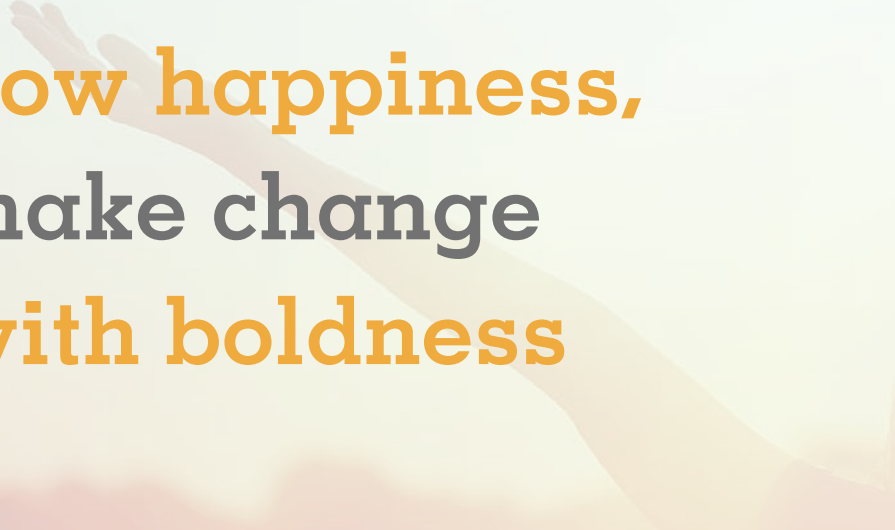




T&D Insurance Group's Corporate philosophy

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

T&D Insurance Group's Management Vision



**Sow happiness,
make change
with boldness**

Sow happiness, make change with boldness

Unpacking the vision through a story

Pride of T&D

We have always protected the happiness of people.
By facing each and every customer with care,
Together, we have supported their livelihoods as one.

T&D's challenge

Now, society is changing at unprecedented pace and people's lifestyles are diversifying.
There is no standard anymore for the way families are, the way we work,
As well as the shapes our happiness might take.
Can we really say that today's insurance answers such turbulent change?

Actions T&D should take and what we want to become

One by one, by carefully stacking the trust we have gained from our customers,
The strength that only our group has nurtured becomes visible.
The possibility it withholds expands widely, going beyond all prevailing boundaries.

Take the "one" in front of us as a starting point, and
Let's recognize the world changing quicker than anyone else.
Let's adapt to our changing society more flexibly than anyone else,
Taking steps with initiative, with boldness.
Let's go beyond the boundaries of organizations,
Involve people who resonate with our beliefs, and
Become a comprehensive insurance group that can create happiness
For each and every person in the world.

The society T&D aspires for

Our origin is to face each "one" in front of us with care.
To recognize change and take on challenges with boldness.
This accumulation is what creates happiness in the world.
This is what we believe to be true.

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Try & Discover for Creation of Shared Value

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Editorial Policy

The purpose of this report is to give a clear briefing, from the ESG (Environment, Society and Governance) perspective, about how the T&D Insurance Group's business and actions are linked to the Group's medium- to long-term growth, and to value creation for all our stakeholders.

This time, it describes in detail the Group Long-Term Vision over the five years starting from fiscal 2021 (April 1, 2021 – March 31, 2022), the Group's Management Vision, which are factors of the Long-Term Vision, the Group Growth Strategy and Group KPIs. It also explains the characteristics of the T&D Insurance Group, capitals, which represent its competitive advantage sources, governance and other topics.

Reporting period:

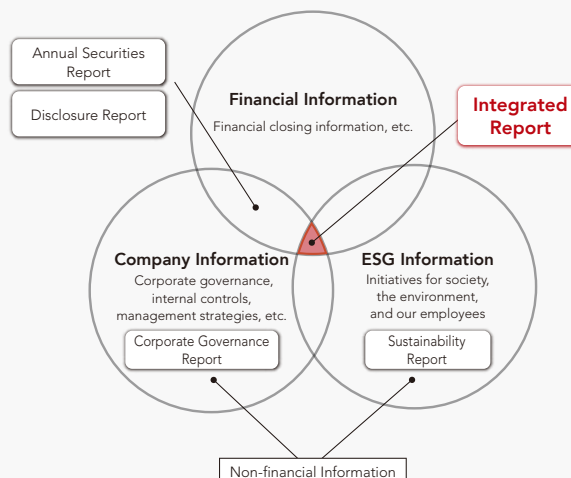
Fiscal 2020: April 1, 2020 – March 31, 2021 (Some information on periods outside this range is included)

Scope of reporting:

T&D Holdings, Inc. and its subsidiaries and affiliated companies

Reference guidelines:

"The International Integrated Reporting Framework" by Value Reporting Foundation, and "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation" by the Ministry of Economy, Trade and Industry of Japan, and "GRI Standard."



The Positioning of the Integrated Report 2021

The Integrated Report is intended to foster understanding of the T&D Insurance Group among shareholders and investors, by encapsulating important information on elements such as financial information, company information, and ESG information.

ESG Index Status

As of July 1, 2021

- FTSE4Good Index Series
- MSCI ESG Leaders Indexes
- FTSE Blossom Japan Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Select Index (WIN)



FTSE4Good



FTSE Blossom Japan



2021 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

Forward-looking Statements

This report contains forward-looking statements about T&D Holdings' future revenue plan, strategy, philosophy, and earnings forecasts which involve factors of risk and uncertainty. Such statements are based on the Company's current expectations which could cause actual results to differ materially from those described in the forward-looking statements. Factors which could influence the actual results include, but are not limited to, (I) general economic conditions, in particular, conditions in the life insurance market on which the T&D Insurance Group centers, (II) financial market trends, (III) levels and trends in mortality rate and morbidity rate, (IV) per-

sistency rate, (V) interest rate levels, (VI) fluctuation in currency exchange rates, (VII) other general competitive factors, (VIII) changes in laws and regulations, including the tax treatment of insurance premiums, and (IX) changes in the policies of the government and/or regulatory authorities. The Company, therefore, wishes to caution readers not to place undue reliance on these forward-looking statements. Furthermore, the Company undertakes no obligation to update any forward-looking statements as a result of new information, future events, or other developments.

Contact: T&D Holdings, Inc. Group Planning Department Investors Relations Division Telephone +81-(0)3-3272-6103

Trajectory of Creation of Shared Value (Social Value)

Expanding Trust Balance in Response to Customer Needs

Resolving social

Products

Taiyo Life

Hoken Kumikyoku Best



Launch in October 2008.

Taiyo Life, ahead of its competitors, launched *Hoken Kumikyoku Best*, a product that allows customers to freely combine the coverage they need. This enables the company to propose coverage which meets the needs of each household. Since the launch, the company has been aware of the needs of the world to expand its lineup, for example, by providing *Hatarakenakunatta Toki No Hoken*, an insurance for when unable to work, in March 2016, *Infectious disease plus hospitalization insurance (Lump-sum payment type)* in September 2020, and *Cancer/Critical Illness Prevention Insurance* in June 2021. Through these efforts, the company has continued to progress with the aim of preparing the latest benefits suitable for the times.

Daido Life

Partner-specific product in collaboration with tie-up organizations



Available for half a century since the 1970s.

Daido Life has shared its philosophy of protecting small and medium enterprises (SMEs) with tie-up organizations and provided a term life insurance (death benefit) that ensures more substantial benefits at reasonable premiums as a partner-specific product.

In recent years, mainly against a backdrop of an aging population and prolonged tenures of SME owners, the company has provided a full-range of protection that combines death benefit and disability benefit insurance. For example, it has rolled out insurance products that cover the risks of being unable to work due to critical illnesses and serious physical disability owing to illness or accident, including *J-type* (critical illness insurance) and *T-type* (disability protection insurance).

T&D Financial Life

Shogai Premium



Launch in April 2010.

Shogai Premium [non-participating whole life insurance (foreign currency-reference: Australian dollar type I)]

T&D Financial Life rolled out a foreign currency-reference type single-premium whole life insurance, a non-traditional insurance product, which adds a prescribed amount of funds for a policyholder's lifetime.

Then, as the *Shogai Premium* series, the company launched *Shogai Premium World* [non-participating variable whole life insurance (foreign-currency linked: multicurrency type I)] and *Shogai Premium Japan* [non-participating whole life insurance (accumulation rate renewing type I)], in June and August 2011, respectively. Since then, while revising the product in line with the demands of the times, the company has continued to offer it as its mainstay product.

T&D Asset Management

Robot strategy management



Rollout in September 2016.

T&D Asset Management rolled out an asset management service to extensively invest in stock market indices, bonds and interest rates, and currencies around the world through a fund managed by AHL Partners LLP (AHL) in the UK and based on the decisions made by the computer program (robot strategy).

Since the foundation in 1987, AHL has been a pioneer in computer trading with more than 30 years experience of investment. Its specific quantitative model was created through research and development of the world's most advanced financial technology to make investment decisions.

Pet & Family Insurance

Genki Number One



Launch in October 2008.

More pet owners have recognized their pets as family members amid a declining birthrate and aging population. Pet & Family Insurance launched a product that extensively covers the costs of treatments for pets (dogs and cats) due to an illness or injury, including outpatient care for which their owners most often pay, in addition to surgeries and hospitalization. In September 2014, the company rolled out *Genki Number One Slim*, a pet insurance with a deductible, which enables pet owners to prepare benefits at affordable premiums.

Social Value

issues through innovative products and services

Services

Kaketsuke-Tai Service



Start in 2016.

It is a service where Taiyo Life employees with specialized knowledge visit customers and their families in person for the purpose of facilitating swift and secure payments of insurance claims and benefits. Since August 2018, in-house sales representatives have also been able to complete billing procedures on site with the use of mobile devices.

Taiyo Life's number of policies in force

Approximately **8 million**

DAIDO KENCO ACTION



Start in 2017.

Daido Life started initiatives to help disseminate Health and Productivity Management in 2017 to contribute to creating a society where SMEs and their employees can actively perform.

It has educated the philosophy of Health and Productivity Management chiefly by holding seminars and provided Daido Life's KENCO SUPPORT PROGRAM, a tool for implementing it.

Daido Life's number of corporate clients

Approximately **370,000**

M3 Patient Support Program

M3PSP
M3 Patient Support Program

Start in July 2019.

T&D Financial Life became the first among the insurance industry to introduce the M3 Patient Support Program, a health counseling and health support service provided by M3, Inc., for policyholders and has provided access to optimal medicine depending on individual situations.

T&D Financial Life's
number of policies in force

Approximately **350,000**

Providing information through SNS



Start in May 2020.

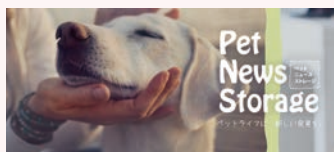
T&D Asset Management set up multiple social media accounts and started distributing fund data and useful investment information to various types of investors.

T&D Asset Management's investment trust AUM

¥1,760.4 billion

* As of March 31, 2021

Pet News Storage



Put on the website in July 2017.

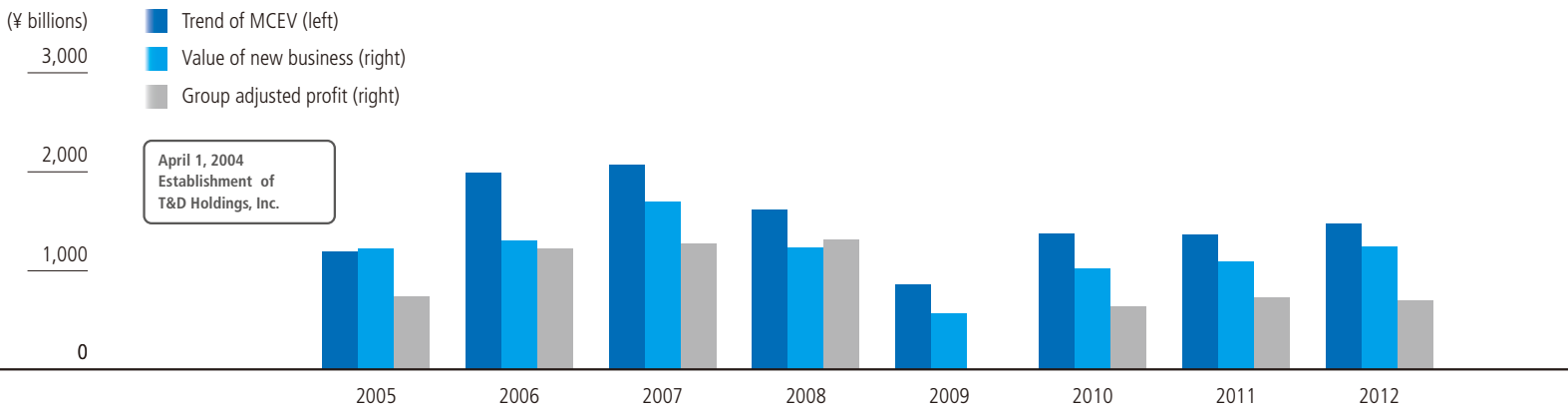
Pet & Family Insurance has posted on its website information for enriching pets' lives. The website also features content titled "Pet News Storage" that introduces questions closely related to pets' lives in an easily understandable fashion. It is regularly conveying information on various subjects related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

Pet & Family Insurance's
number of policies in force

171,000

Trajectory of Creation of Shared Value (Financial Value)

Building Robust Business Platform to Enhance Sustainable Financial Value



Fiscal year ended March 31

MCEV and Value of New Business: Values up to fiscal 2005 are based on TEV, those between fiscal 2006 and fiscal 2011 on EEV, and those from fiscal 2012 on MCEV. Ultimate Forward Rate (UFR) is applied from fiscal 2019 for the MCEV calculation.

Group adjusted profit: Adjusted net income up to fiscal 2018. Group adjusted profit from fiscal 2019.

Building revenue base at the global network

FORTITUDE RE

June 2020

Completed the acquisition of proprietary interest of the US reinsurance holding company Fortitude Group Holdings, LLC.

The T&D Insurance Group takes an equity stake as a strategic partner alongside Carlyle and AIG. By investing in the closed book business with a high affinity to the life insurance business and a potential growth market, the Group aims to contribute to profit expansion with enhanced capital efficiency for the purpose of diversification and optimization of its business portfolio. Going forward, the Group will seek for new investment opportunities that could have a risk dispersion effect as well as additional investment opportunities in Fortitude Group Holdings, LLC.

Characteristics of Fortitude Group Holdings, LLC

- Fortitude Group Holdings is a US reinsurance holding company that owns Fortitude Re, a Bermuda-based reinsurer.
- Fortitude Re underwrites reinsurance for some in-force policies no longer sold by AIG.

History of T&D Holdings' Corporate Governance

Number of outside directors (bar graph) / Ratio of outside directors (line graph)

■ Outside directors ■ of which, female outside directors

2004

April
Establishment of T&D
Holdings, Inc.

2006

June
Introduction of the executive
officer system, clarified the
responsibilities for oversight
and execution.

2010

June
Designation of all outside
directors/auditors as
independent
directors/auditors.

2012

June
Introduction of stock
compensation-type stock
options as an executive
compensation system.

2013

June
Increase in the number of
outside directors from one to
two.

13%

1

2004

11%

1

2006

11%

1

2010

10%

1

2012

18%

2

(1)

2013

Financial Value

Fiscal year ended March 31, 2021

Group MCEV*

¥3,290.9 billion

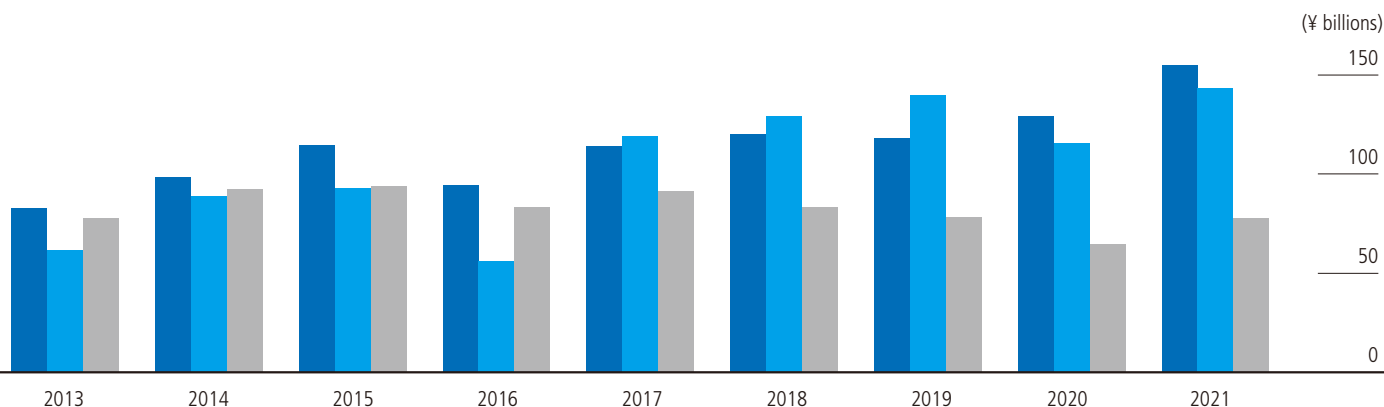
Value of new business

¥143.4 billion

Group adjusted profit

¥77.9 billion

* Base excluding valuation gains/losses, etc. related to Fortitude



June 2020 Business alliance with Switzerland-based digital healthcare firm, dacadoo ag

The T&D Insurance Group promotes the business alliance for providing a health-promoting app. It is considering broadening use of the app among health-conscious users by working with companies which provide wellness-related products and services. Based on the accelerating trend of digitalization and non-face-to-face solutions, it will promote collaboration with partner companies, which helps create contacts with the Millennials.

Characteristics of dacadoo ag

- dacadoo ag has strength in analyzing big data in clinical space. It provides digital health mobile platform solutions, including its iconic "Health Score" technology, to its insurance and enterprise customers around the world.
- * Health Score is dacadoo ag's specific health indicators, developed through analyzing significant medical data. The score is updated in real time depending on how a user's life-style, health and other conditions change. Users can check their score using the smartphone app at any time.

2015

January
Establishment of the Nomination and Compensation Committee.
August
Commencement of the evaluation of the effectiveness of the Board of Directors.
October
Establishment and announcement of the Basic Policy on Corporate Governance.

18%

2
(1)

2015

2017

June
Increase in the number of outside directors from two to three.

25%

3
(1)

2017

2018

June
Introduction of trust-type stock compensation [the Board Incentive Plan (BIP) Trust] as an executive compensation system.
* Abolition of stock compensation-type stock options.

25%

3
(1)

2018

2020

June
Transition to a company with an Audit and Supervisory Board.
Increase in the number of outside directors from three to five.

36%

5
(1)

2020

2021

June
Change in the number of inside directors from nine to seven to further strengthen agile decision-making and oversight function.

42%

5
(1)

2021

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

The T&D Insurance Group strives to advance capitals, which represent its competitive advantage sources, and reduce risks. By injecting them, the Group aims to realize its Long-Term Vision while creating shared value, with the Group companies including the three core life insurance companies leveraging the characteristics and strengths of the Group and achieving synergies.

[Identifying important social issues]

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

Continually changing issues faced by people and society

Social issues

Identify the social issues to be addressed through our businesses

SDGs
[17 goals
169 targets]



Changes in the social environment

Issues	Risk awareness
Further decline in birthrate, aging population, and population decline • Increasing needs to make self-provision for pension, medical care, and nursing care • Increasing social inequality • Increasingly diverse households	• Now, in the era of the 100-year life, more people have suffered from chronic diseases and dementia because of an aging population, increasing economic burdens on each household and society every year.
Technology innovation • Advances in IT technology • Advances in medical technology	• Against a backdrop of diversified lifestyles, insurance products that satisfy various needs of customers are required and responses to technology innovation are also important since there are a wide range of routes of taking out insurance depending on the preferences of customers.
Human rights issue • Emergence of new human rights issues	• Social and economic disparities have been widening due to the COVID-19 pandemic. Emergence of new human rights issues.

Increased climate change risks

Issues	Risk awareness
Rise in average temperature	• Various illness risks increase, such as those of heat strokes, heat death, and respiratory diseases due to an increase in heat stress driven by rising temperatures.
Increase in and intensification of natural disasters	• The number of injuries and fatalities due to natural disasters increases due to an increase in extreme weather events such as typhoons and floods.
Transition to a society with low or net-zero carbon emissions	• Business costs increase due to tighter regulations on greenhouse gas (GHG) emissions and the introduction of a carbon tax.

Competitive advantage sources

Financial Capital

Robust financial base

Human Capital

Diverse human resources

Intellectual Capital

Development of a wide array of products and management know-how

Social and Relationship Capital

Strong bond with customers and partner companies

Natural Capital

Protection of the global environment

Further advancement of capital and risk management

Shareholders



Financial value



Business Partners

TAIYO-LIFE

T&D Asset Management

[Efforts to address important social issues]

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

[Creating shared value]

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

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

Creation of social value

Society



Customers



Creation of shared value

Social value



Employees

Group Growth Strategy

- I Strengthening of Core Business
- II Diversification and Optimization of Business Portfolio
- III Further Advancement of ERM (Upgrading Capital Management)
- IV Promoting Integrated Group Management
- V SDGs Management and Creation of Value

DAIDO DAIDO LIFE

T&D FINANCIAL LIFE

Pet & Family Insurance

T&D United Capital

Sustainability priority themes and creation of social value

Promote healthy and abundant lives for all people

Healthy and abundant lives

(person/household)



Provide workplace environments that enable all people to participate actively

Employment and job satisfaction

(workplace)



Help mitigate and adapt to climate change

Sustainable global environment

(global environment)



Invest to help build a sustainable society

A strong and vibrant society

(society/community)



Creation of financial value

Group adjusted profit

¥130.0 billion

Value of new business

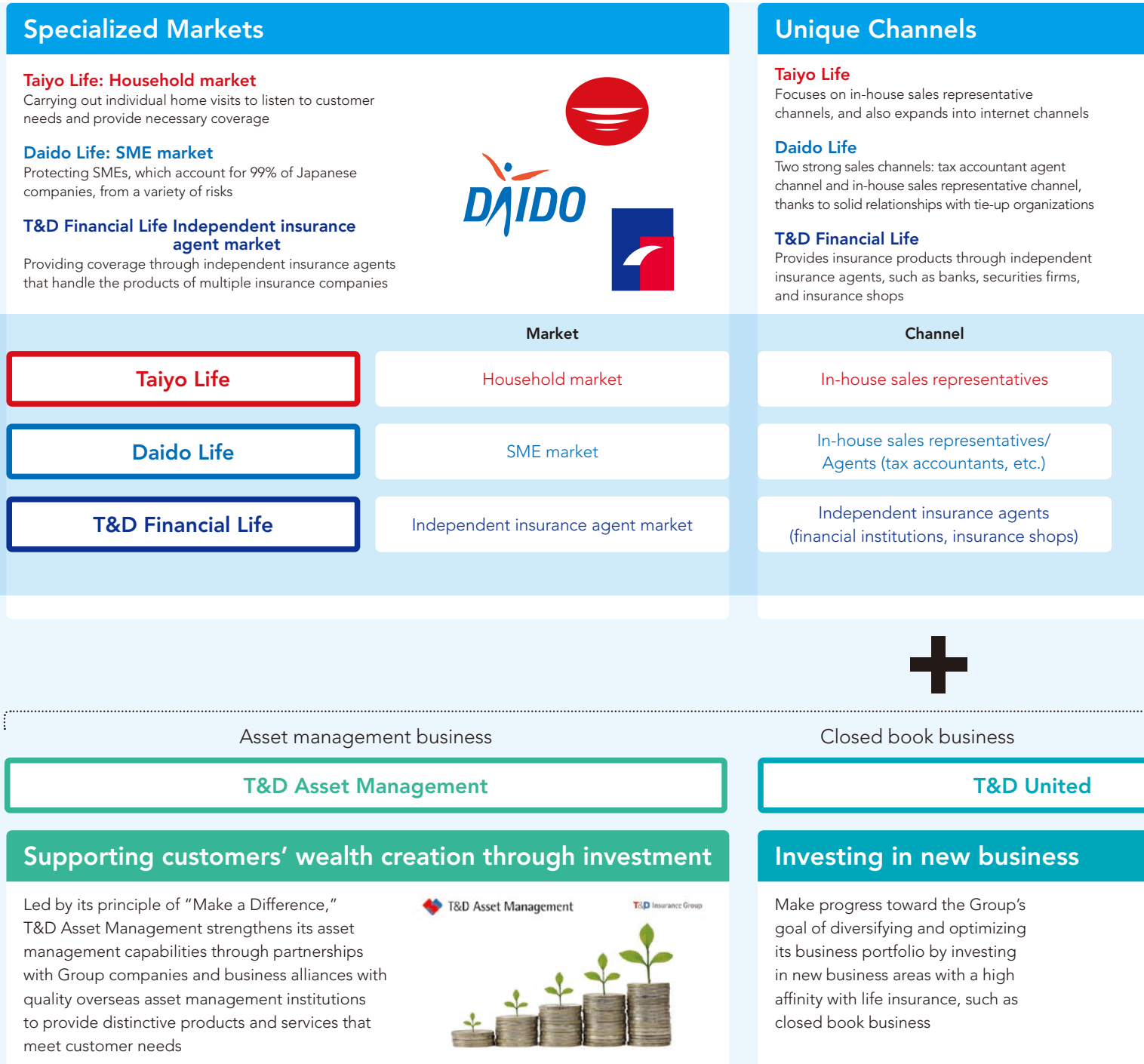
¥200.0 billion

Fiscal 2025 targets

Characteristics of T&D Insurance Group

Establishing a Business Model with High Uniqueness Integrating Markets, Channels, and Products

T&D Insurance Group is an insurance group with our core business of life insurance in pursuit of our market-specialized strategies, augmented with affinities for life insurance, such as investment in business closed book etc., asset management business, and pet insurance business.



and Specialization Through Market Strategy



Innovative Products

Taiyo Life

Sells cancer/critical illness prevention insurance to facilitate the early prevention and detection of cancer and critical illnesses, and help customers lead long and healthy lives

Daido Life

Sells industry-first, made-to-order products of L-type Alpha, J-type Alpha, and T-type Alpha that can address various insurance needs of the management of SME

T&D Financial Life

Sells differentiated, competitive products such as Hybrid Asset Life, which supports wealth creation through the integration of investment trusts and life insurance



がん・重大疾病予防保険
cancer/critical illness prevention insurance

ハイブリッドアセットライフ
Hybrid Asset Life

変額終身保険(災害加算・1型)
Hybrid Asset Life (variable whole life insurance with additional payouts for disaster coverage type I)

Product

Comprehensive coverage including death benefit and medical/nursing care products

Term life insurance/Disability benefit insurance, etc.

Savings-type products (foreign-currency linked type insurance, variable insurance, etc.)/
Protection-type products (income protection insurance, etc)



DX
Digital
Transformation

Non-life insurance business

Capital

Pet & Family Insurance

areas

FORTITUDE RE.
TIKEHAU CAPITAL

Bringing Peace of Mind to Customers' Lives Through Pet Insurance

With the idea that a pet is a member of the family becoming increasingly popular, advancing veterinary medicine is becoming more sophisticated and expensive. Pet & Family Insurance provides products that cover a wide range of costs occurred when a pet becomes injured or ill—not only surgery and hospitalization, but full coverage extending even to ambulatory treatment



Characteristics of T&D Insurance Group

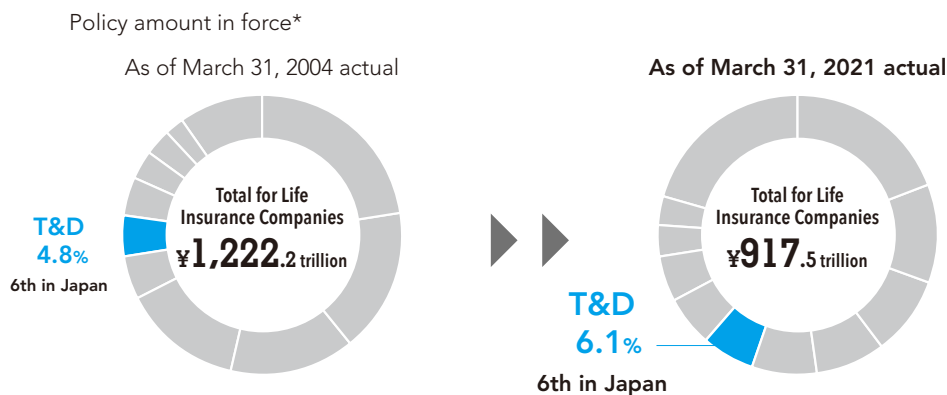
Improving the T&D Insurance Group's Position in the Industry

Steadily Increased Market Share of T&D Insurance Group

In the Group's core life insurance business, the three life insurance companies, which have different business models, are demonstrating their uniqueness and specialization in their respective markets.

The T&D Insurance Group's market share (total of Taiyo Life,

Daido Life and T&D Financial Life; based on policy amount in force) was 6.1% as of March 31, 2021. The Group's market share has steadily expanded compared with the combined share of the three life insurance companies as of March 31, 2004, prior to the establishment of T&D Holdings, Inc. in April 2004.



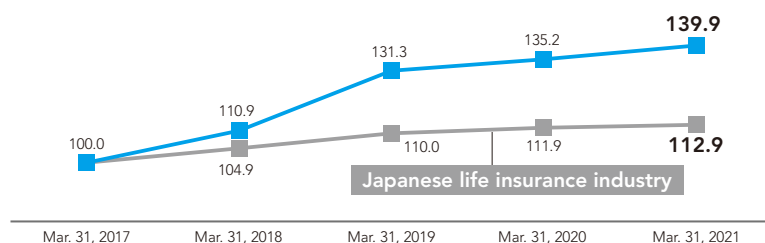
Source: Compiled by T&D Holdings based on Summary of Life Insurance Business in Japan issued by Life Insurance Association of Japan, and the financial reports of each company
* Policy amount in force is individual insurance and individual annuities.

Securing Competitive Advantage in Specialty Markets

The below graph compares the trend in the sales performance (third sector annualized premiums of policies in force) between the T&D Insurance Group (the total of Taiyo Life, Daido Life, and T&D Financial Life) and the life insurance industry as a whole. Even amid revisions to tax treatment of insurance pre-

miums for term life insurance and the COVID-19 pandemic, we have maintained our competitive advantage in our specialized markets as a result of swiftly using our uniqueness and specialization to address these challenges.

Third Sector Annualized Premiums of Policies in Force*



Source: Compiled by T&D Holdings based on Summary of Life Insurance Business in Japan issued by Life Insurance Association of Japan, and the financial reports of each company

* The annualized premiums of policies in force for the year ended March 31, 2017 in the third sector are assumed to be 100.0 (base year).

SDGs Management and Creation of Value

T&D Insurance Group aims to achieve the happiness of the society through creation of shared value leading to both financial value and social value.

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.

Priority theme

1 Promote healthy and abundant lives for all people

The Group will fulfill its responsibilities to society through the insurance business by offering well-suited, high-quality products and services that meet customer needs.



2 Provide workplace environments that enable all people to participate actively

The Group strives to realize a healthy and safe work environment where the individuality and diversity of all people are respected.



Priority theme

3 Help mitigate and adapt to climate change

The Group has formulated the T&D Insurance Group Environmental Policy and carries out business activities in consideration of the protection of the global environment.



Priority theme

4 Invest to help build a sustainable society

The Group will contribute to the realization of a sustainable society through investment activities undertaken in consideration of the environment, society and corporate governance.

