefficient.
	Category 6 (Business travel)	Calculated by multiplying the number of Group personnel at the end of the fiscal year by the predetermined coefficient.
	Category 7 (Employee commuting)	Calculated by multiplying the number of Group personnel by employment type and urban development level at the end of the fiscal year, by the predetermined coefficient.
	Category 15 (Investments)	The sum of Scope 1 and Scope 2 in the portfolio (stocks, bonds, and loans issued by domestic listed companies) is calculated, and the sum is multiplied by the attribution coefficient. The attribution coefficient is calculated with "own investment and financing" as the numerator and "market capitalization + interest-bearing liabilities + noncontrolling interest" as the denominator.
	Total	The total emissions from the sum of Scope 1 (Direct emissions), Scope 2 (Indirect emissions), and Scope 3 (Others).

Disclosure item		Calculation method
Electricity consumption		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.
Renewable 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		The reportable item according to the environmental reporting guidelines of the Ministry of the Environment comprises the amount used on the invoices received from the water supply authorities.
Waste generated & recycling rate	Group-wide	Measured based on the Waste Disposal & Public Cleansing Law and other laws concerned with waste disposal and cleaning.
	Waste generated	Calculated according to the invoices received from waste disposal companies.
	Recycling rate	The recycled amount is calculated according to the invoices received from waste disposal companies, and the recycling rate is calculated by dividing the recycled amount by the waste generated.
Group-wide targets and results		
CO <sub>2</sub> emissions		The figures are 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, kerosene, electric power, steam, and hot and cold water.)
Electricity consumption		Calculated from annual electricity purchased by the office in accordance with the Act on the Rational Use of Energy.
CO <sub>2</sub> emissions of investees and borrowers		The sum of Scope 1 and Scope 2 in the portfolio (stocks, bonds, and loans issued by domestic listed companies) is calculated, and the sum is multiplied by the attribution coefficient. The attribution coefficient is calculated with "own investment and financing" as the numerator and "market capitalization + interest-bearing liabilities + noncontrolling interest" as the denominator.
Office paper use		A reportable item according to the environmental reporting guidelines of the Ministry of the Environment, and is calculated from the purchasing system data.

## Independent Assurance Report

2-5

306-2

The T&D Insurance Group obtained third-party assurance from Ernst & Young ShinNihon LLC in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and 3410 (International Auditing and Assurance Standards Board) for the fiscal 2023 data presented in “Employment rate of people with disabilities” and “Ratio of female managers” on P.52, “Gender wage gap” on P.53, “Absentee rate” on P.55, “Environmental Performance Data” on P.66, and “Group-Wide Targets and Results” on P.67.



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working world

## 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 practitioner's assurance report

TO:  
**Mr. Masahiko Moriyama**  
Representative Director and President  
T&D Holdings, Inc.

## Scope

We have been engaged by T&D Holdings, Inc. (hereafter the “Company”) to perform a “limited assurance engagement,” as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the Company’s environment and society data and indices Indicators (the “Subject Matter”) contained in the Company’s “Environmental Performance Data”, “Group-wide Targets and Results”, “Employment of Persons with Disabilities”, “Absentee Rate”, “Ratio of female managers” and “Gender pay gap,” on the Company’s “Sustainability Report 2024” (the “Report”) for the period from April 1, 2023 to March 31, 2024. The scope of our assurance procedures was limited to the indicators marked with the symbol “★” in the Report.

## Criteria applied by the Company

In preparing the Subject Matter, the Company applied the Criteria, that it determined with consideration of laws and regulations applicable to the Company as presented on the Scope and Calculation Methods of “Environmental Performance Data” and “Group-wide Targets and Results” of the Report.

## The Company's responsibilities

The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error. Greenhouse gas (GHG) emissions are estimated using emissions factors, and the scientific knowledge on which such emission factors are based has not been established. GHG quantification is subject to inherent uncertainty.

## EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for 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, and the terms of reference for this engagement as agreed with the Company on May 8, 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

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## Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

## Our procedures included:

- Making enquiries regarding the Company’s own criteria that it determined with consideration of laws and regulations applicable to the Company, and evaluating the appropriateness thereof;
- Inspecting relevant documents with regard to the design of the Company’s internal controls related to the Subject Matter, and enquiring of personnel responsible thereof at the headquarter and a major consolidated subsidiary(Taiyo Life Urawa Building);
- Performing analytical procedures concerning the Subject Matter at the headquarter and a major consolidated subsidiary(Taiyo Life Urawa Building); and
- Testing, on a sample basis, underlying source information, matching indicators with the evidence and conducting relevant re-calculations at the headquarter and a major consolidated subsidiary(Taiyo Life Urawa Building).

We also performed such other procedures as we considered necessary in the circumstances.

## Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the period from April 1, 2023 to March 31, 2024 in order for it to be in accordance with the Criteria.

Kenji Sawami  
Hiroshi Yamano  
Engagement Partners  
September 24, 2024  
Ernst & Young ShinNihon LLC  
Tokyo, Japan

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## Forest Conservation Activities 304-3

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

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



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

## Environmental Communications and Educational Activities 304-3

### Environmental Communications and Educational Activities

T&D Holdings endorses the activities of the Global Environment Information Forum, a Japanese foundation 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.





## 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 investment behavior of institutional investors, who manage long-term funds, plays a major role in solving various social issues and realizing a sustainable society. Recognizing this role, the T&D Insurance Group secures stable investment income and contributes to the sustainable and stable growth of society through investment activities undertaken in consideration of the environment, society and corporate governance.

### Related 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 investees and borrowers and exercising appropriate voting rights based on the Principles for Responsible Institutional Investors

**By FY2030**  
Reduce the CO<sub>2</sub> emissions of investees and borrowers by 50%

**By FY2050**  
Reduce the CO<sub>2</sub> emissions of investees and borrowers to net zero

### Initiative results and plans

Policy	FY2023 Initiatives	Planned for FY2024
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	<ul style="list-style-type: none"> <li>Based on the T&amp;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.</li> <li>Invested in and financed projects with themes that contribute to solving various ESG issues, including green bonds and social bonds.</li> <li>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 CO<sub>2</sub> emissions by investees and borrowers.</li> <li>Became a signatory to and participated in Spring, a global initiative to preserve biodiversity launched by PRI.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to make various ESG investments that contribute to the resolution of social issues and the realization of a sustainable society.</li> <li>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.</li> </ul>



## Basic Concept

### T&D Insurance Group ESG Investment Policy

2-23

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

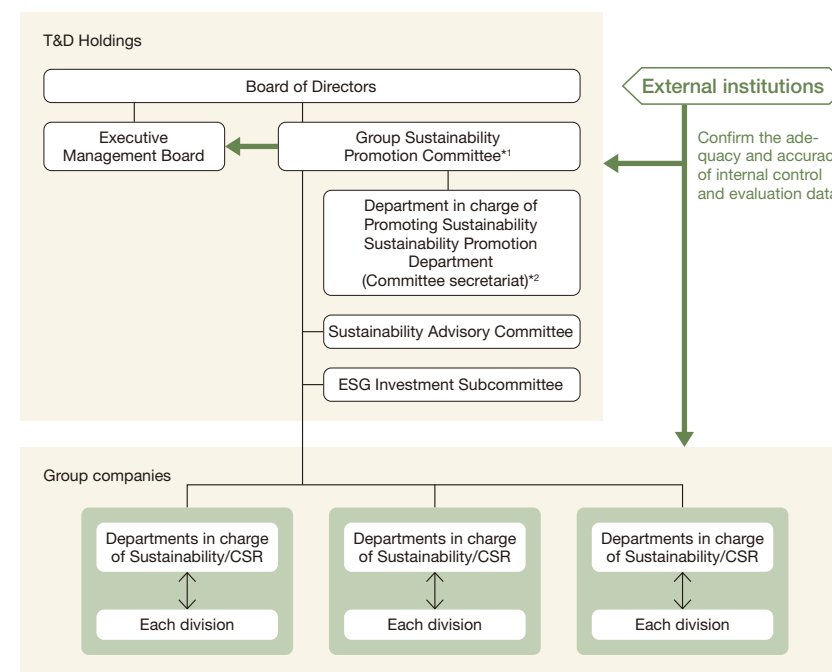
Through cooperation with Group companies in ESG investment and financing activities and sharing information with industry organizations, we strive to sophisticate the asset management process of ESG investment and financing, and support the sound development of its market.

#### 4. Enhancement of disclosure regarding ESG investment and financing initiatives

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

### Responsible Investment Promotion Framework

The T&D Insurance Group established the Group Sustainability Promotion Committee as an organization under the supervision of the Board of Directors. The Group set up the ESG Investment Subcommittee under the Group Sustainability Promotion Committee, to discuss policies and measures for ESG investments across the Group. The ESG Investment Subcommittee is chaired by the General Manager of the Sustainability Promotion Department of T&D Holdings and made up of the general managers of asset management departments of each group company and those in charge of actually dealing with ESG investment issues (section manager level).



\*<sup>1</sup> The chairman of the Group Sustainability Promotion Committee is the Representative Director and President. The vice chairman is the executive officer in charge of the Sustainability Promotion Department.

\*<sup>2</sup> The committee secretariat = Group Sustainability Promotion Committee secretariat.

## Basic Concept

### Our Initiatives as a Responsible Institutional Investor

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

### Specific ESG investment initiatives

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

## Reflection of ESG Factors in Investment Decisions 203-2

Each company in the T&D Insurance Group has a basic policy of taking ESG issues into account in making investment and financing decisions and the asset management regulations of each group company also clearly specify to this effect. Each Group company has “Standards and Guidelines for ESG Investment and Financing” to promote asset management that considers ESG issues, and uses the following ESG investment and financing methods according to the characteristics of the assets under management.

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

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

### Integration of ESG assessments into investment and financing decisions

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

### Examples of corporate evaluation and investment decisions using ESG integration

Targeted assets	Examples of previous investment decision considerations (financial information, etc.)	Examples of considerations in decisions integrating ESG factors (non-financial factors)	
Stocks, bonds and loans of listed companies	<ul style="list-style-type: none"> <li>Profitability and creditworthiness of investees and borrowers</li> <li>Forecast growth potential of industry/company</li> </ul>	Action taken to address ESG issues according to industry characteristics	
		Utilization of ESG score	
Project finance	<ul style="list-style-type: none"> <li>Creditworthiness of project</li> <li>Forecast of cash flows</li> </ul>	Screening based on quantitative evaluation of material issues	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions</li> <li>Ratio of female/outside directors</li> </ul>
		Public nature of project	Importance of facility in local community
Real estate	<ul style="list-style-type: none"> <li>Competitiveness of location and building/facility</li> <li>Measures to address legal and physical risks</li> </ul>	Created impact	Contribution to reduction of CO <sub>2</sub> emissions
		Consideration for the environment	<ul style="list-style-type: none"> <li>Introduction of energy-saving equipment</li> <li>Acquisition of environmental certification for buildings</li> </ul>
Outsourcing	<ul style="list-style-type: none"> <li>Asset management framework</li> <li>Asset management performance</li> </ul>	Contributing to local communities	Introduction of a facility or equipment of a highly public nature
		Screening standards	
		Portfolio’s CO <sub>2</sub> emissions target	
		Compliance with PRI principles	Confirmation of signatory status and transparency report, etc.

## Reflection of ESG Factors in Investment Decisions

### Negative Screening

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

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 specific weapons (manufacturers of cluster munitions, biological and chemical weapons, landmines, nuclear weapons, etc.)

### Attitude towards investment and financing for businesses with large environmental impact

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

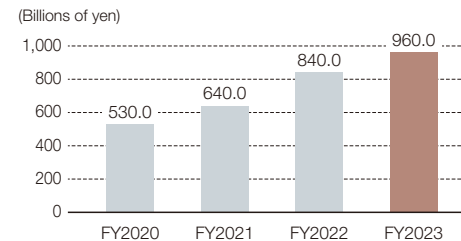
### Target assets and screened activities

Target transactions	Screened activities and excluded sectors
Investment and financing transactions with companies	Companies involved with antisocial forces
	Companies that manufacture specific weapons (manufacturers of cluster munitions, biological and chemical weapons, landmines, nuclear weapons)
	Companies that produce palm oil
New investment and financing for businesses or companies	Coal-fired power generation-related projects
	Coal extraction projects
	Oil sands exploration projects
	Projects of oil and gas exploration in the Arctic National Wildlife Refuge
	Companies involved in serious misconduct

### ESG-themed Investment and Financing

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

### ESG-themed investment and financing



### Main ESG-themed investment and financing projects

Investment area	Specific investment projects
E Environment	Green bonds 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. In FY2023, we invested in green bonds issued by Subaru Corporation and Corporación Andina de Fomento (CAF).
	Transition bonds As part of our efforts to realize a decarbonized society, we engage in "transition finance," which provides financial support for business activities with high environmental loads to reduce the environmental footprint and decarbonize them entirely. In FY2023, we invested in Japan Climate Transition Bonds issued by the Japanese Government.
	Renewable energy-related finance We provide loans (project finance) for large-scale wind power generation projects and invest in funds that invest in solar power generation projects; both can contribute to global environmental protection and energy conservation. In FY2023, we invested in green project bonds for a solar power generation project (Komagane City, Nagano Prefecture).
S Society	Social bonds We invest in social bonds to solve global social issues and support regional revitalization. In FY2023, we invested in social bonds issued by Japan Expressway Holding and Debt Repayment Agency and Urban Renaissance Agency.
ESG combined	Sustainability bonds We invest in sustainability bonds to solve environmental issues and social issues. In FY2023, we invested in sustainability bonds issued by Tokai National Higher Education and Research System and Japan International Cooperation Agency.
	Sustainability linked products We provide operating companies with loans whose interest rate and other conditions varies according to the extent to which they achieve their CO <sub>2</sub> emissions reduction goals, and we also invest in sustainability-linked bonds. In FY2023, we were involved in sustainability linked products for NEC Corporation and Mitsui Fudosan Co., Ltd.
	Impact funds We are also involved in "impact funds and loans," which seek not only to generate returns on investments, but also to create positive social impacts. In FY2023, we provided investment and financing for venture funds that invest in companies in the energy, transportation and society-related field, and impact loans specifically aimed at resolving issues in the human capital and diversity field.

## Stewardship Activities 2-29

### Initiatives for Conforming to 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	<a href="https://www.taiyo-seimei.co.jp/company/activity/ssc.html">https://www.taiyo-seimei.co.jp/company/activity/ssc.html</a>
Daido Life Insurance Company	<a href="https://www.daido-life.co.jp/sustainability/investor/ssc/">https://www.daido-life.co.jp/sustainability/investor/ssc/</a>
T&D Asset Management Co., Ltd.	<a href="https://www.tdasset.co.jp/company/principles/stewardshipcode/">https://www.tdasset.co.jp/company/principles/stewardshipcode/</a>

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

### Ongoing Dialogue with Investees and Borrowers

#### Taiyo Life, Daido Life

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

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.

### Engagement results (summary)

#### Taiyo Life

Themes of engagement		Total number of engagement events
ESG issues (environment)	<ul style="list-style-type: none"> <li>Status of net zero emissions goal and intermediate goal setting</li> <li>Status of development of a roadmap for the reduction of CO<sub>2</sub> emissions, etc.</li> </ul>	67
ESG issues (governance, ESG initiatives in general)	<ul style="list-style-type: none"> <li>Approach to and policies regarding diversity and the appointment of female directors, etc.</li> </ul>	44
Issues related to the criteria for making judgments when exercising voting rights		42
Other themes (business strategies, financial status, etc.)		171
Total		324

#### Daido Life

Themes of engagement		Total number of engagement events
ESG issues (environment, social)	<ul style="list-style-type: none"> <li>Improvement of the effectiveness of the carbon neutrality initiatives of companies with higher CO<sub>2</sub> emissions</li> <li>Publication of CO<sub>2</sub> emission reduction targets</li> <li>Publication of a roadmap toward carbon neutrality</li> <li>Disclosure of information about Scope 3 GHG emissions</li> <li>Formulation of a human rights policy and implementation of human rights due diligence</li> </ul>	42
ESG issues (governance)	<ul style="list-style-type: none"> <li>Concerns regarding a possible decline in the ability of long-serving Audit &amp; Supervisory Board members to fulfill their management oversight duties</li> <li>Disclosure of specific payment standards, etc. regarding the introduction of a retirement benefit system for directors and other officers</li> <li>Ensuring the diversity of directors</li> </ul>	31
Other themes (business strategies, financial status, etc.)	Continuous allocation of profits to investment in growth and dividends	107
Total		180

#### T&D Asset Management

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

#### (1) Capital efficiency perspective: a food manufacturer

We discussed the measures the company is currently discussing and considering internally to resolve its price-book-value ratio (PBR) being below 1. The company said that it is considering the reduction of low-profitability assets, but that it is not its top priority. They said that their top priority is enhancing capital efficiency by enabling earnings to grow by utilizing the company's current management assets. They are considering the reorganization of their business portfolio to achieve the growth of earnings. Their dividend payout ratio is relatively low. They plan to present specific measures to enhance capital efficiency in the next medium-term management plan. We will continue to closely monitor the new medium-term management plan and their approach to enhancing capital efficiency.

#### (2) Governance perspective: a medical device manufacturer

We discussed how to ensure the diversity of the Board of Directors. The company's overseas sales are already overwhelmingly large and it aims to further expand its overseas business in the future. Considering this, we proposed that it would be preferable to consider the appointment of directors who are foreign nationals. Although the company currently has no foreign directors, it does have four executive officers who are foreign nationals. They mentioned the possibility of appointing foreign executive officers as directors. We will keep track of the diversity of the Board of Directors, including the addition of foreign directors.

## Stewardship Activities

### (3) Environmental and social issues perspective: a logistics information service company

We discussed the setting of CO<sub>2</sub> reduction targets. For the past three years, the company has disclosed its CO<sub>2</sub> emissions and its emissions reductions on its website. However, it is difficult to set reduction targets, particularly for Scope 2 and 3 emissions, because of the nature of its business, which involves many spot contracts. Nevertheless, the company is working to reduce its environmental impact by decreasing the number of trucks used and collecting and reusing pallets. They said that they can set CO<sub>2</sub> emission reduction targets based on the projected decrease in the number of trucks used and that they would consider disclosing their CO<sub>2</sub> emission reduction targets by reducing truck usage. We believe that setting and disclosure of targets for the reduction of environmental impact will facilitate investors and other external parties' evaluations of the company and will enhance the effectiveness of its initiatives. We look forward to the company expanding its disclosure of information.

#### Exercising Voting Rights

##### Taiyo Life, Daido Life

#### Policy on the exercise of voting rights

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.

#### Status of the exercise of voting rights

Taiyo Life and Daido Life exercised their voting rights on proposals at Shareholders' Meetings held between July 2023 and June 2024. Such exercise was conducted after holding dialogues with investment targets as necessary, in accordance with the criteria for determining the exercise of voting rights.

Our votes at the shareholders' meetings of companies listed in Japan that were held between July 2023 and June 2024 are shown in the top right. We reject proposals if problems are not resolved despite having engaged in constructive dialogue or if there is a high risk of shareholder value being harmed.

Type	Taiyo Life					Daido Life				
	Approve	Reject	Abstain	Carte blanche	Total agenda items	Approve	Reject	Abstain	Carte blanche	Total agenda items
Company proposals	144	1	1	0	146	232	4	0	0	236
Shareholder proposals	0	11	0	0	11	1	25	0	0	26
Total	144	12	1	0	157	233	29	0	0	262

### T&D Asset Management

#### Policy on the exercise of 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.

#### Status of the exercise of voting rights

The results of voting rights of shares listed on domestic markets exercised at Shareholders' Meetings held by these companies between July 2023 and June 2024 are as follows.

Type	Approve	Reject	Abstain	Carte blanche	Total agenda items
Company proposals	7,056	724	0	0	7,780
Shareholder proposals	13	117	0	0	130
Total	7,069	841	0	0	7,910

### Self-Evaluation

Between July 2023 and June 2024, Taiyo Life, Daido Life and T&D Asset Management carried out a self-evaluation of the status of implementation of each of the Principles in the Stewardship Code. It determined that activities were steadily being carried out in accordance with its basic policy for each Principle.



## Efforts to Contribute to the Mitigation of Climate Change

### CO<sub>2</sub> Emission Reduction Targets for Investees and Borrowers

As a responsible institutional investor, the T&D Insurance Group has set emission reduction targets for CO<sub>2</sub> emissions from its own investees and borrowers (Scope 3, Category 15) as shown on the right.

The 2030 interim target was a 40% reduction of CO<sub>2</sub> emissions. However, in May 2024, the Group announced this was increased to a 50% reduction to better align with the pace of the reductions achieved to date and our commitment to contributing to the realization of a carbon neutral society.

#### T&D Insurance Group CO<sub>2</sub> emissions reduction target

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

\* Covers stocks, bonds, and loans held by Taiyo Life and Daido Life that were issued by listed companies in Japan  
Reduction targets are set on a per-unit basis (CO<sub>2</sub> emissions per unit of investment)

### Efforts to Achieve Targets

Taiyo Life and Daido Life engage continuously with investees and borrowers on the theme of climate change to reduce CO<sub>2</sub> emissions and achieve net zero, and provide financial support to investees and borrowers who are tackling the climate change issue through initiatives for financing projects that use the funds for investments in decarbonization.

### Dialogue with investees and borrowers

We are requesting that our investees and borrowers with the highest CO<sub>2</sub> emissions improve their information disclosure, including publishing emission reduction targets and roadmaps for achieving the targets. In addition, we provide long-term support and encouragement to investees and borrowers by exchanging opinions on reduction efforts and progress, and by sharing awareness.

### Financial contributions through ESG-themed investment and financing

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

Although investment in and financing of companies with high CO<sub>2</sub> emissions may temporarily cause an increase in CO<sub>2</sub> 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 effects and effectiveness of our investments.

### Daido Life

Daido Life was honored with the Excellence Award at the FY2023 Osaka Climate Change Action Awards presented by the Osaka Prefectural Government to businesses that have made exemplary efforts to mitigate climate change. The prefectural government recognized Daido Life's contribution to the reduction of society's CO<sub>2</sub> emissions through its ESG investments.

### CO<sub>2</sub> Emission Reduction Status of Investees and Borrowers

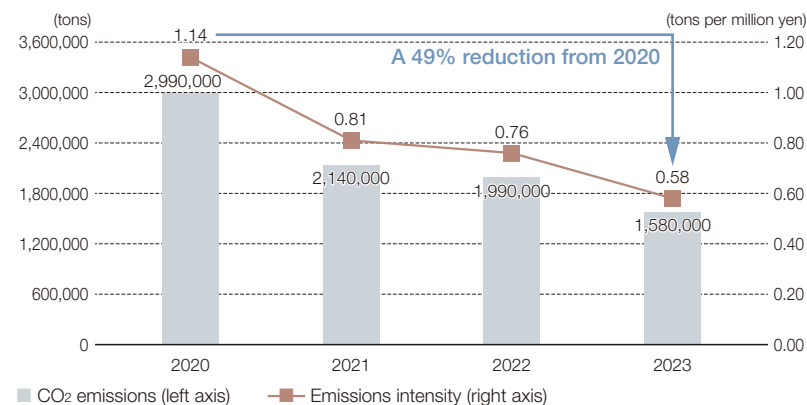
The table below shows the CO<sub>2</sub> emissions of Taiyo Life and Daido Life's investment and loan portfolios as of the end of FY2023.

CO<sub>2</sub> emissions (emission intensity) of the companies' portfolios of stocks and bonds and loans to domestic listed companies, which can be compared to the interim target toward the achievement of net zero emissions, were 0.58 tons per million yen, a 49% reduction compared to the FY2020 level. We will continue working steadily to achieve the interim target, including by engaging with the companies that we invest in or lend to. We have begun measuring CO<sub>2</sub> emissions associated with government bonds issued by Japanese and foreign governments. The CO<sub>2</sub> emissions of the government bond portfolio of Taiyo Life and Daido Life as of the end of FY2023 were 6.53 million tons.

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

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

### Trends in CO<sub>2</sub> emissions associated with stocks, bonds, and loans



## Efforts to Contribute to the Mitigation of Climate Change

### ■ Status of T&D Asset Management

We have begun to measure the CO<sub>2</sub> emissions attributable to the assets managed by T&D Asset Management. We measured emissions associated with the stocks and bonds of domestic listed companies and government bonds issued by Japanese and foreign governments held by T&D Asset Management as of the end of FY2023. Through dialogue and other initiatives, T&D Asset Management will assist the organizations it invests in their reduction of CO<sub>2</sub> emissions, aiming to help establish a decarbonized society.

Targeted assets	Holdings	CO <sub>2</sub> emissions	Energy intensity (tons per million yen)
Stocks and bonds of and loans to companies listed in Japan*	¥171.2 billion	70,000 tons	0.45
Government bonds issued by Japanese and foreign governments	¥208.8 billion	250,000 tons	1.23
<b>Total</b>	<b>¥379.9 billion</b>	<b>330,000 tons</b>	<b>0.88</b>

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

## Participation in Initiatives

### Signing of the Principles for Responsible Investment (PRI)

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

Signatory of:



#### 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 financing that considers ESG issues. Specifically, we are promoting investment and financing 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 incorporate 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, the company promotes sustainable growth of companies it invests in by fully understanding the situation of the companies, including environmental, social, and corporate governance (ESG) issues, during the investment process. Also the company conducts constructive dialogue (engagement) and exercises voting rights to promote the sustainable growth of these companies. In these ways, the company aims to increase the medium- and long-term investment returns on the assets entrusted to it by customers.

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

<https://www.unpri.org/searchresults?qkeyword=&PageSize=10&parameters=>

\* 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 5,200 financial institutions worldwide, and by 130 in Japan (as of July 2024).

## Participation in Initiatives

### 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.

## 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, Daido Life, and T&D Holdings' Responsible Investment Reports are available on the websites of these companies. (Japanese).

Taiyo Life

[https://www.taiyo-seimei.co.jp/company/activity/download/ssc/responsible\\_investment\\_report\\_2024.pdf](https://www.taiyo-seimei.co.jp/company/activity/download/ssc/responsible_investment_report_2024.pdf)

Daido Life

<https://www.daido-life.co.jp/sustainability/pdf/ri-report2024.pdf>

T&D Holdings

[https://www.td-holdings.co.jp/csr/effort/pdf/responsible\\_investment\\_report.pdf](https://www.td-holdings.co.jp/csr/effort/pdf/responsible_investment_report.pdf)

## Group Employee Dialogue

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



**Kazuki Maeda**

Fixed Income Department,  
Daido Life Insurance Company

**Eriko Ikeda**

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

**Junya Higashitani**

Financial Loan Department,  
Taiyo Life Insurance Company

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

#### Please tell us about your work responsibilities.

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

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



## Group Employee Dialogue

long-term. When I interview these companies, in the first half I ask detailed questions about their business model and operating outlook, and in the second half I ask about the environment, society and governance, and the points raised as non-financial issues sometimes turn out to be underlying factors behind financial issues. I experience a sense of job fulfillment when I can share information about issues these companies have not realized during dialogue with them.

**Higashitani** I work in the Financial Loan Department of Taiyo Life. In addition to handling corporate loans, my responsibilities include structured finance, such as investing in and financing mortgage-backed securities, domestic project financing and LBO loans. In 2022, as a part of ESG investment and financing, I experienced a sense of job fulfillment when we managed to invest in a solar power generation project utilizing a new corporate PPA\*<sup>1</sup> scheme. The scheme applies to low voltage solar power plants, and it was the first domestic project involving green project bonds utilizing the scheme. There were some challenging aspects because it had a different risk profile to previous projects, but it was a project that provides a foothold to solving issues from the perspective of corporate decarbonization management, and I think it was a really promising financing opportunity.

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

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

**Maeda** The most memorable project for me was an investment in an impact bond fund two years ago. I felt there was something significant about impact investments that allow the pursuit



of both social returns and economic returns, and had been looking into it. In the course of doing so I connected with an investment manager with exceptional

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

**Ikeda** Through dialogue with a certain consulting firm, I pointed out an issue where despite steady profit growth, the company's share price was not keeping pace. Due to the nature of its business, this company required almost no capital investment, but despite that its dividend payout ratio was low. I therefore shared my insight about this problem with the company, and as a result of emphasizing the need to solve the issue, the company gained a similar awareness of it. Through these efforts, the company brought on an outside director with detailed financial knowledge, and strengthened shareholder return measures such as raising the dividend payout ratio and conducting share buybacks. After we included this company in its portfolio, its share price rose by around 45% at its peak, and I believe our dialogue with them played some part in this. Being able to contribute to the company's share price and improved corporate value by sharing information on the issues it faced was something that was particularly memorable for me. Several years ago, an ESG interview would be attended by personnel from the CSR department, not top management, but recently, directors and executive officers have handled these meetings, and more IR personnel have started to give detailed responses to questions about ESG initiatives. I feel that awareness on the corporate side has increased these past few years.

**Higashitani** In 2020, Taiyo Life implemented "donation-linked green loans" for a securities firm. This project involved loans based on the lending company's green framework, where the loaned funds were allocated to endeavors such as a renewable energy generation project, and included donations made to medical relief activities in Myanmar. For Taiyo Life, which has also entered the life insurance

business in Myanmar, this was an initiative that reflected our company's unique characteristics, and it was particularly memorable for me.

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

**Higashitani** For Taiyo Life, we conducted monitoring to ensure that funds were being used appropriately after granting loans, and strengthened efforts to encourage disclosures through engagement as needed. In the structured



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

**Ikeda** In fiscal year 2023, we stepped up our efforts in two key areas. First, we strengthened engagement regarding the "S" part of ESG. Starting with securities reports issued for the fiscal year ended March 31, 2023, a partial mandate was introduced requiring disclosures of sustainability information, particularly disclosures concerning human capital. In response to this, we strengthened our efforts to confirm information about the measures companies were taking to deal with employee turnover, trends in average overtime hours, and the results and targets for employee engagement surveys. We



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also started verifying with companies about the implementation scope of supplier surveys, and the support and action taken in response to survey results. For example, when there is information that a supervisory authority has advised a company that it is requiring their business partners to perform additional tasks not stipulated in their contracts, we verify that the company involved is aware of those risks and confirm how they plan to address them. Secondly, we have improved our overall management of engagement. After identifying the issues for each company and the goals to be pursued on the side of us, we prepare an engagement sheet. We use this to manage proposals from us and progress on the response from the company, and by sharing this internally, we have worked to improve the effectiveness of our engagement activities.

**Maeda** While there are some similarities with what Ms. Ikeda mentioned, starting in the previous fiscal year our department expanded the scope of ESG scoring to cover all domestic corporate bond investments. ESG scoring involves assessing multiple monitoring metrics related to E, S and G to score each company. Previously, ESG assessments were conducted by each assigned analyst and included qualitative aspects, leading to ambiguity in the criteria. By making it possible to conduct qualitative and uniform assessments that do not incorporate the subjectivity of the assessor, the assessments have become more meaningful, and can now be effectively utilized in our engagement activities. However, ESG issues can vary by company and sector, and simply looking at the numbers is not enough. That is why it is important to properly communicate and engage in productive dialogue. With that in mind, my team holds regular workshops to ensure that we continue to improve our knowledge.

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

**Ikeda** To companies that are contributing to CO<sub>2</sub> emission reductions through their technological capabilities or services, we submit proposals encouraging them to estimate the impact they have to the extent possible and disclose the results. Many companies place an



emphasis on helping to reduce emissions across society as a whole by supplying low-emission products and services, which are known as Scope 4 emissions, and our ESG fund assesses business models from the perspective of contributions to the environment and society. We have also strengthened our monitoring of portfolios through ESG data, and in the near future I think it will be necessary to quantitatively calculate non-financial impact and reflect that in estimated share prices. We believe that it is important to measure the positive impacts on society, and together with Taiyo Life and Daido Life we are part of an “Impact Consortium” and proactively gather information, including research into cutting-edge activities overseas.

**Maeda** Daido Life measures the impact created through investment on a joint basis with the Investment Planning Department. Currently not a great deal of progress has been made with companies disclosing impact metrics. Additionally, collating information about the impact of each company involves a lot of manual work, and the need for human resources is an industry-wide issue. As many groups offer a range of measurement tools, we make use of them in our research and encourage companies to pursue disclosure. The T&D Insurance Group’s policy is working to advance impact measurement in the areas of healthcare and nursing care in addition to CO<sub>2</sub> emissions, and we are also trying to update knowledge in those fields.

**Higashitani** Taiyo Life also has a basic policy of confirming the impact reports of investees, and we actively encourage companies with inadequate disclosures to do more. One area where we run into difficulty is although there are clear and common metrics for decarbonization projects, such as by how many tons of CO<sub>2</sub> emissions have been reduced, and the disclosure of impact measures has become a standard practice, positive impact in the social sphere is

so wide-ranging that it is difficult to identify in a way that makes it comparable with other efforts. Take vaccine bonds for example. While you can produce a clear social impact in terms of how many people got vaccines using the funds we invested, when funds are utilized based on a social framework, it is relatively hard to ascertain in specifically which projects the funds have been used, and as a result, there are cases where clearly identifying social impact is a challenging prospect. Hopefully, more quantitative tools will be developed in the future. I think that the companies creating frameworks and lenders both need to be innovative in terms of impact measurement and reporting methods.

**Maeda** On the point that Mr. Higashitani brought up, I also feel there are improvements to be made on the investor side. For example, in cases where funds are provided to financial institutions in emerging nations, the companies in question may lack the resources to calculate impact, and indiscriminately demand disclosure will not be effective. I think it is important for us to consider appropriate standards so that we can assess impact within our own framework.



### T&D Holdings has set the target of achieving net zero CO<sub>2</sub> emissions across its investment and financing portfolio by 2050. How are you working towards this goal in your own capacities?

**Maeda** When it comes to reaching the net-zero level, a shift toward decarbonization needs to be made, including technological innovations and a restructuring of the value chain in each industry. As investors ourselves, we also need to develop a proper understanding of exactly what constitutes a business that truly contributes to this by ascertaining the opportunities and risks in each industry, and determining the appropriateness of the roadmap to decarbonization presented by each company. This is not an easy task, but we

## Group Employee Dialogue

will tackle it by continually updating our information through communication with companies and related industry parties, understanding of Science Based Targets (SBT),<sup>\*2</sup> and other efforts.

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

**Ikeda** We have seen considerable progress with companies disclosing environmental data and setting targets, and more companies are obtaining SBT certification and setting targets that have a scientific basis. The T&D Insurance Group has also set both a 2050 target and a 2030 interim target, but there isn't much time left to achieve them. In engagement with companies, we communicate that it is important to seek effectiveness in line with targets such as SBT. In practice, that means confirming progress towards goal achievement based on actual data a company has disclosed, and confirming that top management is committed to those targets, that the progress is being monitored by their board of directors, as well as determining to what extent ESG has been incorporated into the performance-linked competition criteria for directors. On another front, Japan has the largest number of companies in the world that have announced support for the TNFD, and since many companies have a high level of awareness, I expect that the information disclosed by companies will increase within the next few years. In aiming for net zero emissions by 2050, we need to practice engagement that takes elaborate ESG analysis, including natural capital, into account, and internally we will be strengthening our efforts in this regard.

**Higashitani** We work on confirming the decarbonization roadmaps of the companies we invest in and engage with them both before and after we make investment and financing decisions. Additionally, in communication and exchanges with companies, we help those companies that are searching for ways to reduce CO<sub>2</sub> emissions by sharing examples of initiatives underway in other industries and providing information about the status of green bonds and similar opportunities. Everyone on the team is aware that a life insurance company that is able to provide long-term financing is in a position that is highly compatible with efforts to address corporate ESG issues, and we make an effort to provide useful information. Of



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

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

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

course, although we promote sustainable investment and financing, we are also aware that neglecting our traditional credit rating responsibilities could be counterproductive. Ensuring a return is also important, and since some

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

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

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

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



## Supply Chain

### Definition of Supply Chain

2-6

T&D Holdings defines its supply chain as shown in the table below, and strives to spread 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 and management of office buildings
	Energy consumed	Petroleum refining and distribution, electric power providers
	Waste	Waste disposal companies
Delivery		Delivery companies
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 Sustainability Promotion Committee and the Board of Directors, every six months.

### Declaration of Partnership Building

T&D Holdings, Taiyo Life, Daido Life, and T&D Financial Life have endorsed the purpose of the Declaration of Partnership Building established by the Council for the Promotion of Partnership Building for the Future, whose members include the Chairman of Keidanren (Japan Business Federation), the Chairman of the Japan Chamber of Commerce and Industry, the President of the Japanese Trade Union Confederation, and relevant ministers (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism).

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

### Principles for Responsible Investment (PRI)

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

Signatory of:



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

### The six principles of the PRI

- Principle 1: We will incorporate ESG issues into 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.

### Spring\*

In the T&D Insurance Group, Taiyo Life, Daido Life and T&D Asset Management take part in "Spring," a collaborative engagement initiative focused on biodiversity issues.



\* Spring: Established by Principles for Responsible Investment (PRI) with the aim of contributing to the global target of halting and reversing biodiversity loss by 2030 through support for collaborative engagement by investors.

### Advance\*

In the T&D Insurance Group, Taiyo Life, Daido Life and T&D Asset Management take part in "Advance," an international initiative to practice collaborative engagement regarding social issues and human rights.



\* Advance: Established by Principles for Responsible Investment (PRI) with the aim of encouraging human rights and positive outcomes, by functioning as a platform covering a wide range of social issues and facilitating the stewardship activities of investors.

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

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



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

## Principles 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 stakeholders 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)

The 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 CO<sub>2</sub> emissions by fiscal 2040. 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 fiscal 2030,” and it 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. This initiative is 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.





## 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.

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

#### Japan 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.



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.

2024 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.

2024 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, 2024

### Major Awards, Commendations

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

#### Fiscal 2023

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

## Social Activities 413-1

### 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 and welfare,” “developing a sound society,” and “promoting employee participation in social contribution activities.”

### ■ Key domains for activities

- Improving health and welfare: We support organizations and events that focus on the welfare of people with disabilities. We have established a foundation to support projects and research related to the welfare of people with disabilities and the elderly.
- Developing a sound society: We support organizations and events that promote social business entrepreneurship, cultivate culture, sports, science, and the arts, and increase financial literacy. We have established a foundation to promote international mutual understanding through cultural exchange events with other countries and the provision of grants to these organizations.
- Promoting employee participation in social contribution activities: We have established employee circles and friend groups to promote their participation in social contribution activities in the fields of medical care, education, environmental conservation, and welfare for people with disabilities. We strive to enhance local healthcare and environmental health and support disaster-affected areas through employee participation in events, donations, and other activities.

### Improving Health and Welfare (Welfare for People with Disabilities and the Elderly) 3-3

#### Support for external organizations

#### ■ 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.
- Participation of the corporate officers and employees of branches and head office departments as volunteers at association activities.



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

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



#### ■ 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 contributes to the development and spread of deaf soccer and futsal, by supporting the activities of deaf soccer and futsal teams and promoting sports for people with disabilities.



### Activities by foundations

#### ■ The Taiyo Life Welfare Foundation

#### Purpose of establishment

The Taiyo Life Himawari Foundation was established in 1984 to commemorate the 90th anniversary of Taiyo Life's founding. In December 2009, the foundation was renamed to the Taiyo Life Welfare Foundation. This foundation works to improve social welfare in Japan by sponsoring the projects to enhance welfare and cultural activities of the elderly and the disabled and providing grants for surveys and research on welfare for the elderly.

#### Main activities

#### Grants for social welfare activities

- Project grants: Grants for projects to improve the welfare of the elderly and people with disabilities at home and to support cultural activities
- Research grants: Grants for surveys and research on healthcare and medical care for the elderly, lifestyle-related diseases, and welfare for the elderly

[Cumulative grants from establishment in 1984 to FY2023] 2,493 grants; ¥1,373.62 million

## Social Activities

### Main activities in fiscal 2023

In order to fulfill its mission of improving social welfare, in fiscal 2023, the foundation continued providing grants to projects undertaken by NPOs working resolutely to enhance the welfare of local communities; it also subsidized the projects for welfare of the elderly and people with disabilities at home, and study and research programs related to the welfare of the elderly. In fiscal 2023, the foundation offered grants worth ¥17.45 million to 58 volunteer/NPO projects, and grants worth ¥2.96 million to 7 research projects; in total, the foundation provided 65 grants worth a combined ¥20.41 million.

### ■ 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 volunteer exchange activities that promote the development of healthy minds in children and the welfare of the elderly and people 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 people 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 1974 to FY2023] 4,673 grants; ¥1,745.57 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 76 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.

### Developing a Sound Society

3-3

#### Promoting social business entrepreneurship

##### ■ 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 goals of the contest are to promote the healthy growth of social business, increase awareness of social business, and increase the number of people engaging 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, and together, we aspire to contribute to the development of a sustainable society.



\* The Nikkei Social Business Contest was renamed to NIKKEI THE PITCH in fiscal 2024.

#### Cultivating culture (sports), science, and the arts

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

T&D Holdings donated 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 natural disasters, etc. damaging the housing of students or those who financially support them.

JASSO provides equal educational opportunities to all students. It also comprehensively supports all kinds of student support projects to contribute to encouraging international student exchanges and enhance support for students with disabilities, etc. at universities and other higher educational institutions.

##### ■ 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, “helping to increase number of teams and players, to improve the competitive ability of them, and to promote junior high school students to develop the quality and skills necessary for shaping a sound society.” Accordingly, we are extending our support for the promotion of junior high school rugby in Japan and for the sound development of young people, in cooperation with the JRFU.

## Social Activities

### ■ Extracurricular activities Pet & Family Insurance

The goal of our Pet & Family Insurance is to help people and their pets lead fulfilling and peaceful lives. In Tokyo's Taito Ward, we are involved in the Learning Campus Planning project run by the ward's Board of Education and provide extracurricular classes at elementary and junior high schools, kindergartens and preschools to assist children in leading fulfilling and peaceful lives with their pets. Our classes are centered around the idea of the harmonious coexistence of pets and people. We offer classes tailored to the age of the children, such as "happy life for pets and people," "understanding the emotions of dogs and cats," and "learning about the physiology of dogs and cats, diseases, and medical care."



### Sharing of financial knowledge

#### ■ Sponsorship of the FDSF Impact Conference 2024

The Group endorses the activities of Future Design Initiative by Science and Finance (the FDSF) and is a sponsor of FDSF Impact Conference 2024, which is organized by the FDSF. The goal of the conference is to create a place where people meet and deepen mutual understanding of each other for the purpose of working to create economic and social value seamlessly through sustainable finance and contributing to the improvement of society.



#### ■ 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 2023, the program was held both in person and remotely. It attracted many participants from across Japan. In addition to enabling participants to experience a wide range of work, from sales activities to head office operations, we created even more opportunities to communicate with many Daido Life employees.



The program gives students the chance to visualize themselves at work, to consider their own aptitude and future career paths.

### Activities by foundations

#### ■ 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 81 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 49 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.



### Promoting Employee Participation in Social Contribution Activities

#### Activities of employee circles and friend groups

##### ■ 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 8,695 members as of March 31, 2024. In order to support social contribution activities on a monthly basis, the members contribute any fractions less than one hundred yen or a voluntary amount of 100 yen per unit (from 1 unit to 10 units) from their take-home salary. At present, the Friends mainly provides supports for local



## Social Activities

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 fiscal 2023

- 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, shoes, etc.

### ■ 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 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 fiscal 2023

- 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 people 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.



### Employee participation in events, donations, and other activities

#### ■ Nationwide Clean Campaign Taiyo Life

Taiyo Life is active in cleanup efforts nationwide, an activity that contributes to the local community. This initiative started in 1982 with the "Small Kindness Movement." 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.



### ■ 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 2023, under the theme, "Contribution to local communities," we worked on various activities such as promoting recycling and community-based cleanup activities.



### ■ Social contribution activities through walking campaigns Daido Life

Daido Life donates money based on the number of steps taken by walking campaign participants as part of the KENCO SUPPORT PROGRAM, a tool to support the health and productivity management practices of small and medium-sized enterprises. In fiscal 2023, Daido Life donated to certified NPO Good Neighbors Japan, Certified Nonprofit Corporation Nationwide Children's Cafeteria Support Center, Musubie, and areas affected by the 2024 Noto Peninsula Earthquake.

### ■ 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.

### ■ 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 in the Group are encouraged to donate blood. In fiscal 2023, a total of 257 people in the Group donated blood during the drive.



### ■ 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 to remove debris, deliver relief supplies, and provide support for restoration work at private homes and temples. Subsequently, the Group continued to provide extensive support, including the donation of relief funds to areas affected by the 2024 Noto Peninsula Earthquake.



## Corporate Governance 2-9

### 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.

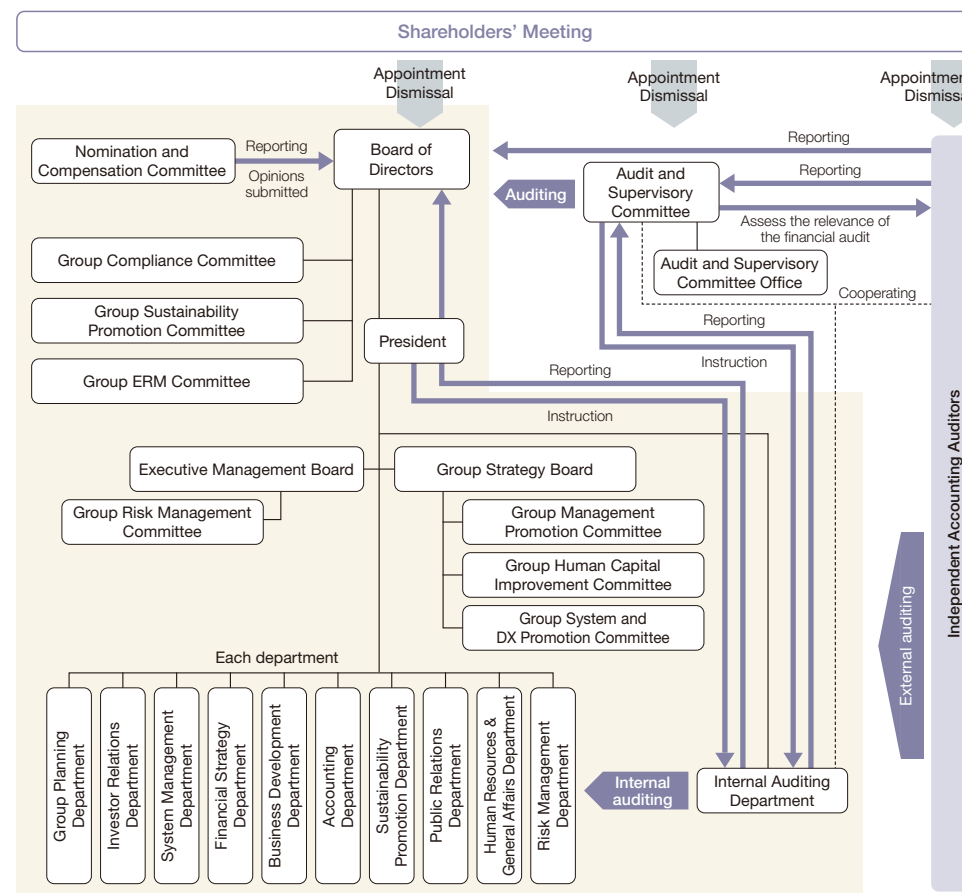
For details about corporate governance, please see the Report Regarding Corporate Governance that T&D Holdings submitted to the Tokyo Stock Exchange.

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

### Outline of Corporate Governance Framework

T&D Holdings makes decisions on important business matters and oversees 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 audits and oversees 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 the 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, the Executive Management Board has been established to deliberate and resolve important matters related to the management of T&D Holdings and the management control of the Group. In parallel, the Group Strategy Board has been established to deliberate matters related to the Group's growth strategy and other relevant and important matters from the perspective of the Group as a whole, in order to achieve a sustainable improvement in the Group's corporate value.

### Corporate Governance Framework (April 2024)



### Corporate Governance Framework

2-15

#### 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.

Corporate Governance

Board of Directors 2-11

Roles and responsibilities

The Board of Directors of T&D Holdings makes decisions on important business matters and oversees the execution of business in accordance with laws and ordinances, the Articles of Incorporation, and the Company’s relevant rules. 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 17 times in fiscal year 2023.

Composition 405-1

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 is made up of individuals representing a balance of knowledge, experience, and skills. They 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 appointed two or more directors (excluding directors serving as Audit and Supervisory Committee members) who concurrently serve at T&D Holdings and its direct subsidiaries. This was done from the standpoint of facilitating adequate communication and prompt decision-making within the Group, along with bolstering Group-wide governance.

Furthermore, the Company appointed six 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	14*
Men	12
Women	2
Outside directors	6 (including one woman)
Activities of outside directors (fiscal 2023)	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 direct 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 department heads, and the representative director and president of major subsidiaries.

\* The number of directors is as of July 31, 2024.

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.

Summary of evaluation of effectiveness of the Board of Directors as a whole in fiscal 2023

Scope	For fiscal 2023, we conducted a survey and interviews among the directors to analyze and evaluate the effectiveness of the entire Board of Directors, including the voluntary Nomination and Compensation Committee. In addition, as a new initiative, a self-evaluation survey was conducted by each individual director.
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. <ul style="list-style-type: none"><li>• The number of directors and the ratio of outside directors on the Board of Directors are generally appropriate.</li><li>• From the perspective of Group management, there has been further progress in discussions on business portfolios and other matters considering cost of capital, such as ROE.</li><li>• There has been progress in terms of the governance and oversight of subsidiaries.</li><li>• The quality of discussions of the Board of Directors has improved, including more time being devoted to important agenda items.</li><li>• Progress is being made on sharing the details of dialogue with investors internally, reflecting them in policies, and responding to issues.</li></ul>
Status of responses to previous issues	We recognize that steady improvements have been made addressing the issues identified in the fiscal 2022 evaluation: ensuring the diversity of the Board of Directors based on the management strategy, management focused on ROE with an awareness of the cost of capital and return on capital, and advancing Group human resources initiatives to help improve human capital.
Newly recognized issues	We also realized the need to step up actions regarding the issues to be handled by the Board of Directors for its continued advancement, specifically the implementation of Group human resources initiatives that aid the improvement of human capital (such as the effective assignment of human capital) and ensuring the diversity of the Board of Directors in connection with the management strategy (such as the expansion of the skills matrix) as well as actions for the integrated management of the entire Group and the generation of synergy. In addition, we will use the results of the new individual director self-evaluations to further improve officer training and for other purposes.
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 2-11

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

## Corporate Governance

accordance with its audit plans, the Audit and Supervisory Committee exchanges opinions with the accounting auditors and the 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 2023, the Audit and Supervisory Committee met 19 times.

<b>Audit &amp; Supervisory Committee members</b>	5
Men	4
Women	1
<b>Outside Audit &amp; Supervisory Committee members</b>	3 (including one woman)
<b>Activities of Outside Audit and Supervisory Committee members (fiscal 2023)</b>	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 department heads, and the representative director and president of major subsidiaries, such outside directors strive to gain an understanding of the Company's business execution situation.

### ■ Evaluation of the effectiveness of the Audit and Supervisory Committee

We evaluate the effectiveness of the Audit and Supervisory Committee to enhance the quality of audits by reviewing the audits carried out during the fiscal year to check whether the Audit and Supervisory Committee is properly fulfilling the roles and responsibilities entrusted to it by shareholders as an independent body and address issues that are identified.

<b>Scope</b>	We conducted a survey* of the Audit and Supervisory Committee members, directors who are not Audit and Supervisory Committee members, and executive officers in fiscal 2023 and evaluated the effectiveness of the Audit and Supervisory Committee based on the results of the survey.  * A questionnaire including both multiple-choice and open-ended questions regarding director supervision, corporate group auditing, collaboration with relevant departments, committee operations, and other evaluation items.
<b>Overview of evaluation results</b>	We concluded that the Audit and Supervisory Committee is generally fulfilling the roles expected of it. However, we acknowledged the need for the committee to strengthen its cooperation with the Internal Auditing Department and its monitoring of operating companies to enhance its effectiveness.
<b>Initiatives in response to current issues</b>	We will continue to work to enhance the effectiveness of the Audit and Supervisory Committee by addressing the issues identified in this effectiveness evaluation.

### Selection of directors 2-10

#### ■ 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 the Executive Management Board and the 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.

### Group executive officer system

We have introduced a Group executive officer system to enhance the integrated management of the Group and to enable the representative director and president of each Group company to manage their company from the Group's perspective.

### Participation in Management by Outside Experts

2-17

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.

## Corporate Governance

### 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 customer 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 improve 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 conflicts of interest) and further enhancement of stewardship activities as a whole

### Advisory Council for Insurance Payment (Daido Life)

#### Outside members

Attorneys and experts in consumer issues

#### Main topics of deliberation

Adequacy of insurance and other benefit-payment processes, adequacy of examinations of payments, status of customer feedback, and initiatives to improve operations

### Service Supervision Committee (T&D Financial Life)

#### Outside members

Attorneys, experts in consumer issues, and members of the media

#### Main topics of deliberation

Initiatives aimed at ensuring an adequate framework relating to payment of insurance and other benefits, protecting legitimate interests of policyholders and others, and improving customer satisfaction

### Payment Assessment Committee (T&D Financial Life)

#### Outside members

Attorneys

#### Main topics of deliberation

Fair and accurate payment examination for decision-making on payment of insurance and other benefits

### Nomination and Compensation Committee

2-10

2-18

2-20

T&D Holdings established the Nomination and Compensation Committee as an 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, objectivity and accountability, 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 2023)

Nominations, etc.	<ul style="list-style-type: none"> <li>• Succession plan (presidents and outside officers of the Company and its direct subsidiaries)</li> <li>• Composition of our Board of Directors (including the skills matrix)</li> <li>• Selection of candidate directors not serving as Audit and Supervisory Committee members and candidate directors serving as Audit and Supervisory Committee members</li> <li>• Selection of outside directors to serve on the Nomination and Compensation Committee</li> <li>• Selection of the chairperson of the Nomination and Compensation Committee</li> <li>• Selection, appointment, and other matters of director candidates and Audit &amp; Supervisory Board member candidates at direct subsidiaries</li> <li>• Appointment of executive officers for both the Company and direct subsidiaries</li> </ul>
Compensation, etc.	<ul style="list-style-type: none"> <li>• Evaluation of individual directors who are not Audit and Supervisory Committee members and executive officers and determination of their bonuses and monthly compensation</li> <li>• Results of the evaluations of the representative directors of direct subsidiaries</li> <li>• Extension of the trust period for trust-type stock compensation</li> <li>• Executive treatment of the Company and its direct subsidiaries</li> </ul>

### Composition of the Nomination and Compensation Committee

Nomination and Compensation Committee members	5*
Men	4
Women	1
Outside members	4 (including one woman)

\* The number of committee members is as of July 31, 2024.

## Corporate Governance

### Executive Compensation

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#### Executive compensation, etc.

##### ■ 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.

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

##### ■ 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 long-term. 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	Calculation method for the amount of executive compensation, etc. for each individual officer	Payment method
Monthly compensation	Monthly	Monthly remuneration and bonuses are based on the remuneration table determined by the Board of Directors and the amount calculated based on the individual evaluation of each director, within the amount determined by resolution of the General Meeting of Shareholders, and the Nomination and Compensation Committee deliberates and reports its opinion to the Board of Directors, which then resolves the matter at the Board of 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
Bonus	Yearly		
Trust-type stock compensation	At the time of retirement	For the trust-type stock compensation, points allotted in accordance with position are 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. At the time of retirement from the Company, officers receive shares and monetary payments in accordance with the accumulated points. The system also has malus and clawback provisions.*	70% stock 30% monetary payment

\* Malus and clawback provisions

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

#### Calculation methods for the evaluation of corporate performance and 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 line 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 below for the key performance indicators)	<ul style="list-style-type: none"> <li>In order to clearly evaluate the degree of achievement toward corporate performance, multiple key performance indicators (financial and non-financial) 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</li> <li>Key performance indicators are calculated by multiplying coefficients according to their achievement rates in each item.</li> </ul>
Evaluation of division in charge	<ul style="list-style-type: none"> <li>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.</li> </ul>

#### Key performance indicators for corporate performance evaluations (performance-linked indicators) <fiscal 2023>

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 items

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	Actual	Achievement ratio
Group adjusted profit	¥99.5 billion	¥103.5 billion	104.0%
Value of new business	¥173.9 billion	¥161.7 billion	93.0%



## Corporate Governance

### (2) Medium- to long-term evaluation items

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 8.6%.
- The actual ROEV is 16.8%.

### (3) Market evaluation items

	Evaluation criteria and other criteria
Total shareholder return (TSR)	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

- The actual total shareholder return is 247.0% over five years.

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

- Five years: (Share price at the end of FY2023 + Cumulative total dividends per share from FY2019 to FY2023) / Share price at the end of FY2018

### (4) ESG evaluation items

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

	Evaluation criteria and other criteria
Customer satisfaction level	<ul style="list-style-type: none"> <li>• Evaluate the status of achievement with the level in the previous fiscal year as the evaluation criterion.</li> </ul>
Employee engagement score	
Reduction of CO <sub>2</sub> emissions	

- The customer satisfaction and employee engagement score achieved or exceeded the level in the previous fiscal year, fulfilling the evaluation criteria.
- CO<sub>2</sub> emissions were reduced 10.0% from the previous fiscal year, which fulfilled the evaluation criterion.

### ■ 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 direct 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 direct subsidiaries is consistent with these corporate performance evaluations for each such subsidiary, as determined by the Company's Board of Directors.

### ■ 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



### ■ 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.

## Corporate Governance

### ■ Disclosure of total amount of compensation by officer category and type of compensation

(million yen)

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	124	3	36	3	35	6	197
Directors serving as Audit and Supervisory Committee members (excluding outside directors)	2	86	0	—	0	—	2	86
Outside directors not serving as Audit and Supervisory Committee members	2	20	0	—	0	—	2	20
Outside directors serving as Audit and Supervisory Committee members	3	37	0	—	0	—	3	37
Total	13	268	3	36	3	35	13	341

- 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 ¥142 million, and the total amount of non-monetary compensation is ¥35 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 19th Ordinary General Meeting of Shareholders on June 28, 2023. As of the end of fiscal 2023, 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 2023 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.

### ■ 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 toward continued growth, the medium- to long-term enhancement of the value of our Group and stable business continuity, we formulate and implement succession plans for the presidents of the Company and the three life insurance companies.

These plans detail the qualities and skills that are required of presidents and selection processes. The Nomination and Compensation Committee deliberates the formulation and implementation of the plans and submits its opinions to the Board of Directors. Then, the Board of Directors supervises all of the successor nomination processes to see whether or not they have been properly implemented, thereby ensuring their objectivity, timeliness and transparency.

##### 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.



## Risk Management 3-3

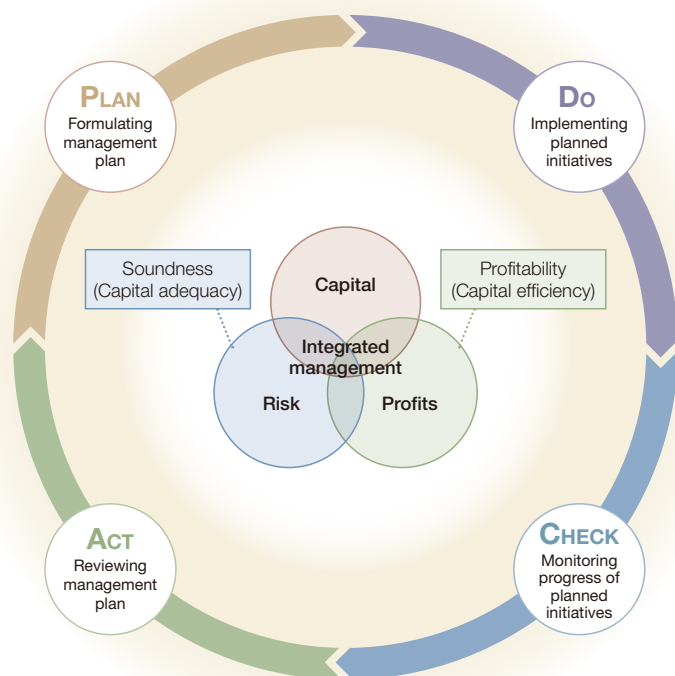
### ERM

#### Promotion of ERM approach

ERM stands for Enterprise Risk Management and refers to a strategic method of corporate management that seeks to achieve management targets such as enhancing corporate value and maximizing profits, by executing integrated management of capital, profit and risk.

As opposed to passive 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 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 improving the soundness of the Group.

More specifically, we have built a system based on a PDCA cycle to promote ERM. 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.

### Risk Management

#### 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. Based on this Policy, the direct subsidiaries and other Group members have developed their risk management system that covers their affiliates as well.

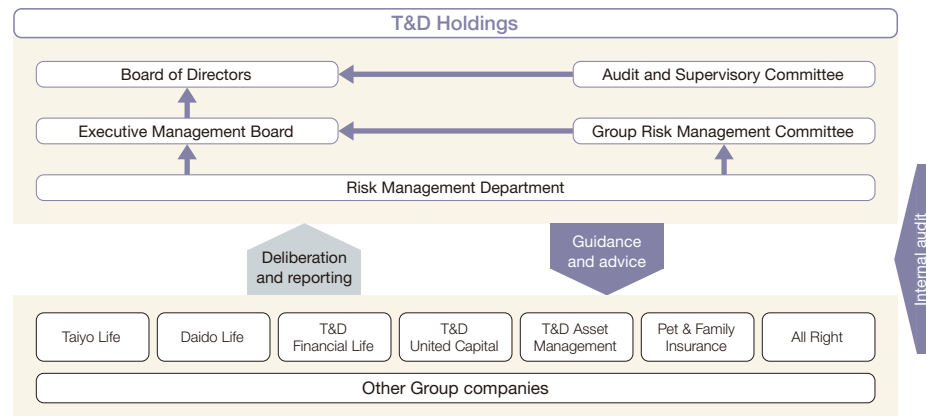
T&D Holdings has established the Group Risk Management Committee which conducts integrated risks management within the Group. The Committee receives reports, regularly and as required, on risks assessed using uniform risk management indicators, from the direct subsidiaries. In this way, the Committee identifies and manages the various types of risks faced by Group companies. We report on these risks to the Board of Directors and provide 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.

## Risk Management

### 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, integrated 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



### 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.

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

### 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, major changes to previously recognized risks, and deviation of internal and industry practices from the norm. 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.

### 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.

### 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.



## Risk Management

### Handing Emerging Risks

We recognize pandemic risks including COVID-19 and other pandemics, geopolitical risks such 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 identify, 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 pandemic risks that include COVID-19 and other pandemics, and geopolitical risks such as acts of terrorism. Then 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.

### Cyber Security Initiatives

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The T&D Insurance Group recognizes that properly managing information assets and protecting them from increasingly sophisticated cyber attacks by complying with the relevant laws and regulations is an important management issue. To fulfill our 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.

#### The Group's cyber security system

We are aware that cyber attacks and similar threats can cause system outages, which could hinder business execution, or leak 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. Also, 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 the 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.

<https://www.td-holdings.co.jp/en/information/privacy.php>



### Protection of Customer Privacy

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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 2023, we received 150 complaints related to the handling of personal information.

### 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 Group recognizes its important social mission to ensure the continuity or early restart of insurance claims and benefit payment operations, and is committed to developing a framework for this purpose. In addition, we place top priority on securing the lives and safety of our staff in responding to crisis situations, while giving due consideration to our contribution to society by providing support to the affected 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 and Group-wide emergency drills as a preparation for a possible large-scale disaster.

## Compliance

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### Our Concept of Compliance

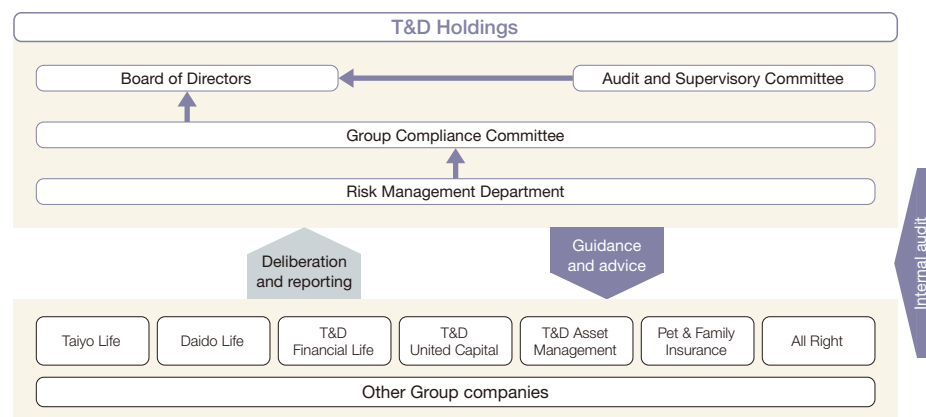
The T&D Insurance Group positions legal compliance as a key management issue. The CSR policy, “We will strictly observe laws, regulations and rules, and act with sincerity and integrity according to high ethical standards,” is stated in the T&D Insurance Group CSR Charter. We work to make all Group executives 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.

### 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 as a subordinate organization of the Board of Directors 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, receives reports about important matters and provides guidance and advice as necessary. 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



### Compliance Promotion Activities

#### Compliance programs

Each Group company in the T&D Insurance Group takes appropriate 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 sales 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 Compliance Department of each Group company takes the lead in fact-finding, investigation, and feedback to the reporter in accordance with the procedures described in the compliance manual.

#### Compliance training

T&D Holdings 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.

## Compliance

### 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 2023, 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. Companies 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.

### Whistleblower System

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At the T&D Insurance Group, each of the Group’s three life insurance companies and other Group members used to operate their own whistleblower systems. In April 2005, however, the T&D Insurance Group Helpline was established for use by all executives and employees in the Group.

The T&D Insurance Group Helpline accepts, through an external company, reports of compliance issues, violations of internal rules (including suspected violations), and actions that may damage the credibility or reputation of the Group.\*

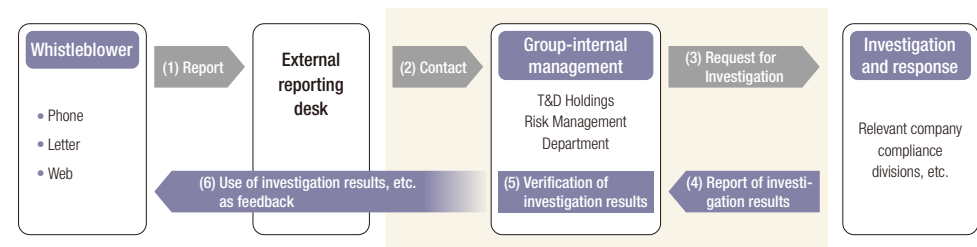
If it is suspected that a law or regulation has been violated or harassment or another human rights issue has occurred, the Group investigates the facts. If any misconduct is identified, the Group takes disciplinary action in accordance with the employment regulations.

\* Including bribery, corruption, and matters related to human rights issues such as discrimination and harassment

### 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, and other means 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\*

FY2021	309
FY2022	354
FY2023	361

\* 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.

# Tax Approach and Management

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## 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

The 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 of tax matters, and in order to ensure proper handling of these 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.

## Third-Party Opinion

This is the third year since fiscal 2022 that I have submitted a third-party opinion. Every year, the T&D Insurance Group has been enhancing its sustainability initiatives. In the fiscal year under review, the Group has made significant progress, especially in its efforts to address climate change issues. I would like to submit my third-party opinion based on the description of the Group's perspectives on sustainability and its initiatives in Sustainability Report 2024.

### Climate Change Measures

In the area of climate change mitigation, the Group has advanced its target year for achieving net-zero emissions from 2050 to 2040, a decade earlier than the previous goal. This is significant progress. To achieve the CO<sub>2</sub> emission reduction target for investees and borrowers (Scope 3 Category 15) of net zero by fiscal 2050, the target for fiscal 2030 has been revised from a 40% reduction to a 50% reduction. This indicates the Group's active commitment to the reduction. It expanded the scope of disclosure compared to last year and disclosed the CO<sub>2</sub> emissions of T&D Asset Management in addition to Taiyo Life and Daido Life. The Group disclosed the CO<sub>2</sub> emissions related to the government bonds issued by Japanese and foreign governments, as well as stocks, bonds, and loans issued by companies listed in Japan. I continue to support steady efforts to reduce CO<sub>2</sub> emissions.

The financial sector plays a crucial role in the establishment of a decarbonized society in Japan. Transition finance, which provides a means of financing companies' efforts to reduce GHG emissions, is especially necessary for the gradual reduction of emissions in industries with high emissions. I believe that the Group has already been working on transition finance. I suggest that, as a responsible institutional investor, the Group consider developing and disclosing specific transition plans, investment and financing policies, and evaluation criteria.

### Respect for Human Rights

The Group has also worked steadily in the field of human rights. It has included customers' rights to privacy in its checklist items, based on the T&D Insurance Group human rights risk map which the Group created in fiscal 2023. In addition, the Group's initiatives as an institutional investor have been described on the theme of respect for human rights. I noticed a change in the Group's awareness of human rights throughout the entire value chain.

In May of this year, the International Labour Organization (ILO) Office for Japan and Principles for Responsible Investment (PRI) collaborated to create "A Guide to 'Business and Human Rights' for Institutional Investors." Institutional investors are expected to help prevent or mitigate matters that may adversely impact human rights and to positively impact companies and society. In the future I expect that more specific information about human rights due diligence activities will be disclosed,

such as information about the scope of the activities and the number of items to be included, the expanded activities by using of the human rights risk map, and initiatives implemented by investees and borrowers regarding respect for human rights.

### Human Capital Management

In the area of human resources, the employee engagement score, one of the non-financial KPIs, was interesting to see. An explanation of the survey methodology and targets would help us better understand the survey. I believe that the Group will develop effective human resource strategies. I would like to see more information on the connection between human resource strategies and management strategies.

### Biodiversity

In the area of the environment, last year, the Group disclosed the results of a quantitative analysis of the impact of physical risks on underwriting profitability based on future projections. This year, in response to the growing importance of disclosing information regarding natural capital, the Group disclosed the results of a nature-related risk analysis that quantifies degree of dependence and impact by industry. I expect that the Group will make specific efforts based on the analysis of the survey and disclose information about these efforts.

This year's report contains more information provided by the Group as an institutional investor. I have gained a deeper understanding of the Group's specific ESG investment initiatives, particularly through the discussion of the personnel responsible for ESG investments. With over 960 billion yen invested in ESG investments, the Company's role as an institutional investor is significant. I am closely monitoring the Group's activities. I hope that as a leader in the Japanese insurance industry, you will expand your influence and enhance your initiatives to promote a more sustainable society.

### 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.





# GRI Standards

## GRI Content Index

Statement of Use	T&D Holdings, Inc. reports in accordance with the GRI Standards for the period April 1, 2023 through March 31, 2024.
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/PDF)	Omission
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	<b>1. The organization and its reporting practices</b>		
	2-1 Organizational details	T&D Insurance Group Companies and Foundations P.4 Corporate Profile (as of March 31, 2024) P.5-6 Shareholders P.22	
	2-2 Entities included in the organization's sustainability reporting	Contents ▶ Sustainability Report 2024 ▶ Report Publication Information ▶ Scope of report T&D Insurance Group Companies and Foundations P.4	
	2-3 Reporting period, frequency and contact point	Contents ▶ Sustainability Report 2024 ▶ Report Publication Information Contents ▶ Sustainability Report 2024 ▶ Contact Information	
	2-4 Restatements of information	N/A	
	2-5 External assurance	Independent Assurance Report P.70	
	<b>2. Activities and workers</b>		
	2-6 Activities, value chain and other business relationships	Outline of the T&D Insurance Group's Business P.3 T&D Insurance Group Companies and Foundations P.4 Definition of Supply Chain P.85	
	2-7 Employees	Number of Employees P.7	
	2-8 Workers who are not employees	Number of Employees P.7	The number of agency workers managed by the Group is included in the number of temporary employees.
	<b>3. Governance</b>		
	2-9 Governance structure and composition	Sustainability Promotion Framework P.12 Committees That Respond to Sustainability Issues P.13 Corporate Governance P.93-100 PDF Corporate Governance Report (https://www.td-holdings.co.jp/en/company/governance/)	

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	<b>3. Governance</b>		
	2-10 Nomination and selection of the highest governance body	Selection of directors P.95 Nomination and Compensation Committee P.96 WEB Shareholders' Meeting (https://www.td-holdings.co.jp/en/ir/stock/meeting/)	
	2-11 Chair of the highest governance body	Board of Directors P.94 Audit and Supervisory Committee P.94-95	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Promotion Framework P.12 Committees That Respond to Sustainability Issues P.13	
	2-13 Delegation of responsibility for managing impacts	Sustainability Promotion Framework P.12 Committees That Respond to Sustainability Issues P.13	
	2-14 Role of the highest governance body in sustainability reporting	Group Sustainability Promotion Committee P.12	
	2-15 Conflicts of interest	Corporate Governance Framework P.93-95 PDF Corporate Governance Report (https://www.td-holdings.co.jp/en/company/governance/)	
	2-16 Communication of critical concerns	Respect for Human Rights P.23-25 Whistleblower System P.105	
	2-17 Collective knowledge of the highest governance body	Participation in Management by Outside Experts P.95-96	
	2-18 Evaluation of the performance of the highest governance body	Nomination and Compensation Committee P.96 Executive Compensation P.97-99	
	2-19 Remuneration policies	Executive Compensation P.97-99	
	2-20 Process to determine remuneration	Nomination and Compensation Committee P.96 Executive Compensation P.97-99	
	2-21 Annual total compensation ratio	—	This disclosure is in the process of being considered for possible disclosure.

## GRI Standards

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	<b>4. Strategy, policies and practices</b>		
	2-22 Statement on sustainable development strategy	Message from the President <a href="#">P.9-10</a>	
	2-23 Policy commitments	<p>WEB T&amp;D Insurance Group Vision ► Philosophy and Policy of T&amp;D Insurance Group (<a href="https://www.td-holdings.co.jp/en/csr/csr-policy/philosophy.php">https://www.td-holdings.co.jp/en/csr/csr-policy/philosophy.php</a>)</p> <p>T&amp;D Insurance Group Human Rights Policy <a href="#">P.23</a></p> <p>T&amp;D Insurance Group ESG Investment Policy <a href="#">P.73</a></p> <p>WEB The T&amp;D Insurance Group Compliance Code of Conduct (<a href="https://www.td-holdings.co.jp/en/csr/csr-policy/csr-compliance.php">https://www.td-holdings.co.jp/en/csr/csr-policy/csr-compliance.php</a>)</p>	
	2-24 Embedding policy commitments	<p>Respect for Human Rights <a href="#">P.23-25</a></p> <p>Invest to Help Build a Sustainable Society <a href="#">P.72-80</a></p> <p>Compliance <a href="#">P.104-105</a></p>	
	2-25 Processes to remediate negative impacts	<p>Respect for Human Rights <a href="#">P.23-25</a></p> <p>Protection of Customer Privacy <a href="#">P.103</a></p> <p>Whistleblower System <a href="#">P.105</a></p>	
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblower System <a href="#">P.105</a>	
	2-27 Compliance with laws and regulations	N/A	
	2-28 Membership associations	<p>Industry Association to which the Three Life Insurance Companies Belong <a href="#">P.5</a></p> <p>Dialogues with main stakeholders ► Protecting the environment and contributing to local communities <a href="#">P.20</a></p>	
	<b>5. Stakeholder engagement</b>		
	2-29 Approach to stakeholder engagement	<p>Stakeholder Engagement <a href="#">P.20</a></p> <p>Initiatives to Respond to Customer Feedback <a href="#">P.46-48</a></p> <p>Initiatives Reflecting Employee Feedback <a href="#">P.56</a></p> <p>Employee Questionnaire on Sustainability and CSR <a href="#">P.56</a></p> <p>Stewardship Activities <a href="#">P.76-77</a></p> <p>IR Activities <a href="#">P.21</a></p>	
	2-30 Collective bargaining agreements	Dialogue and Consultations with Labor Unions <a href="#">P.56</a>	

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>Material Topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a>	
	3-2 List of material topics	Initiatives for Solving Social Issues and Creating Shared Value <a href="#">P.17-18</a>	
<b>Economic Performance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<p>T&amp;D Insurance Group Sustainability Statement <a href="#">P.11</a></p> <p>Priority Themes for Promoting Sustainability <a href="#">P.16-18</a></p> <p>Stakeholder Engagement <a href="#">P.20</a></p> <p>Disclosure of Climate-Related Financial Information Based on the TCFD Recommendations <a href="#">P.60-63</a></p>	
	201-1 Direct economic value generated and distributed	<p>WEB Sustainability Library ► Organizational Profile ► Financial Highlights (<a href="https://www.td-holdings.co.jp/en/csr/library.php">https://www.td-holdings.co.jp/en/csr/library.php</a>)</p> <p>WEB Sustainability Library ► Other Initiatives ► Corporate Philanthropic Contributions (<a href="https://www.td-holdings.co.jp/en/csr/library.php">https://www.td-holdings.co.jp/en/csr/library.php</a>)</p>	
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	Disclosure of Climate-Related Financial Information Based on the TCFD Recommendations <a href="#">P.60-63</a>	
<b>Indirect Economic Impacts</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<p>T&amp;D Insurance Group Sustainability Statement <a href="#">P.11</a></p> <p>Priority Themes for Promoting Sustainability <a href="#">P.16-18</a></p> <p>Stakeholder Engagement <a href="#">P.20</a></p> <p>Provision of Products and Services Which Meet the Needs of Society <a href="#">P.27-41</a></p> <p>Invest to Help Build a Sustainable Society <a href="#">P.72-80</a></p>	
	203-2 Significant indirect economic impacts	<p>Provision of Products and Services Which Meet the Needs of Society <a href="#">P.27-41</a></p> <p>Reflection of ESG Factors in Investment Decisions <a href="#">P.74-75</a></p>	
<b>Anti-corruption</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<p>Priority Themes for Promoting Sustainability <a href="#">P.16-18</a></p> <p>Stakeholder Engagement <a href="#">P.20</a></p> <p>Risk Management <a href="#">P.101-103</a></p> <p>Compliance <a href="#">P.104-105</a></p>	

## GRI Standards

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>Material Topics</b>			
<b>Anti-corruption</b>			
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Risk Awareness and Assessment (Risk Profile) <a href="#">P.102</a>	"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	Compliance <a href="#">P.104-105</a>	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	
<b>Anti-competitive Behavior</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Risk Management <a href="#">P.101-103</a> Compliance <a href="#">P.104-105</a>	
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A	
<b>Tax</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Tax Approach and Management <a href="#">P.106</a>	
<b>GRI 207: Tax 2019 Topic management disclosures</b>	207-1 Approach to tax	Tax Approach and Management <a href="#">P.106</a>	
	207-2 Tax governance, control, and risk management	Tax Approach and Management <a href="#">P.106</a> Whistleblower System <a href="#">P.105</a>	
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Approach and Management <a href="#">P.106</a>	
<b>GRI 207: Tax 2019 Topic disclosures</b>	207-4 Country-by-country reporting	WEB Sustainability Library ► Initiatives to address Corporate Governance ► Tax Payment Amount ( <a href="https://www.td-holdings.co.jp/en/csr/library.php">https://www.td-holdings.co.jp/en/csr/library.php</a> )	

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>Material Topics</b>			
<b>Materials</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	T&D Insurance Group Sustainability Statement <a href="#">P.11</a> Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Initiatives to Reduce the Environmental Impact <a href="#">P.65-69</a>	
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Office paper consumption <a href="#">P.68</a>	
<b>Energy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	T&D Insurance Group Sustainability Statement <a href="#">P.11</a> Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation <a href="#">P.59-71</a>	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Electricity consumption <a href="#">P.66</a>	
	302-3 Energy intensity	Electricity consumption <a href="#">P.67</a>	
<b>Water and Effluents</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Initiatives to Reduce the Environmental Impact <a href="#">P.65-69</a>	
<b>GRI 303: Water and Effluents 2018 Topic manage- ment disclosures</b>	303-1 Interactions with water as a shared resource	Environmental Performance Data <a href="#">P.66-67</a>	
	303-2 Management of water discharge-related impacts	Environmental Performance Data <a href="#">P.66-67</a>	
<b>GRI 303: Water and Effluents 2018 Topic disclosures</b>	303-3 Water withdrawal	Water consumption <a href="#">P.66</a>	
<b>Biodiversity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Nature-Related Risk Analysis in Accordance with the TNFD Recommendations <a href="#">P.64</a>	
<b>GRI 304: Biodiversity 2016</b>	304-3 Habitats protected or restored	Forest Conservation Activities <a href="#">P.71</a> Environmental Communications and Educational Activities <a href="#">P.71</a>	

## GRI Standards

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>Material Topics</b>			
<b>Emissions</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	T&D Insurance Group Sustainability Statement <a href="#">P.11</a> Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation <a href="#">P.59-71</a>	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	CO <sub>2</sub> emissions <a href="#">P.66</a>	
	305-2 Energy indirect (Scope 2) GHG emissions	CO <sub>2</sub> emissions <a href="#">P.66</a>	
	305-3 Other indirect (Scope 3) GHG emissions	CO <sub>2</sub> emissions <a href="#">P.66</a> CO <sub>2</sub> emissions of investees and borrowers <a href="#">P.67</a>	
<b>Waste</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Initiatives to Reduce the Environmental Impact <a href="#">P.65-69</a>	
<b>GRI 306: Waste 2020 Topic management disclosures</b>	306-1 Waste generation and significant waste-related impacts	Initiatives to Reduce the Environmental Impact <a href="#">P.65-69</a>	
	306-2 Management of significant waste-related impacts	Initiatives to Reduce the Environmental Impact <a href="#">P.65-69</a> Independent Assurance Report <a href="#">P.70</a>	
<b>GRI 306: Waste 2020 Topic disclosures</b>	306-3 Waste generated	Waste generated & recycling rate <a href="#">P.67</a>	All waste is "non-hazardous waste" and disposal depends on "local government disposal methods."
<b>Environmental Compliance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a>	
<b>GRI 307: Environmental Compliance 2016</b>	307-1 Non-compliance with environmental laws and regulations	N/A	

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>Material Topics</b>			
<b>Employment</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively <a href="#">P.49-58</a>	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Number of Employees and Number of People Hired by the Group's Three Life Insurance Companies <a href="#">P.7</a> Number of employees hired/number of employee turnover <a href="#">P.55</a>	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Information regarding employees and other workers <a href="#">P.55</a>	
	401-3 Parental leave	Acquisition of maternity and childcare leave <a href="#">P.54</a>	Matters required for reporting include items awaiting the collection of information. The items will be disclosed within a few years.
<b>Occupational Health and Safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	T&D Insurance Group Sustainability Statement <a href="#">P.11</a> Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Health Promotion for Employees <a href="#">P.57-58</a>	

## GRI Standards

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>Material Topics</b>			
<b>Occupational Health and Safety</b>			
<b>GRI 403: Occupational Health and Safety 2018</b> Topic manage- ment 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	Work-Life Balance Initiatives <a href="#">P.54-55</a> Health Promotion for Employees <a href="#">P.57-58</a>	
	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		
<b>GRI 403: Occupational Health and Safety 2018</b> Topic disclosures	403-9 Work-related injuries	WEB Sustainability Library ▶ Initiatives to address the working environment ▶ Occurrence of Occupational Accidents ( <a href="https://www.td-holdings.co.jp/en/csr/library.php">https://www.td-holdings.co.jp/en/csr/library.php</a> )	Managed based on the number of occupational accidents.
<b>Training and Education</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	T&D Insurance Group Sustainability Statement <a href="#">P.11</a> Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Human Capital Management <a href="#">P.50-51</a>	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	WEB Sustainability Library ▶ Initiatives to address the working environment ▶ Education and Training ( <a href="https://www.td-holdings.co.jp/en/csr/library.php">https://www.td-holdings.co.jp/en/csr/library.php</a> )	There are no differences by gender in the indicators. Due to the difficulty of categorizing "occupational training/education" from a large number of training programs, indicators by employee category are not disclosed.
	404-2 Programs for upgrading employee skills and transition assistance programs	Initiatives to Provide Opportunities for Growth <a href="#">P.50</a> Promoting the Active Participation of the Elderly <a href="#">P.51</a>	

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
Material Topics			
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	T&D Insurance Group Sustainability Statement <a href="#">P.11</a> Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Diversity Promotion Initiatives <a href="#">P.52-53</a>	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Directors ▶ Composition <a href="#">P.94</a> Officer composition by age group (as of July 31, 2024) <a href="#">P.56</a> Employee composition by age group <a href="#">P.56</a> Ratio of female managers in administrative personnel of the three life insurance companies <a href="#">P.52</a>	
	405-2 Ratio of basic salary and remuneration of women to men	Gender wage gap at the three life insurance companies <a href="#">P.53</a>	
Human Rights Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a> Respect for Human Rights <a href="#">P.23-25</a>	
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	Human rights education sessions <a href="#">P.25</a>	Human rights awareness training is conducted for all employees. "Total hours of employee training" are not disclosed.
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	T&D Insurance Group Sustainability Statement <a href="#">P.11</a> Priority Themes for Promoting Sustainability <a href="#">P.16-18</a> Stakeholder Engagement <a href="#">P.20</a>	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Activities <a href="#">P.89-92</a>	The Group has a single segment. Accordingly, "percentage of operations with implemented local community engagement, impact assessments and development programs" is not disclosed.



## GRI Standards

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>Material Topics</b>			
<b>Supplier Social Assessment</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability 🔗 <a href="#">P.16-18</a> Stakeholder Engagement 🔗 <a href="#">P.20</a>	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Cooperation with Suppliers 🔗 <a href="#">P.85</a>	
<b>Marketing and Labeling</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability 🔗 <a href="#">P.16-18</a>	
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	Providing Wholehearted Reassurance 🔗 <a href="#">P.41-46</a> Initiatives to Respond to Customer Feedback 🔗 <a href="#">P.46-48</a>	
<b>Customer Privacy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability 🔗 <a href="#">P.16-18</a> Stakeholder Engagement 🔗 <a href="#">P.20</a> Additional item: rights to privacy (customers) 🔗 <a href="#">P.24</a> Cyber Security Initiatives 🔗 <a href="#">P.103</a> Protection of Customer Privacy 🔗 <a href="#">P.103</a>	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protection of Customer Privacy 🔗 <a href="#">P.103</a>	
<b>Socioeconomic Compliance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability 🔗 <a href="#">P.16-18</a> Risk Management 🔗 <a href="#">P.101-103</a> Compliance 🔗 <a href="#">P.104-105</a>	
<b>GRI 419: Socioeconomic Compliance 2016</b>	419-1 Non-compliance with laws and regulations in the social and economic area	N/A	

GRI Standards/ Other Sources	Disclosed Items	Publication Location (Titles of sustainability report/web/PDF)	Omission
<b>Material Topics</b>			
<b>Better Products and Services*</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	T&D Insurance Group Sustainability Statement 🔗 <a href="#">P.11</a> Priority Themes for Promoting Sustainability 🔗 <a href="#">P.16-18</a> Stakeholder Engagement 🔗 <a href="#">P.20</a> Provision of Products and Services Which Meet the Needs of Society 🔗 <a href="#">P.27-41</a> WEB Sustainability Library ▶ Other Initiatives ▶ Activities to Respond to the Customer Feedback (https://www.td-holdings.co.jp/en/csr/library.php)	
<b>Health Promotion of Community and Employees*</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	T&D Insurance Group Sustainability Statement 🔗 <a href="#">P.11</a> Priority Themes for Promoting Sustainability 🔗 <a href="#">P.16-18</a> Stakeholder Engagement 🔗 <a href="#">P.20</a> Provision of Products and Services Which Meet the Needs of Society 🔗 <a href="#">P.27-41</a> Health Promotion for Employees 🔗 <a href="#">P.57-58</a> Improving Health and Welfare (Welfare for People with Disabilities and the Elderly) 🔗 <a href="#">P.89-90</a>	
<b>Responsibility as Institutional Investors*</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	T&D Insurance Group Sustainability Statement 🔗 <a href="#">P.11</a> Priority Themes for Promoting Sustainability 🔗 <a href="#">P.16-18</a> Stakeholder Engagement 🔗 <a href="#">P.20</a> Invest to Help Build a Sustainable Society 🔗 <a href="#">P.72-80</a>	
<b>Measures against Demographic Change and Aging*</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Priority Themes for Promoting Sustainability 🔗 <a href="#">P.16-18</a> Stakeholder Engagement 🔗 <a href="#">P.20</a> Best Senior Service 🔗 <a href="#">P.40-41</a> Developing a Sound Society 🔗 <a href="#">P.90-91</a> Promoting the Active Participation of the Elderly 🔗 <a href="#">P.51</a>	

\* Material items not included in GRI Itemized Standard disclosures