

Message from the President

With society currently facing unprecedented adversity, now is the very time that we must consider what we can do as an insurance group and take action with a sense of urgency.

**Sow happiness,
make change
with boldness**

Since 2020, humanity has been threatened by the COVID-19 pandemic, which wreaked havoc on the world over. I extend my heartfelt sympathies to everyone who has been infected with COVID-19, their families, and all those who have seen their businesses affected. I would also like to express my deepest gratitude to all those engaged in efforts in the medical and other fields to treat and prevent infection and maintain social systems.

As a member of society and as an insurance group focusing on the life insurance business, we are determined to do our bit on a daily basis in the fight against the pandemic. In taking

measures to combat the spread of COVID-19, we have placed top priority on ensuring the safety of customers and employees and keeping our business going to meet the needs of society as a life insurance company. More specifically, from the perspective of preventing infections, we refrained from actively engaging in sales activities during the government's declared state of emergency and we limited the number of employees commuting to work to around 30%, which was enough to keep essential services running, such as the payment of insurance benefits and call center operations. Also during this time, we discussed what



T&D

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

Hirohisa Uehara

Representative Director and President

we could do as an insurance group. We therefore made prompt payouts of hospitalization benefits and accidental death benefits to provide some peace of mind to customers and their families infected by COVID-19. We also extended the grace period for the payment of premiums and offered interest-free loans to policyholders so that customers impacted by the COVID-19 pandemic in some way or another could continue to receive insurance coverage. In addition, we helped SME customers of Daido Life with our telephone-based consulting service regarding the government's employment adjustment subsidies that are

intended to support employment stability at SMEs, as well as our labor and social security attorney referral service. Considering that a company is a public entity of society, the issue of social sustainability is synonymous with corporate sustainability. Sound corporate management is not possible without a sound society. With society currently facing unprecedented adversity, I think now is the very time that we must consider what we can do as an insurance group and take action with a sense of urgency.

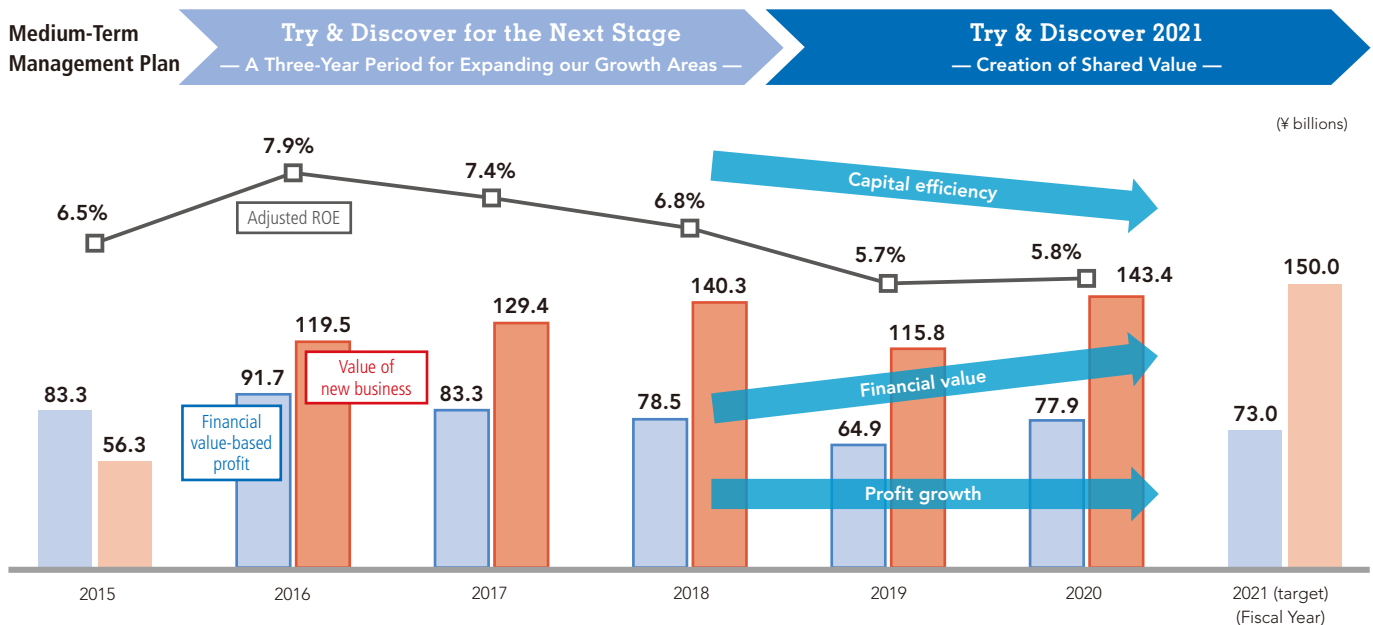
Message from the President

Looking Back on Group Management to Date

Under “Try & Discover 2021 — Creation of Shared Value —,” the medium-term management plan announced in 2019, we worked on the three priority issues of (1) strengthening core businesses, (2) diversifying our business portfolio, and (3) promoting integrated Group management. Concerning (1) strengthening core businesses, circumstances were tough when this medium-term management plan was announced, with Daido Life temporarily suspending sales of key products in the midst of changes in the tax handling of term insurance and the like. Nevertheless, steady results have been generated since announcing new products that meet the new tax treatment rules ahead of competitors in July 2019. Daido Life, which has for many years been developing a sales strategy based on needs for the necessary coverage (standard coverage) for the business continuation of SME customers, has returned to an environment where it can further showcase its strengths. There has been particularly significant progress toward (2) diversifying our business portfolio. Specifically, we invested in the US-based specialist closed book insurance company in June 2020 as our first large-scale investment project. This was a strategic investment aimed at not

only securing equity profits, but gaining expertise in the closed book business and diversifying insurance underwriting risk from the perspective of the Group as a whole. This investment significantly expanded the scope of Group management. Regarding (3) promoting integrated Group management, system improvements have been made, such as the transition to a company with an Audit and Supervisory Board in June 2020. This change in institutional design has enabled us to revise the role and function of cross-sectional Group committees and establish a system for further promoting management activities as a unified Group.

In addition to the above results, we have produced solid achievements on an economic value basis, with the Group MCEV surpassing ¥3 trillion at the end of March 2021. However, financial value based profit cannot necessarily be described as growing steadily, and ROE, an indicator of capital efficiency, has been falling since fiscal 2016. I recognize the medium-term improvement of this low capital efficiency on a financial value basis as one of our key management challenges.



* Adjusted ROE = Group adjusted profit / Average net asset balance
 * Financial value-based profit refers to adjusted net income in FY2018 and earlier, and to Group adjusted profit from FY2019.



Background to the Formulation of the Group Long-Term Vision

Against this backdrop, we established the Group Long-Term Vision starting in April 2021 for the next five years. Amid the COVID-19 pandemic and the resultant rapid progress in digitization, individual lifestyles and corporate working styles are transforming dramatically. As symbolized by stakeholder capitalism becoming a key theme in the 2020 World Economic Forum, companies' purposes are once again being called into question. Furthermore, in the midst of the global Sustainable Development Goals trend, the idea that "good companies" are those that make society better and coexist along with society is taking hold among millennials and Generation Z. As outlined in the T&D Insurance Group's Corporate Philosophy, we have conducted our business with an eye to solving social challenges. Furthermore, each of the life insurance companies that form the core of the Group swiftly moved to address the COVID-19 pandemic by reforming their sales channels, introducing products and services, and diversifying channels. This has provided an opportunity to reaffirm the effectiveness and continuity of the specialized and differentiated business models that are the strengths of each company.

Going forward, it is expected that the world will continue to transform, moving into an age of uncertainty where the values of people and society change and needs fragment as small masses, with uncertainties about the depth and length of the effects of the pandemic and the road to recovery. In light of

these environmental changes and paradigm shift, I felt it was necessary to once again clarify the Group's long-term strategic policy, enhance the mobility and flexibility of Group management, and pave the way for solving management challenges such as capital efficiency.

Previous medium-term management plans have seen us set managerial goals with an eye to future environmental changes and formulate necessary strategy. However, it is difficult to predict the future in this uncertain time, and it is possible that stubbornly sticking to initial strategy may narrow down our management options and become an obstacle to growth. Moving forward, we need to shift from corporate management on the basis of future predictions to corporate management based on the presumption that we cannot predict the future. To this end, I believe it will be more important than ever to set a clear corporate vision to stop us from being vulnerable to environmental changes, consider the necessary steps in line with that vision, and have the flexibility and speed in thought and action to put those steps into practice.

By directly facing changes to the management environment and setting a clear, future-oriented vision for the T&D Insurance Group, we will foster Group-wide values and enact an action plan in line with the vision. Through this, we will realize sustainable growth in the highly uncertain VUCA age.

Message from the President

Position of the Group Long-Term Vision

The Group Long-Term Vision indicates what we aim to be in five years' time (fiscal 2025). It covers the Group's Management Vision, which is the medium- to long-term goal, in addition to the Group KPIs (Key Performance Indicators), which are quantitative targets, and the Group Growth Strategy to

achieve the KPIs. Based on the Group Long-Term Vision, we will respond flexibly to various changes in the environment by executing single-year budgets, management strategy, and management measures, and implementing the plan-do-check-act cycle.

Group's Management Vision

The Group's Management Vision, which is the medium- to long-term goal, has been fully revised to "Sow happiness, make change with boldness." Each Group company will further bolster its existing strength of delivering happiness to society at large by sincerely responding to each individual customer through specialization and differentiation strategies. We will

also facilitate the flexible and bold expansion of our business by capturing small changes to customers and society through careful response. The vision incorporates such ideals. While the management environment is changing at a dizzying speed, this management vision will be used as a universal foundation for the decisions of Group executives and employees.

Group KPIs

Four indicators have been selected for financial KPIs: return on embedded value (ROEV) and value of new business, as indicators based on economic value; and adjusted ROE and Group adjusted profit, as indicators based on financial value. As a Group with life insurance companies at its core, growth based on economic value is of highest importance, and we will grow by linking the economic value basis and the financial value basis. The reason why we continued to push for management on the basis of both economic and financial value in the current Group Long-Term Vision is that while we are making steady progress with growth based on economic value, we are sluggish on financial value basis, which is an issue for our Group. By setting KPIs based on financial value, we will commit to the market and strengthen internal monitoring, analyze the reasons why the financial value basis is sluggish compared to the economic value basis, and enact appropriate measures to improve on KPIs. Shareholder returns are restricted based

on financial value under the provisions of the Companies Act, meaning that improving KPIs based on financial value will lead to better shareholder returns.

Non-financial KPIs have been set as the three indicators of customer satisfaction, employee satisfaction, and CO₂ emissions, with KPIs for customer, employee, and society stakeholders. The Group Long-Term Vision continues to place CSV (creating shared value) at the core of management, which has been implemented under medium-term management plans from date, and aims to further strengthen efforts to ensure that we continue to be chosen by customers and the financial market. To this end, we have clearly set financial KPIs, which indicate financial value, and non-financial KPIs, which indicate social value, and we will quantitatively demonstrate the status of improvement of management issues and enactment of CSV (creating shared value) and implement the plan-do-check-act cycle.

Group Growth Story

The basis of the Group growth story is effectively utilizing Group capital to improve capital efficiency. Until now, the focus has been improving our soundness as a life insurance group, and we have not necessarily been able to pursue capital efficiency. While we will continue to pay attention to soundness as an insurance group with long-term business nature, we will come together as a Group to work on strengthening Group capital management with an eye to improving capital efficiency. Specifically, in addition to improving the capital efficiency of existing life insurance companies, we will allocate stable earnings and capital generated from the core life insurance business to the closed book business, which is positioned as a growth business, as well as ensure that the allocated capital is earning a return commensurate with the risk, allocate capital more appropriately, and improve capital efficiency. And by improving capital efficiency, we hope to boost our stock value.

We have established five key themes toward the realization of this growth story. The first is strengthening of core business. It goes without saying that the basis for our revenue is the life insurance business, and the three companies of Taiyo Life, Daido Life, and T&D Financial Life will continue to execute their own specialism and differentiation strategies in order to build top brands in each of their markets. In addition, digital transformation is an unavoidable area in that process, so we will work on digital transformation initiatives that will help us secure a competitive

advantage from the perspectives of both customer service and internal reform. The second is diversification and optimization of business portfolio. As I mentioned earlier, we invested in the US-based specialist closed book insurance company Fortitude in June 2020. Positioning this closed book business as a key strategic field, we will work on initiatives to strengthen it while exploring investments in new fields. The third is further advancement of ERM (upgrading capital management). By allocating the stable revenue generated from our core life insurance business to high return on risk businesses with a focus on the closed book business, we plan to enhance capital efficiency through profit expansion in the growth sectors. We also intend to create a favorable cycle (Group capital management cycle) in which we boost shareholder returns with expanded profits as well as invest retained earnings in further growth sectors. The fourth is promoting integrated Group management. We will seek new synergies by looking outside existing frameworks to transcend the boundaries between life/non-life insurance, asset management and other businesses. The fifth is SDGs management and creation of value. In order to realize the sustainability priority themes set by the Group, we will achieve our non-financial KPIs, including customer satisfaction targets, and continue to be a Group that brings happiness to society by steadily implementing measures to promote sustainability with a focus on solving social challenges through insurance business.

**Sow happiness,
make change
with boldness**

Message from the President

Thoughts on the Group Long-Term Vision

In formulating the Group Long-Term Vision, we placed highest priority on expelling preconceived ideas that we had previously held. We also placed utmost importance on unifying the direction and strategic policy we should take as a Group. When making the Group Long-Term Vision, we first shared each Group company's awareness of the environment through scenario planning with an eye to the post-pandemic life insurance industry. We have been able to maintain stable results even during the COVID-19 pandemic by revising the marketing strategies of the three life insurance companies based on these scenarios and rebuilding the sales system that is the cornerstone of the life insurance business into something completely new that integrates the real and the digital. Moving forward, within the

framework of the five key themes that we similarly discussed, we will carry out speedy and flexible Group management, with each Group company devising and executing action plans in accordance with environmental changes.

The newly updated Group's Management Vision was formulated based on the strong desire to further bolster our existing strength of bringing happiness to society at large by sincerely dealing with each and every one of our customers as well as expand our businesses flexibly and boldly by capturing small changes to customers and society through careful response. While the management environment is changing at a dizzying speed, we will carve out a new future based on Group-wide values with the Group's Management Vision guiding our way.

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?

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.

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

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 facing each individual "one" in front of us with care. To recognize change and take on challenges with boldness. The accumulation of these actions is what creates happiness in the world. This is what we believe to be true.

Unpacking the vision
through a story



Closing Remarks

Since the release of the Group Long-Term Vision and holding IR Meeting on May 24 this year, I have carefully explained my thoughts on the long-term vision and sincerely answered questions and opinions from investors at one-on-one meetings with domestic and overseas investors. Through this dialogue, I believe there is now a general understanding of the core ideals of this vision—improving capital efficiency and corporate value by using Group capital effectively—and its growth story. I have also received warm words of anticipation and encouragement from investors toward steady progress on the five primary issues outlined in the vision. I feel that hopes are particularly high for the establishment of Group management unique to the T&D Insurance Group and the pursuit of further Group synergies by leveraging the solid business models of the three life insurance companies. In order for the Group Long-Term Vision to gain

the confidence of investors, it is necessary to steadily build up a track record and, above all, for myself as the top executive of Group management to demonstrate strong commitment. We will also further strengthen internal systems within the Group to execute the vision, and realize the Group Long-Term Vision by bringing together the collective strengths of the Group. I hope that you have high expectations for the future of the T&D Insurance Group.

We will report and explain the progress of the Group Long-Term Vision as appropriate through quarterly financial earnings disclosures and IR activities. Constructive dialogue with the market is vital to improve corporate value. We will continue to proactively engage in dialogue. I look forward to your continued support moving forward.

Group Long-Term Vision

Try & Discover 2025

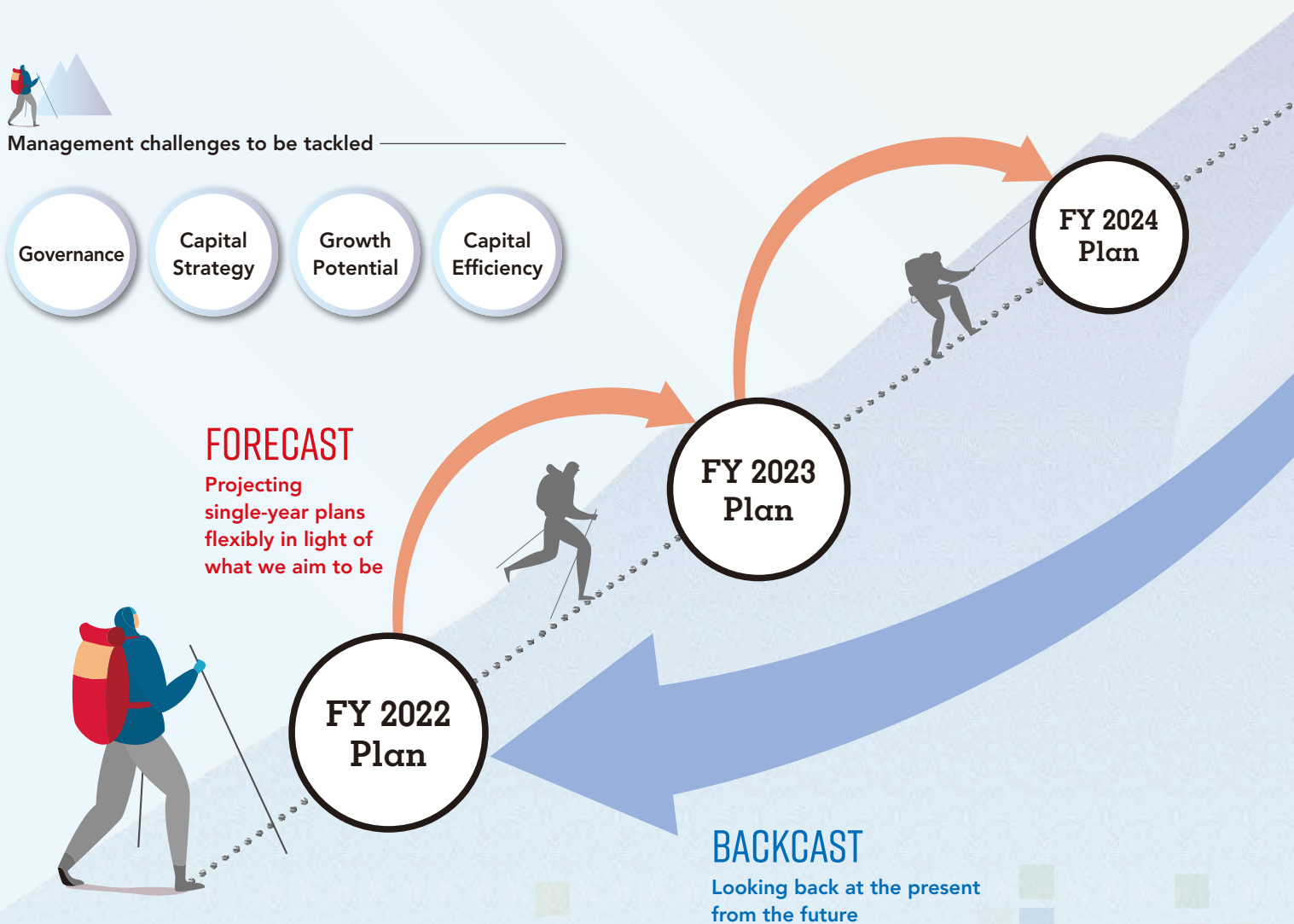
— In Pursuit of the Happiness of All Stakeholders —

The “Group Long-Term Vision” represents what we aim to be in fiscal 2025.

The “Group Long-Term Vision” covers the “T&D Insurance Group’s Management Vision,” which is the medium- to long-term goal, the “Group KPIs,” which are quantitative targets, and the “Group Growth Strategy” to achieve the KPIs.



Management challenges to be tackled



Try & Discover 2021

— Creation of Shared Value —



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

Group's Management Vision

**Sow happiness,
make change with boldness**

Group KPIs

Financial KPIs

Financial Value

Expand Group revenue by improving capital efficiency

Non-financial KPIs

Social Value

Address social issues through our business

■ P.24-25

Group Growth Strategy

I. Strengthening of core business

■ P.28

II. Diversification and optimization of business portfolio

■ P.29

III. Further advancement of ERM (Upgrading capital management)

■ P.30

IV. Promoting integrated Group management

■ P.31

V. SDGs management and creation of value

■ P.32

The "Group Long-Term Vision" shows what we aim to be in FY2025.

Fiscal 2025

Each company's execution plan and budget

Quantitative Targets for Realizing the Management Vision

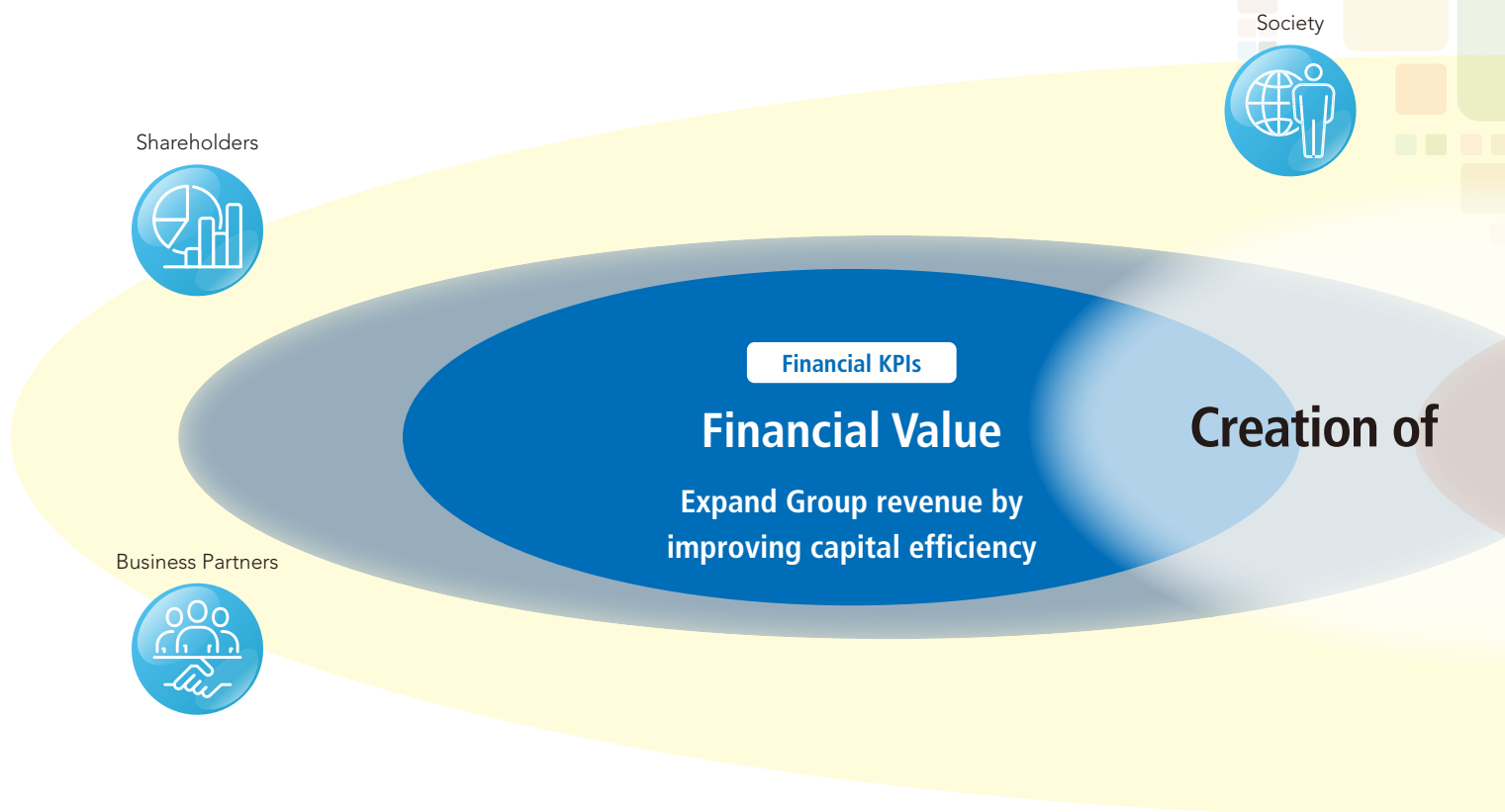
Group KPIs

The “Group Long-Term Vision” strives to pursue both financial value and social value to continue to be chosen by stakeholders such as our customers and financial markets.

To this end, we newly created Financial KPIs to represent financial value and Non-financial KPIs to identify social value.

We must improve share price valuations by achieving KPIs

through the steady implementation of the five key themes for the Group’s growth and by improving capital efficiency through profit growth. In addition, directly addressing social issues through our business activities will lead to the “creation of shared value,” thereby improving our corporate value.



Financial KPIs

Maximize profit by applying capital efficiently and by providing value to as many customers as possible. In this way, we will continue to improve our corporate value and achieve financial KPIs based on financial value and financial accounting.

	FY 2020 (actual)	FY 2021 (forecasts)	FY 2025 (forecasts)
Group adjusted profit	¥77.9 billion	¥73.0 billion	¥130.0 billion
Adjusted ROE	5.8%	5.2%	8.0%
Value of new business	¥143.4 billion	¥150.0 billion	¥200.0 billion
ROEV	25.4%	6.5%	7.5%

Group adjusted profit = net income ± unrealized gains/losses caused by discrepancy of accounting treatment of assets and liabilities + additional internal reserves in excess of the legal standard requirements
 Adjusted ROE = Group adjusted profit / Average net asset balance
 ROEV = Amount of EV increase (excluding increases or decreases in capital, etc.) ÷ Average EV balance (Group basis) Base excluding valuation gains/losses, etc. related to Fortitude

Create shared value and improve corporate value by achieving Group KPIs

Social Value
(Non-financial KPIs)

Corporate Value

Creation of Shared Value

Financial Value
(Financial KPIs)

Shared Value

Non-financial KPIs

Social Value

Address social issues by providing our products and services

Customers



Employees



Non-financial KPIs

A company is a “public entity of society.” Therefore, Social Sustainability equals Corporate Sustainability. As a company living together with society, we will work to achieve non-financial KPIs that express our social value to create shared value.

Category	Evaluation topic	Target level
Customers	Customer satisfaction	Minimum FY2020 level (Targeted improvement from the current level, as a relative evaluation)
Employees	Employee satisfaction	Minimum FY2020 level (Targeted improvement from the current level, as a relative evaluation)
Society	CO ₂ emission volume	Reduction of 40% from FY2013 levels by FY2025 (LIAJ’s target set five years ahead of schedule)

Strategy for Achieving KPIs

Group Growth Strategy

The “Group Long-Term Vision” sets five key themes and eleven strategic policies for achieving the next growth. As for the “Strengthening of core business,” the three life insurance companies will pursue differentiation strategies by reforming their existing businesses, including DX, and building new customer contact points. As for the “Diversification and optimization of business portfolio,” we will further strengthen our closed book

business and develop new business domains. As for the “Further advancement of ERM,” we will make effective use of capital and improve capital efficiency by implementing new capital management. As for the “Promoting integrated Group management,” we will pursue new synergies unconstrained by conventional frameworks. And in the “SDGs management and creation of value,” we aim to create shared value by solving social issues.

Five Primary Themes

I. Strengthening of core business

II. Diversification and optimization of business portfolio

III. Further advancement of ERM
(Upgrading of capital management)

IV. Promoting integrated Group management

V. SDGs management and creation of value

Eleven Strategic Policies

1. Core life insurance companies will aim to build the top brand in each specialized market by reforming sales activities through the integration of real and digital technologies, etc. (including DX strategy)
2. Establishing contact points, with millennials and Generation Z
3. Further developing existing investment sectors, such as the closed book business, and exploring new domains to diversify our revenue sources
4. Proactive business portfolio management
5. Shareholder return based on new capital management
6. Bolstering economic value-based management in response to the “Introduction of economic value-based solvency regulations” and “Trends in IFRS”
7. Improving capital efficiency by allocating capital to businesses and assets with high return on risk while ensuring financial soundness
8. Seeking unconventional new synergies transcending the boundaries between life/non-life insurance, asset management and other businesses, including the consolidation of investment functions
9. Creating new “work styles” enabling effective participation by diverse personnel
10. Integrating Group governance and creating a new Group culture
11. Contributing to a sustainable society with the Creation of Shared Value at the backbone of management, creating both financial and social value by solving social issues through our business activities

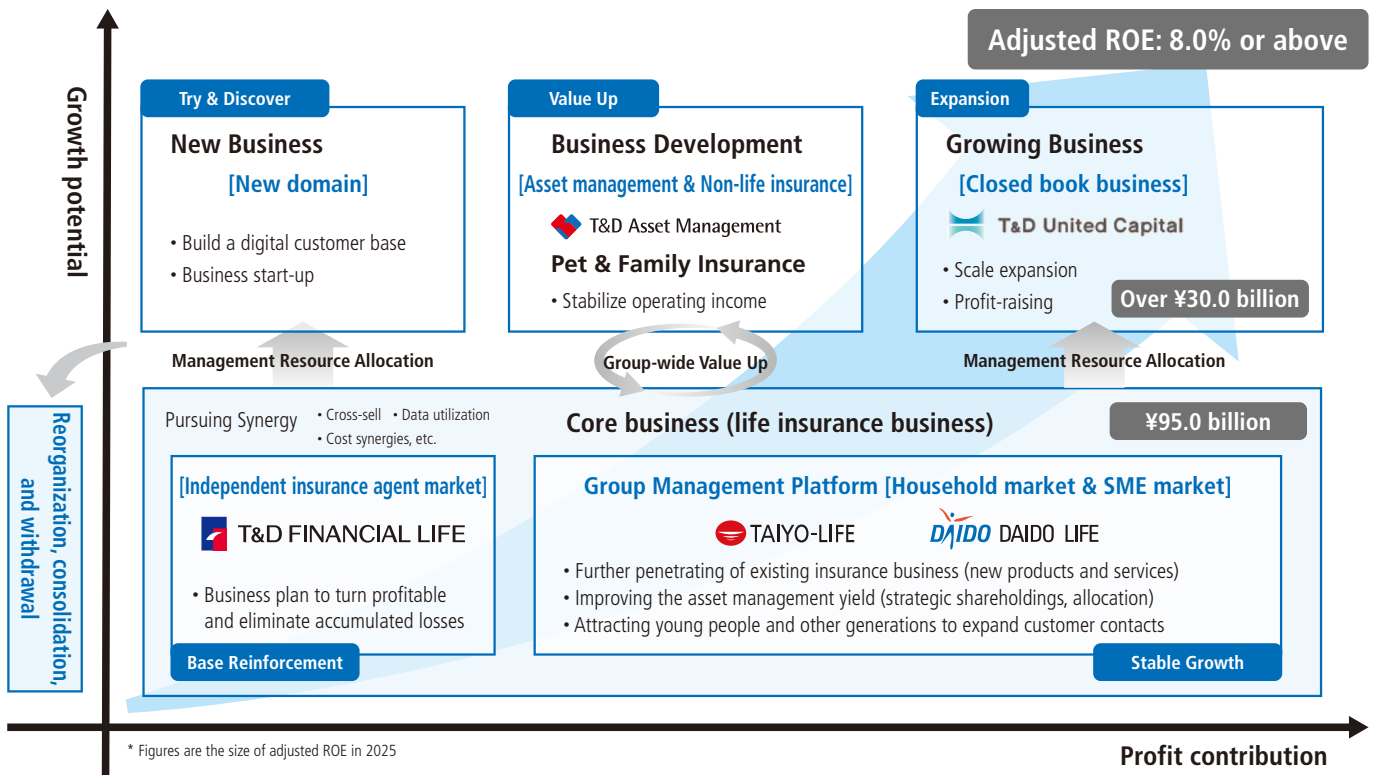
Target of the Group Growth Strategy

Improvement of Capital Efficiency

The fair value of our share is valued at well below the EV multiple of 1x. We believe this is due to the Company's low capital efficiency. Therefore, in addition to increasing profit in the existing businesses of the Group, with the domestic life insurance market as the core, we will improve adjusted ROE to a level of

8.0% or above by allocating the Group's management resources to growing businesses and by promoting capital management innovation. Hence, the first step is to raise the price EV multiple, which is currently valued at about 0.2 times, to about 0.5 times by the end of fiscal 2025.

Playbook: Proactive business portfolio management as the Group

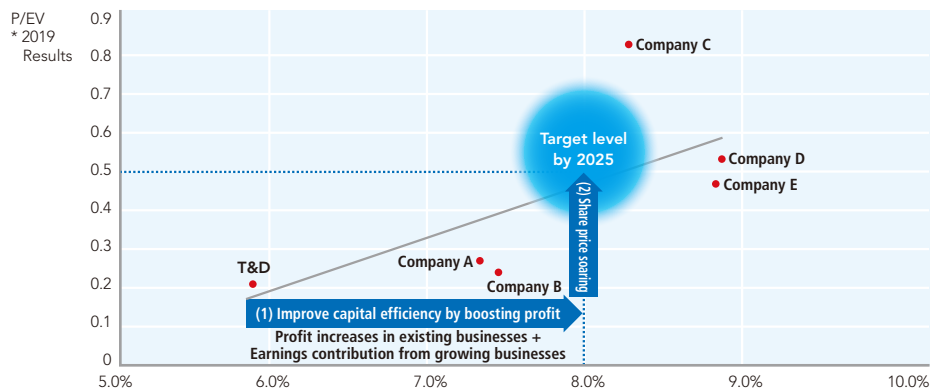


TARGET LEVEL:

Adjusted ROE
 5.8% → **8.0%**

Price EV Ratio
 About 0.2X

→ About **0.5x**



Primary Theme

Strengthening of Core Business



The three life insurance companies are aiming to build the top brand in each market by implementing their own specialization and differentiation strategies.


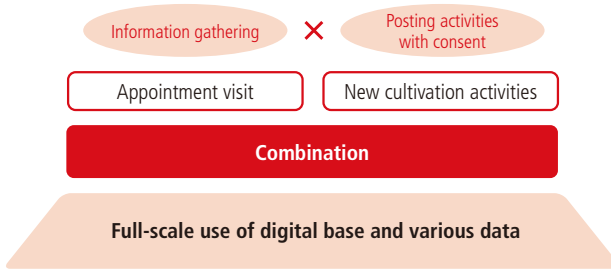

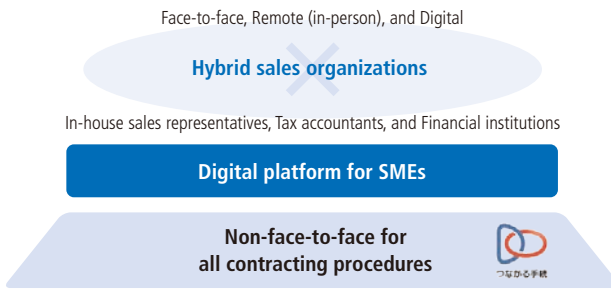

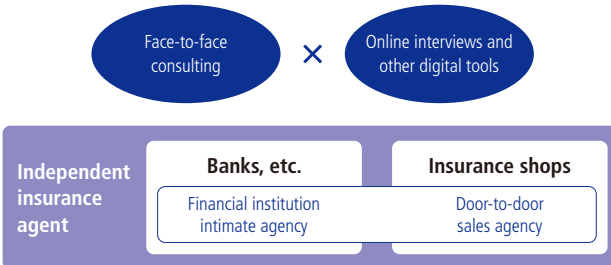
The Group has three domestic life insurance companies under its umbrella: Taiyo Life, which specializes in the household market; Daido Life, which specializes in the SME market; and T&D Financial Life, which specializes in the independent insurance agent market.

The Group's business model excels in that each of the three domestic life insurance companies specializes in a different market and brings its own uniqueness and expertise to the table.

Going forward, we will strengthen our business model and continue to build the top brand in each specialized market by

reforming sales activities through the integration of real and digital technologies and by providing optimal products and services that meet customer needs.

As for the integration of real and digital technologies, Taiyo Life will promote sales activities using information acquired from existing customers, *Sma-Hoken* (internet channel), and info-commercial (information+commercial), and Daido Life will expand non-face-to-face sales procedures, enhance online sales tools, and build an ecosystem for SMEs.

Company	Specialized market	Basic policy	Transformation of sales activities
 Taiyo Life	Household market	<p>Building the top brand in the senior market</p> <ul style="list-style-type: none"> Product development capability which preempts the changes of the times Integrated products and services 	
 Daido Life	SME market	<p>Partner for SME management</p> <ul style="list-style-type: none"> Robust relationship with tie-up organizations Specialized channels for SME market Management support and health support 	
 T&D Financial Life	Independent insurance agent market	<p>Expanding the presence in the independent insurance agent market</p> <ul style="list-style-type: none"> Bank agent network Mobility of product development 	

Diversification and Optimization of Business Portfolio

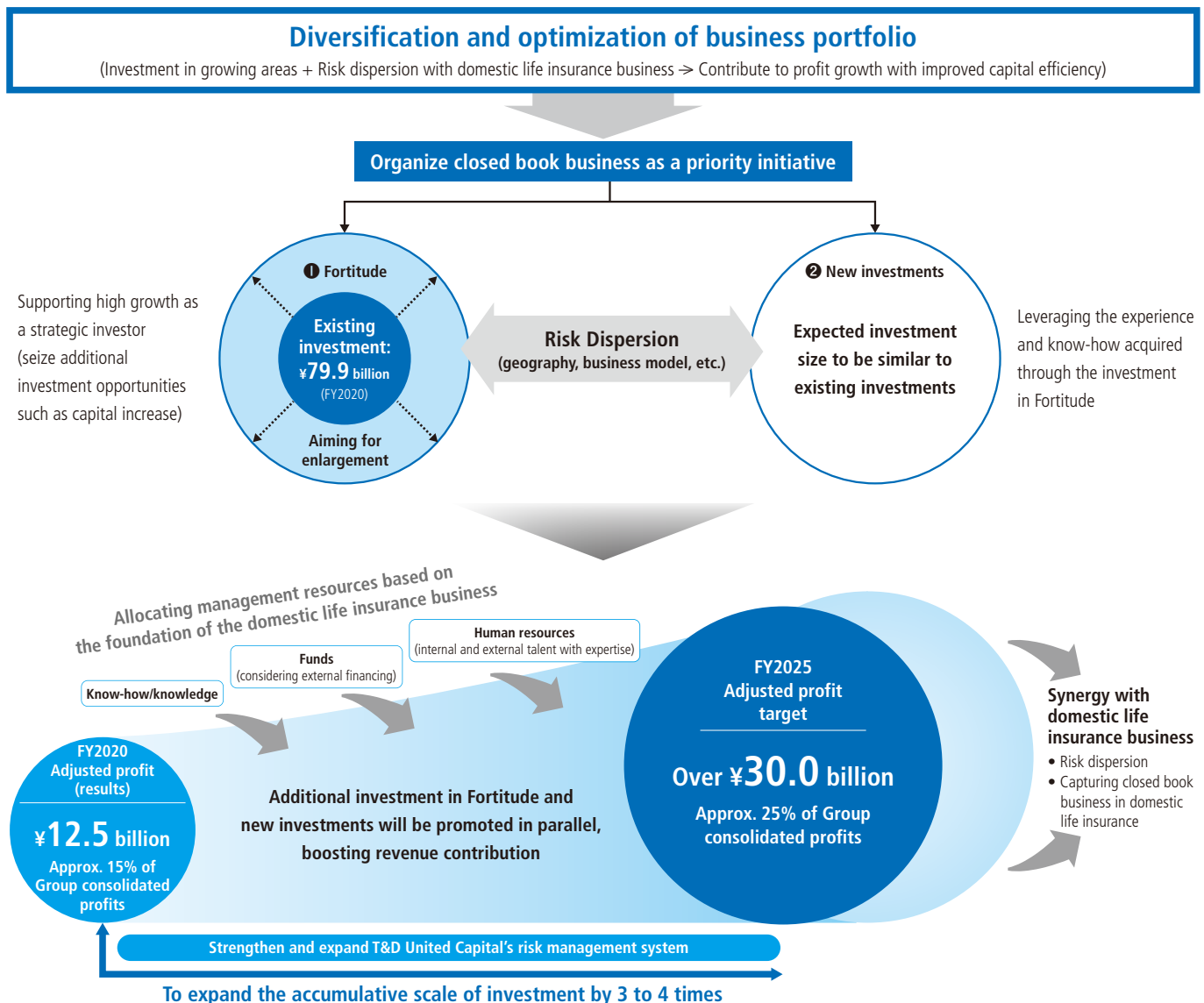
Positioning the closed book business as a strategically important area and strengthening initiatives. Boosting investment, aiming for an adjusted profit of about 25% of the Group consolidated profits.

The closed book business is a key domain creating growth opportunity and strength for the Group. As such, in addition to investing in growing areas, risk dispersion effect with the domestic life insurance business will contribute to the realization of profit growth through improved capital efficiency.

The Group will allocate management resources and strengthen organizational structures, aiming to improve revenue contri-

bution and reap strategic benefits.

In addition to additional investment opportunities in Fortitude, we will also pursue next golden chances where risk dispersion effect is expected, expanding total investment to three to four times the current volume and aiming for adjusted profit of over 30 billion yen by fiscal 2025.



Further advancement of ERM

Achieve adjusted ROE and ROEV in excess of shareholders' capital cost by improving capital efficiency through the capital management cycle.

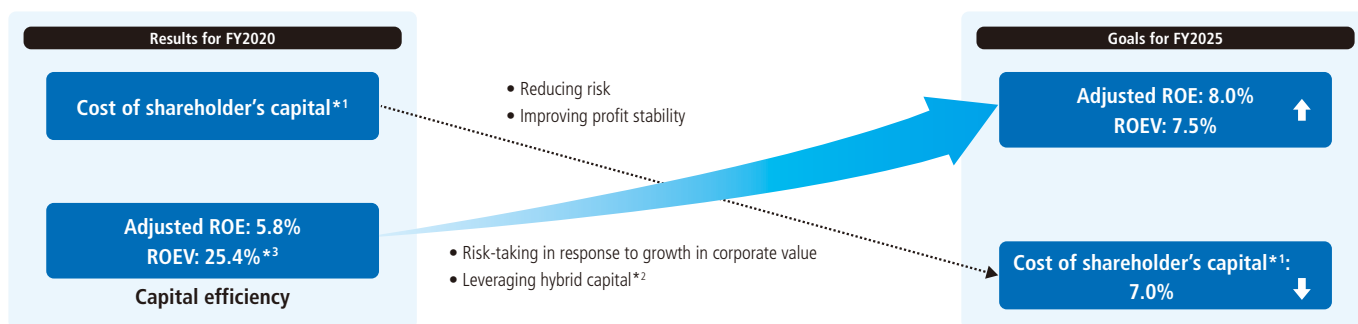
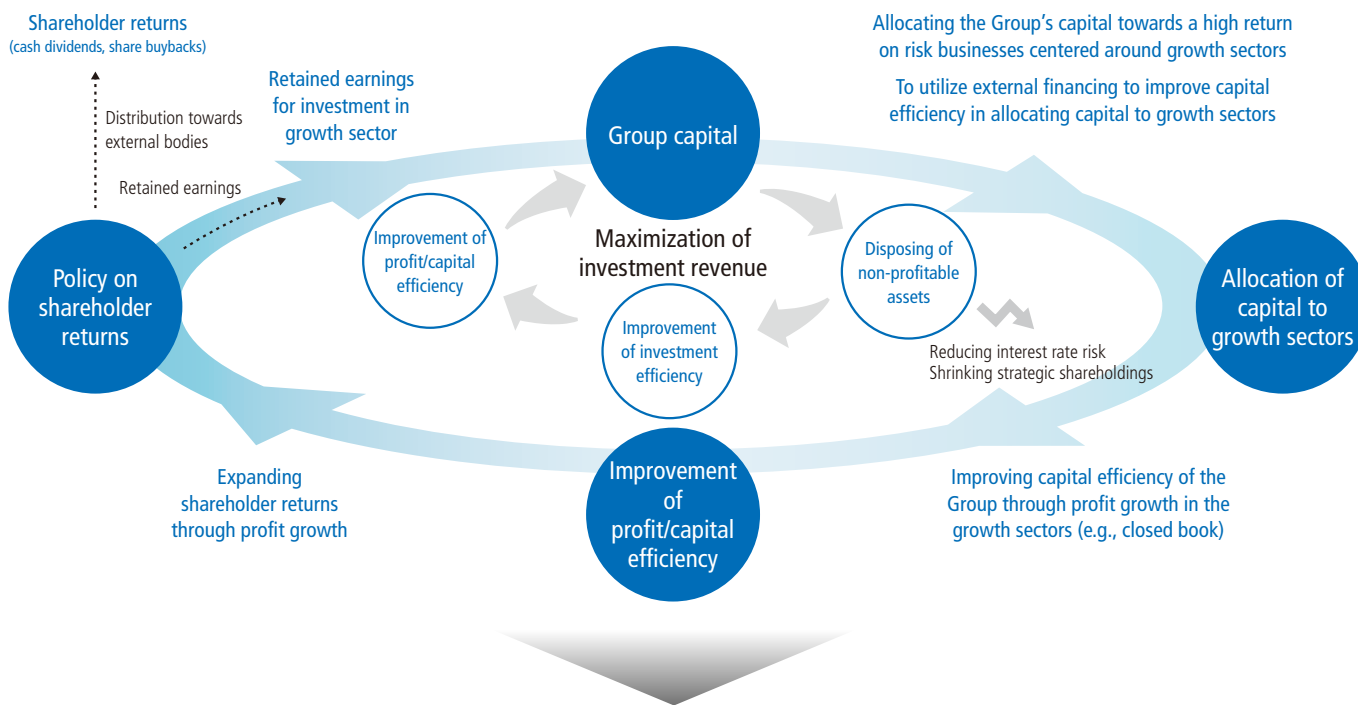
Group capital generated from the domestic life insurance business will be allocated to businesses with a high return on risk, mainly growing businesses (e.g., closed book), to improve the Group capital efficiency through profit growth in growing businesses.

The expanded profit will be allocated to shareholder returns and retained earnings for investment in growth sectors, and the Group will improve its adjusted ROE by implementing the

Group capital management cycle.

Moreover, in allocating capital to growing areas, we will consider external financing to the extent available to further improve capital efficiency.

In the capital management cycle, we will also reduce interest rate risk and strategic shareholdings, aiming to lower cost of shareholder's capital from the current level of around 8% to 7%.



*1 Shareholders' equity cost depends on CAPM (capital asset pricing model) (current is about 8%).

*2 Group balance of existing subordinated debt stands at ¥170 billion (as of the end of March 2021). Leverage hybrid capital to the extent possible without negatively impacting the Group credit rating, taking into account market supply and demand.

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

Promoting Integrated Group Management

Seeking unconventional new synergies transcending the boundaries between life/non-life insurance, asset management and other businesses, maximizing the effective use of Group management resources.

In order to cope with a highly uncertain business environment, the Group must make the most effective use of its management resources. To this end, we must implement the following four measures: (1) Synergy that leverages the sales power of the three life insurance companies, (2) Upgrading life insurance investment and reinforcing asset management, (3) To pursue cost efficiency, etc. through efficient use of resources, and (4) Strengthening the Group's corporate governance. Thus, we will promote integrated Group management transcending the boundaries between life/

non-life insurance, asset management and other businesses, seeking unconventional new synergies. This will further strengthen the Group management foundation.

Also, the Group will set a common Direction and Required Results, and each company will reform work styles according to its own business characteristics. Drawing on our experience during COVID-19 pandemic, we will create a highly productive "New work styles" in which diverse human resources can play an active role by transforming the existing work processes and flows.

1. Synergy that leverages the sales power of the three life insurance companies

Leveraging the sales capabilities of the core life insurance companies, we will promote measures such as further expansion of cross-selling among each company, agency sales of Pet & Family Insurance, and incorporation of T&D Asset Management prod-

ucts into insurance products. In addition, by sharing and using the customer information held by each company, we create business synergies by promoting sales activities more effectively and efficiently than ever before.

2. Upgrading life insurance investment and reinforcing asset management

T&D Asset Management will partially consolidate the Group asset management functions and management talent to upgrade life insurance investment and to improve efficiency of life insurance asset management. We will strengthen the Group asset

management business by streamlining and increasing efficiency through the expansion of assets under management, and by improving management capabilities through the securing and training of specialized human resources.

3. To pursue cost efficiency, etc. through efficient use of resources

We will promote cost synergies by effectively leveraging the Group management resources. Effective use of the Group management resources means, for example, the mutual use by

the Group companies of real estate held by the Group throughout Japan, and the provision of nursing care facilities and other social infrastructure.

4. Strengthening the Group's corporate governance

We will facilitate communication among the Group companies by devising a better location for each company at the head office, and by activating personnel exchanges among the companies.

Through these efforts, each Group company will work together to respond quickly to the current highly uncertain business environment.

Primary Theme
V

SDGs Management and Creation of Value



Create shared value by implementing sustainability key measures to realize the four sustainability priority themes.

The T&D Insurance Group has identified the priorities of social issues that are of high importance to society and have significant relevance to the Group business from various areas of sustainability to its business activities. The four sustainability priority themes (materiality) selected include (a) Healthy and abundant lives, (b) Provide workplace environments that enable all people to participate actively, (c) Help mitigate and adapt to climate change, and (d) Invest to help build a sustainable society.

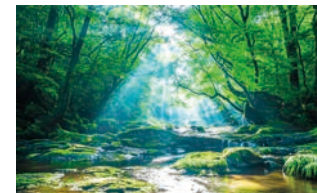
We intend to steadily implement measures to promote

sustainability, focusing on solving social issues through our insurance business. At the same time, by resolving these materialities, we will achieve the non-financial KPIs such as customer satisfaction, employee satisfaction, and CO₂ emissions, thereby creating shared value.

Through life insurance business, therefore, the Group's core business, we will create social value and cultivate "society's happiness" by addressing priority themes (materiality). In short, the Group make its Basic Policy on Sustainability realize.

Basic Policy on Sustainability	Through life insurance business, the Group's core business, we will create social value and cultivate "society's happiness" by addressing priority themes (materiality).
---------------------------------------	--

Creation of Shared Value



Achievement of Non-financial KPIs

Measures for Promoting Sustainability

<p>Address social issues by providing insurance business</p> <p>Providing better products and services</p>	<p>Verification of behavior and disclosure on human rights policies</p> <p>Human rights due diligence Promotion of diverse work styles</p>	<p>Environmental impact reduction in business</p> <p>Participation in RE100 (renewable energy use) Complete disclosure such as TCFD</p>	<p>ESG investment tailored to the Principles for Responsible Investment (PRI)</p> <p>Group ESG investment policy Support for carbon companies to decarbonize</p>
---	---	--	---

Sustainability Priority Themes (Materiality)

<p>Healthy and abundant lives</p>	<p>Provide workplace environments that enable all people to participate actively</p>	<p>Help mitigate and adapt to climate change</p>	<p>Invest to help build a sustainable society</p>
--	---	---	--

[Current Ratings] MSCI: ESG at A (Selected as MSCI Japan Empowering Women Index) FTSE: 4.0 overall

Three-way Conversation (Vice President × Experts)

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



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

Kanaya Morinaka



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

Ms. Mari Yoshitaka



Special Advisor to the
UNEP Finance Initiatives

Mr. Takejiro Sueyoshi

Three-way Conversation (Vice President × Experts)

Recent Environmental Changes

Sueyoshi

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

Yoshitaka

At this year's COP26 (November 1 to 12, 2021), attention is also focused on the fact that countries will raise their greenhouse gas emission reduction targets. Speaking of climate change, in Japan, we often focus only on CO₂ emissions. However, the Taskforce on Nature-related Financial Disclosures (TNFD) was officially launched in June 2021, and when I talk to investors in Europe and the United States, I really feel that the issue of resources is also getting a lot of attention.

Japan is also moving forward with sustainable finance, green innovation, and green growth strategies, but I am worried that there is not enough sense of crisis. On the other hand, the

Not only are we stopping financing coal-fired thermal power but we are putting an effort on project financing, such as financing technological development of environmental improvements.

Morinaka



expansion of ESG investment in Japan is very strong, and the issuance of ESG bonds such as green bonds and sustainability bonds has been increasing in recent years. I believe that financial institutions overall are beginning to feel a sense of mission to support the critical situation of the planet Earth.

Human rights issues are also becoming very serious. Another day, I talked with a person from Japanese SMEs, and I was very surprised because when he had a business meeting with an American company, he was asked about his track record in signing contracts with disabled people and female managers. This kind of thing will become the norm in Japan soon, I predict.

Sueyoshi

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

Morinaka

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

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

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

Sueyoshi

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

Yoshitaka

When the environment is destroyed, the vulnerable are the ones most affected. That's why dealing with human rights issues and responding to climate change are what Western investors are demanding most of their management. Not everyone can take the same action, so those who can must help those who cannot. Whenever investors evaluate a company, they focus on the social issues they are interested in. SDGs is a recent example. The

SDGs itself is not new at all, but it is an organized version of the obvious issues that we have already been recognized.

Sueyoshi

Now that you mentioned the issue of the weak in society, when I listen to these discussions overseas, I hear some words that we lack in Japan. The most powerful words are fairness, honesty, and justice. And of course, human rights are included in that. Whenever Japan discusses global warming or any other issue, it always starts by imposing a burden on each other. The question is naturally how to create a fair, honest, and just society, and debating the issue without any of this perspective will end up in a blame game. Japan will finally be left behind in the global competition under such a situation.

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

Morinaka

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

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

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

Sueyoshi

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

Yoshitaka

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



In 30 years, arguably, Generation Z will be the generation in need of insurance the most. The challenge for adults is to always deliver an easy-to-understand message about the importance of insurance to the next generation.

Ms. Yoshitaka

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

Sueyoshi

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

Morinaka

We talked about fairness. No matter how profitable a company is now, if it is not fair and honest, it may be rejected by Generation Z when they grow up, and may not survive. This sense of crisis has been instilled into us. That is why we have formulated the Group Long-Term Vision, with the hope of becoming a group understandable to such people.

Group Long-Term Vision "Try & Discover 2025"

Morinaka

Conventional medium-term management plans were determined based on past experience and anticipation of future changes in

Three-way Conversation (Vice President × Experts)

the environment. Nevertheless, in this era of high uncertainty, or when we look five years into the future amidst changing global trends, including ESG, we have formulated the long-term vision based on the concept of backcasting to determine what kind of a group we want to become.

In addition to how to boost profits, we have created a vision that wishes for the happiness of all stakeholders.

Sueyoshi

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

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

As I mentioned earlier, each individual problem has a single root. In terms of companies, I think, the way the corporate

management is run has caused problems. So it would be better if you could be a little more specific about what you are going to change.

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

Yoshitaka

I think it will be easier to understand if you organize the time axis of each approach. I understand this may be a matter of how the information is worded but for example, strengthening core businesses needs to be an ongoing issue, not limited to the period of the Group Long-Term Vision.

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

Morinaka

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

Address these issues from the perspective of fairness, honesty and the socially vulnerable. I would like to see you breathe new life into Japan by implementing the Group Long-Term Vision.

Mr. Sueyoshi



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

Sueyoshi

The four priority themes are divided into two categories: life insurance company functions and the role as an institutional investor. Perhaps products for customers as a life insurance company fall under priority theme 1, while the role as an institutional investor comes under priority theme 4. If we think about this, we can tie priority themes 1 and 4 together. Also, I understand that priority theme 2, "All people," is basically talking about the employees of your Group. Regarding priority theme 3, climate change, I think this is a response as the Group's comprehensive role to society as a whole, so I feel that the order could be switched.

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

Yoshitaka

In preparation for COP26, a new framework called the Glasgow Financial Alliance for Net Zero (GFANZ) was announced in April of



this year. It is now becoming the consensus of all financial players to aim for net zero by 2050. So, I think it would be easier for us to understand if you first set a target for when to reach net zero and then specifically state how much you will reduce by 2025.

As Mr. Sueyoshi touched on, I believe that you will be required to take more responsibility as institutional investors than ever before. However, if individual investors participate in ESG and sustainability investment in the future, I think they will also focus on whether or not your Group is included in their ESG investment portfolio. As for priority theme 3, climate change, responsibility differs depending on whether it is a corporate activity through products or contribution as an investor, so that should be sorted out.

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

Morinaka

We sure do. We survey our employees every year.

Yoshitaka

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

Sueyoshi

Additionally, when "all stakeholders" cherry-pick investment targets and various factors, they will definitely have a measure of whether the country, region, people and company are serious about the future of young people. I believe that your Group is definitely a company that is thinking about the future of the

earth and the potential of next generation. How do you cultivate a feeling of trust that you are the kind of a group who think and act on everything based on this? I think that is vital.

For T&D Insurance Group

Yoshitaka

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

Sueyoshi

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

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

Morinaka

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

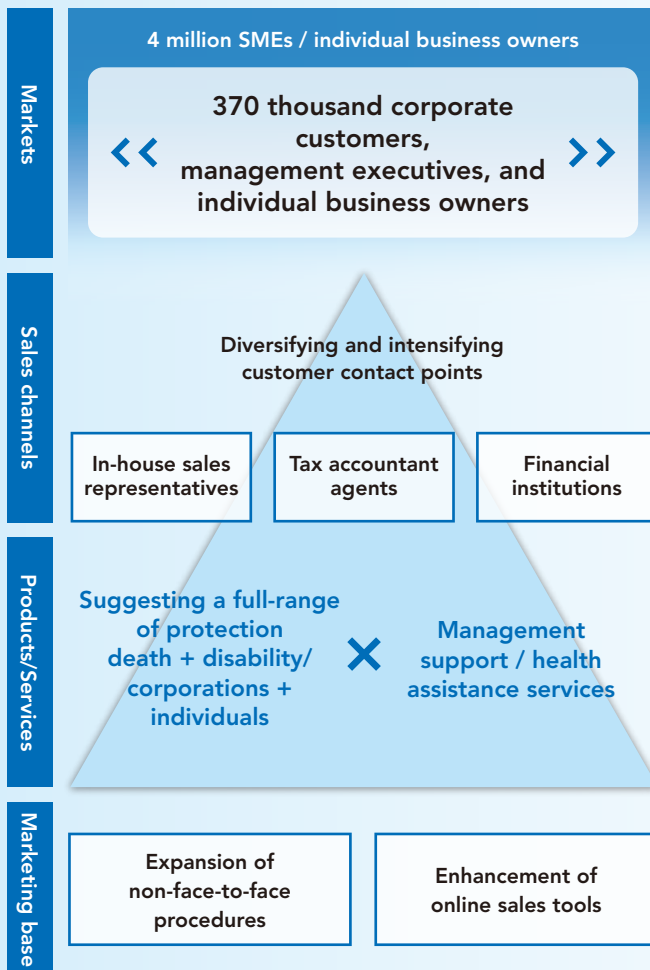
Revenue Growth (Daido Life)

New sales models in response to the COVID-19 pandemic and solutions that meet the needs of SME owners

Daido Life has seized the opportunity presented by the COVID-19 pandemic in fiscal 2020 to accelerate the shift of all operations, especially sales activities, towards remote and digital. In addition to the company-wide deployment of the Zoom* web conferencing system, which had already been introduced in some parts of the company to improve the efficiency of sales activities, Daido Life is improving customer convenience and reforming the work styles of its sales representatives by gradually transitioning to non-face-to-face procedures for new policy

applications and during the policy period. The company has also implemented measures to support SMEs that have been severely affected by the COVID-19 pandemic, including interest-free loans to policyholders and free provision of COVID-19 mutual support insurance as a contribution to society. Going forward, as part of its mission to protect SMEs, the company will continue to expand the number of corporate customers by providing products and services that meet the needs of SME owners.

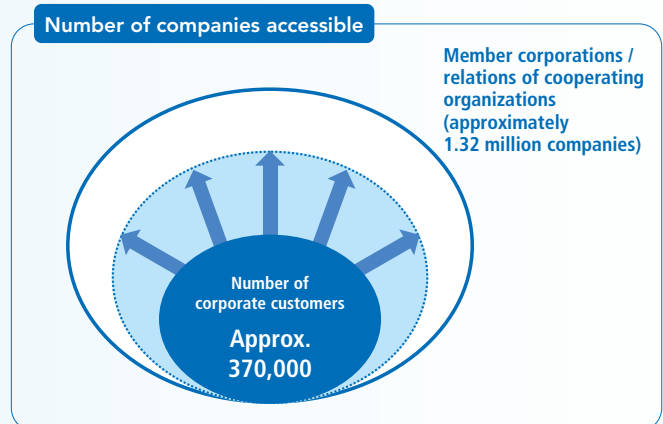
* The Zoom name and logo are trademarks or registered trademarks of Zoom Video Communications Inc. in the United States and other countries including Japan.



Markets

Expand the number of corporate customers by providing coverage to more SMEs

In the wake of the COVID-19 pandemic, it is increasingly important for the SMEs targeted by Daido Life to secure coverage for business continuity, which means Daido Life needs to deliver coverage to more customers than ever before. At present, there are approximately 370,000 corporations with contracts with Daido Life, but there are about 4 million SMEs and individual business owners in Japan, leaving much room for expansion. Going forward, the company aims to expand the number of corporate customers by providing products and services that meet the needs of SMEs and delivering them to more SME customers.



Source: Ministry of Internal Affairs and Communications, "Economic Census for Business Activity"

Initiatives by Daido Life during the COVID-19 pandemic

Changing all process to non-face-to-face procedures

New policy application procedures

- Procedures over mails (April 2020)**
- New policy procedures by mail and phone
- Remote procedures (September 2020)**
- Completion of procedures with customers' smartphones, etc.
- Remote examinations (April 2021)**
- Medical examinations over the videophone
- Self-examinations (June 2018)**
- Completion of examination by the customer
- Easy self-examinations (June 2021)**
- Completion of urine test by the customer

Procedures during insurance contract terms

- All procedures done by mail (April 2020)**
- All procedures changed to non-face-to-face procedures by mail
 - Omit some documents necessary for procedures
- Digitalization of making claims (planned for 2021)**
- Completion of procedures through electronic forms sent to smartphones, etc.
 - Simplified claims assessed instantly

Online sales

Utilization of Zoom (May 2019)

- Introduced to improve the efficiency of sales activities
- Deployed company-wide due to COVID-19

Loan of smartphones to in-house sales representatives (January 2021)

Strengthening inside sales (April 2021)

- Established a dedicated organization within the HQs
- Create customer contacts through webinars, etc.

AI-based training program (April 2021)

- Auto-scored role-playing

Work style reforms of sales personnel

Sales channels

Deepen and expand strong sales channels with strong relationships with cooperating organizations

Daido Life has established a unique business model of providing insurance coverage for SMEs through partners with organizations. Through this model, it has been delivering coverage for half a century. The strength of its business model lies in the fact that Daido Life has established strong relationships with each organization through the shared mission of protecting SMEs. Going forward, the company will continue to strengthen its relationship with customers by further strengthening collaborative efforts with cooperating organizations, expanding its contact points with customers through new channels, and accelerating the convergence of intimate face-to-face sales and efficient non-face-to-face sales.

In-house sales representatives

Approx. 3,800 people

Tax accountant agents

Approx. 13,000 agents

Non-life insurance agents

Approx. 1,300 agents

Products/Services

Providing solutions that meet the needs of SME owners with a full-range of protection and value-added services

Daido Life will continue to protect SMEs by providing a full-range of protection that combines term insurance (which covers the risk of death) and disability benefit insurance (which covers the risk of having to leave the workforce due to serious illness or physical disability). Furthermore, by integrating and promoting value-added services that support the resolution of management issues that cannot be covered by insurance alone, the company will offer SMEs value in the form of "insurance + extras" to contribute to their business continuity and development.

Suggesting a full-range of protection death + disability / corporations + individuals

Management support / health assistance services

Corporations	Death benefit	• R-type • L-type Alpha
	Disability benefit	• J-type / J-type Alpha • T-type / T-type Alpha • M-type
Individuals	Nursing care benefit	• Shunyu Relief • Kaigo Relief Alpha
	Asset formation and inheritance measures	• Life Gift Alpha • Single-premium foreign currency insurance from T&D Financial Life

Supplementary services

Health care

• KENCO SUPPORT PROGRAM, etc.

Management assistance

• Safety Confirmation System, etc.

Seniors

• Kaigo Concierge

Expanding functions

Revenue Growth (Taiyo Life)

Strategies for the household market, which is expanding as insurance needs grow amid the COVID-19 pandemic and more people stay at home with the spread of remote work

Although the COVID-19 pandemic had a substantial impact on its sales activities in fiscal 2020, Taiyo Life was able to adapt to the changes in society by mainly introducing new sales approaches, accelerating the integration of face-to-face and digitalized sales, and launching new products designed with COVID-19 in mind.

Specifically, since the pandemic made it difficult for sales representatives to continue engaging in traditional walk-in sales activities, Taiyo Life introduced new sales approaches such as visiting customers after setting up an appointment based on the customer data

provided by the company, and carrying out promotional activities through distributing brochures to neighboring households of customers on the database (approval base).

In September 2020, Taiyo Life became the first company in the industry to launch the *Infectious disease plus hospitalization insurance (lump-sum payment type)*, which covers COVID-19 hospitalizations. Since its launch, the product has been selling well, benefiting from Taiyo Life's ability to quickly provide products that address new needs.

Market

Household market looks promising as remote work spreads, more people stay at home, and insurance needs grow

Prior to the pandemic, Taiyo Life's main targets were seniors and housewives who are home during the day. Recently, however, the pandemic has led to the spread of remote work and kept more of the middle age generation at home. This has resulted in an increase in contact points between Taiyo Life and the middle age generation. To take advantage of this opportunity to expand its presence in the household market, Taiyo Life will combine face-to-face and non-face-to-face approaches to attracting and soliciting customers, and build a system that can meet the needs of various customers regardless of age.

Attraction / Solicitation	Face-to-face	Non-face-to-face
	Face-to-face	Sales representative Over-the-counter (OTC) sales
Non-face-to-face digital	Remote application	<i>Sma-Hoken</i> (100% online policy)

Sales Method

Establishing a new sales approach that integrates face-to-face and digitalized sales

In addition to continuing the new sales approaches introduced in response to the COVID-19 pandemic (appointment-based customer visits and promotional activities), Taiyo Life will further boost productivity and efficiency by centrally managing existing customer information as well as information on new and potential customers acquired through *Sma-Hoken* and infomercials. To this end, the company will continue to enhance its data analysis platforms, including by establishing a new customer database and renewing the *Taiyo Life My Page*.

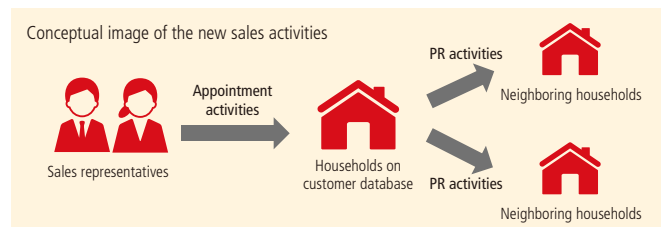
Appointment activities (using database)

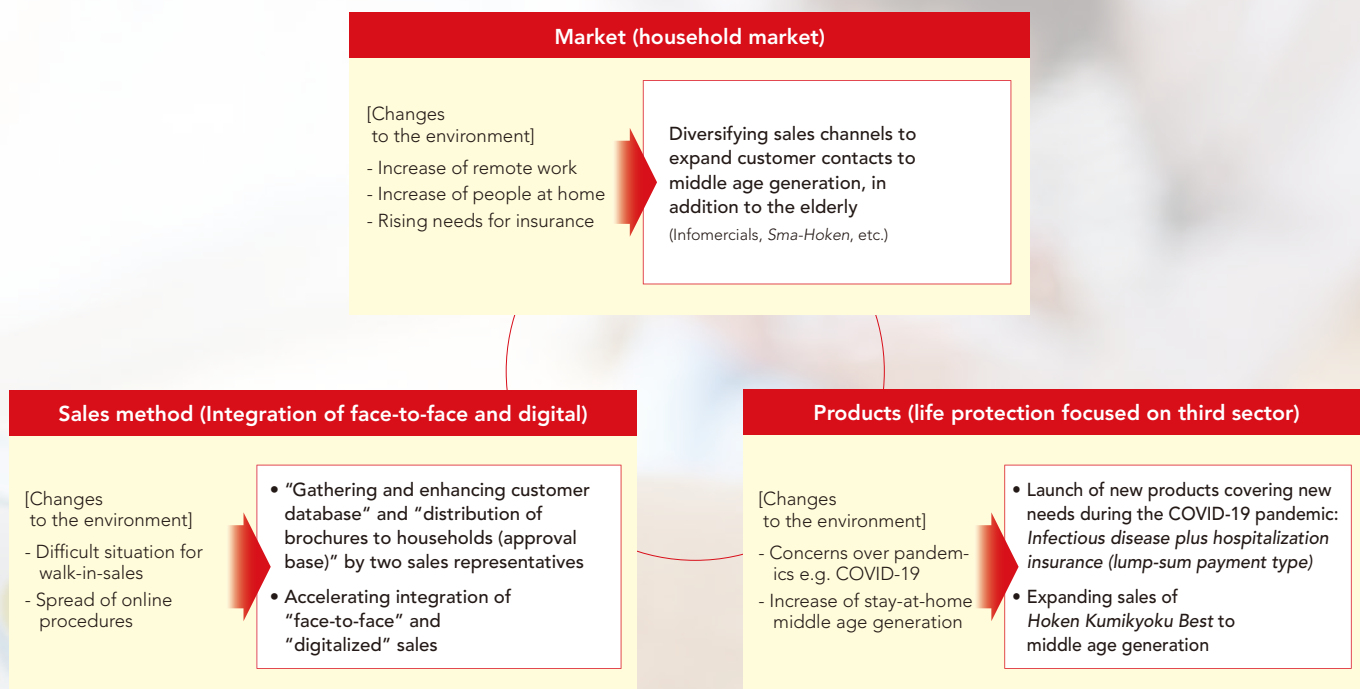
Activities of sales representatives to secure appointments with customers using customer data provided by the company and make policy proposals.



PR activities (promotions)

Activities to find new potential customers by distributing brochures to neighboring households of customers on the database (approval base).





Products/Services

Healthy and long life for the Centenarian Age: Continuously offering insurance products and services that support secure and fulfilling lives

Taiyo Life will support the health and longevity of all customers, including the middle age generation as well as seniors, by developing products in response to social issues. For example, the *Infectious disease plus hospitalization insurance (lump-sum payment type)* launched in 2020, which covers COVID-19 hospitalizations, gained widespread popularity not only among our traditional customer segments of seniors and women, but also among new customer segments because it was an insurance

policy that addressed a social issue. In addition, the company launched the *Cancer/critical illness prevention insurance* in June 2021 to help customers live longer and healthier lives through early prevention and detection of cancer and other critical illnesses. Taiyo Life will expand its customer base by continuing to support the health and longevity of not only seniors but all customers, including the middle age generation.

Freely-combined coverage *Hoken Kumikyoku Best*

Customized coverage according to each customer's request

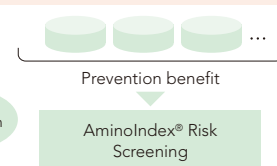
Death benefit	Cancer/critical illness benefit
Disability / dementia / nursing care	Medical benefit
Waiver of premium payment	Advanced medical care
Fund preparation	

がん・重大疾病予防保険

Cancer/critical illness prevention insurance (Launched June 2021)

Coverage of up to **¥20 million** for predetermined conditions due to **19** illnesses, including cancer, heart attack, stroke, and diabetes.

Prevention



First to launch 感染症プラス入院一時金保険

Infectious disease plus hospitalization insurance (Lump-sum payment type) (Launched September 2020)

- Covers hospitalization due to specific infectious diseases including COVID-19
 - Online enrollment also available through Sma-Hoken
- Pays up to **¥600,000** if combined with hospitalization lump-sum payment insurance

Himawari Dementia Prevention Insurance

(launched October 2018)



ひまわり認知症予防保険

- | | |
|--|--|
| 1 Simple health disclosure accepted for application | 2 Payment of preventive benefits that can be used for dementia prevention services |
| 3 Double insurance claim payment for dementia (diagnostic and treatment benefits)* | 4 Coverage for hospitalization and surgery due to designated illnesses that are common among seniors |

* When enrolled in both relaxed-underwriting type dementia diagnosis insurance and relaxed-underwriting type dementia treatment insurance.

Expansion of Profit (Upgrading Life Insurance Investment)

Upgrading Life Insurance Investment and Reinforcement of Asset Management Business

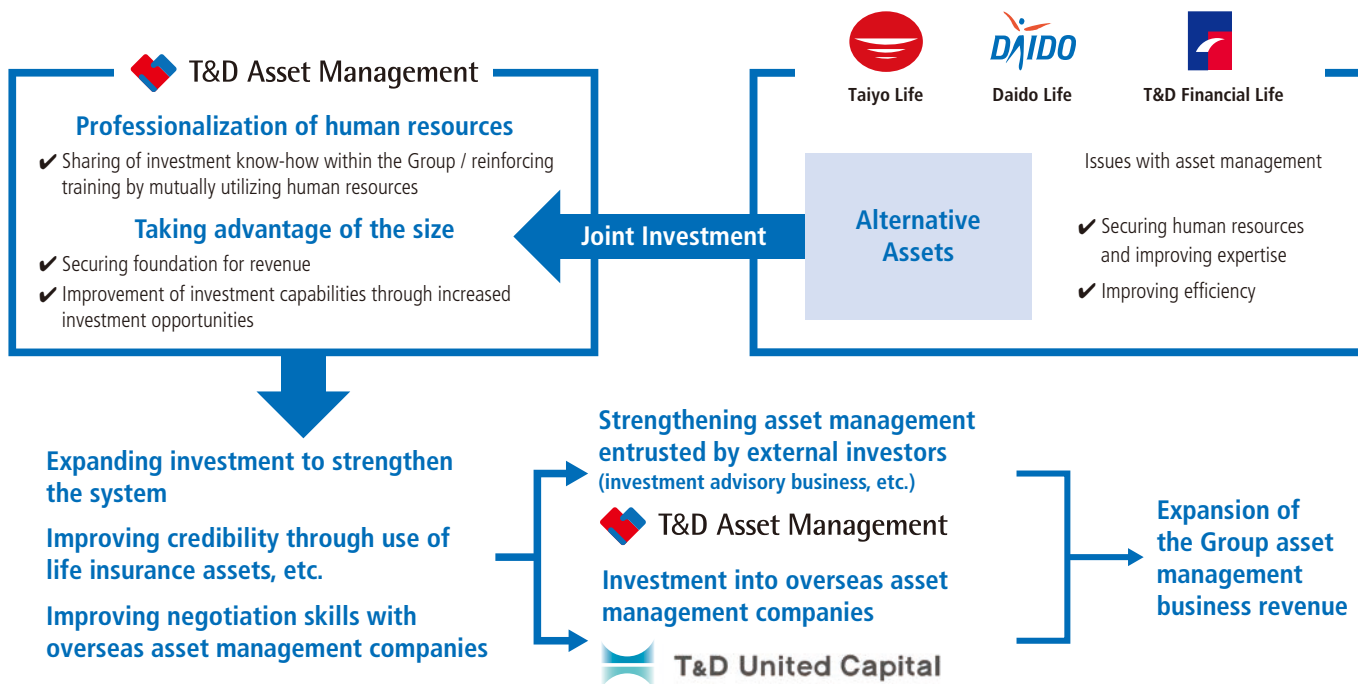
As a low interest rate environment is expected to continue for the long term, enhancing profitability in asset management is a common issue among the Group's life insurance companies chiefly in preparation of the introduction of an economic value-based regulation. In addition, expanding the asset management business is inevitable for the Group growth due to its affinity to the Group's businesses and a high return on invested capital.

With the aim of reinforcing its asset management function, the T&D Insurance Group aims to improve its investment capabilities by securing and developing specialized human resources as well as to optimize and streamline asset management by increasing invested assets. To this end, the Group will bring together the asset management functions related to alternative investments into T&D Asset Management.

As the first step for this goal, T&D Asset Management

established a department specialized in the Group's asset management in July. As managed assets have been diversified and increased particularly overseas, the Group plans to expand alternative assets and has begun to integrally manage them through the consolidation into T&D Asset Management. The Group expects that integrating know-how on alternative investments and those who are entrusted with the investments will lead to the realization of more efficient and higher performance.

The Group will continue to promote the integration of its asset management by transferring the existing funds to T&D Asset Management with the company managing new funds. By leveraging the expansion of the investment size through the integration of managed assets, the Group also aims to increase assets entrusted by external investors and expand its asset management business.



Expansion of Profit (Approaching Millennials/Generation Z)

Shaping a New Economic Zone Centered on Digital to Establish Customer Contacts with the Millennials and Generation Z, who will Lead the Next Generation

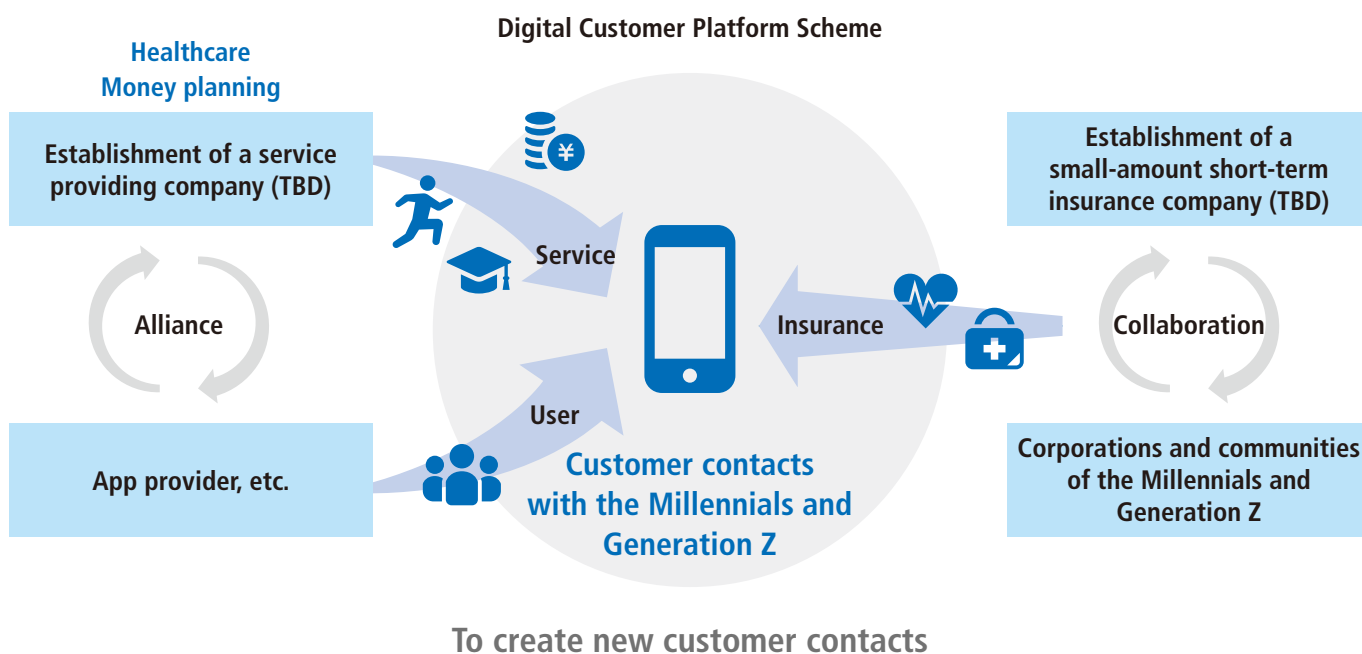
For the domestic life insurance business, the Group's life insurance companies have been successful in their specialized strategies. However, competition has been more intensified in the Japanese market due to a declining birth rate and aging and dwindling population.

Under such circumstances, a major issue is how to secure contacts with young generations, especially the Millennials and Generation Z, who lack interest in insurance. Then, the T&D Insurance Group seeks to shape a new economic zone centered on digital tools such as apps and SNS to create customer contacts with the Millennials and Generation Z, who will lead the

next generation.

To this end, through cooperation and collaboration with companies and communities having a lot of contacts with these generations, the Group will be agile in providing insurance products that meet new and unprecedented needs as well as various services within the economic zone.

By creating new contacts to establish long and stable relationships with the customers, the Group will also contribute to the diversification of its whole customer contacts by sharing the established customer platforms and channels with the Group companies.



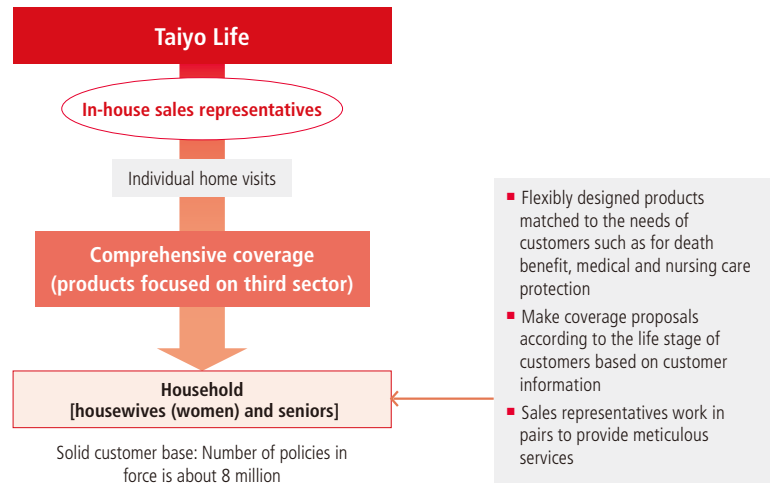
The Domestic Life Insurance Business



Taiyo Life

Business Model

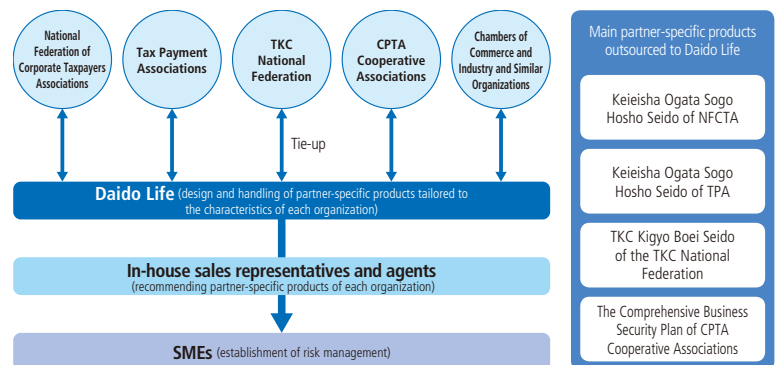
Taiyo Life's core business is sales of life insurance in the household market. In-house sales representatives visit homes directly and propose the appropriate coverage for each household. The mainstay product, *Hoken Kumikyoku Best*, allows customers to freely combine the coverage they need. This enables the company to propose coverage which meets the needs of each household. The company is therefore able to offer comprehensive coverage to households by taking advantage of its strengths in the household market.



Daido Life

Business Model

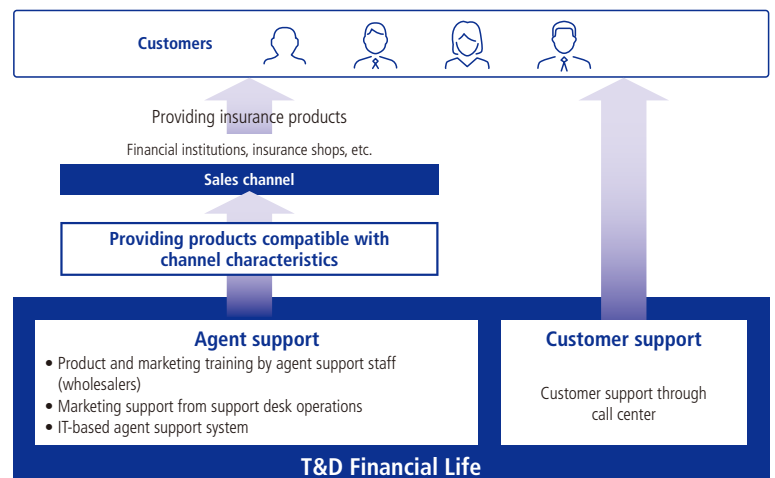
Daido Life is a life insurance company that specializes in the SME market, with contracts with some 370,000 corporate clients. The company, which ties up with SME-related organizations and tax accountants' groups, positions the offering of its products and services developed according to the organization's characteristics as its core business. The company has established a unique business model of offering these products and services as appropriate coverage for the SMEs through two channels: in-house sales representatives and agents.



T&D Financial Life

Business Model

T&D Financial Life specializes in providing products through independent insurance agents including financial institutions and insurance shops, which handle products from multiple insurers. The company is promoting the further expansion of agent networks, the speedy development of products differentiated by type of benefit and added value, and cost efficiencies, in order to enhance its presence in life insurance sales through the independent insurance agent channel.



Strengths

- Solid foundation in the household market built by the continual development of new customers through “Combination Activity” where in-house sales representatives form pairs on visit to individual households
- Provision of products that meet customer needs in response to social issues, such as *Infectious disease plus hospitalization insurance (lump-sum payment type)*, which covers hospitalization due to COVID-19
- Senior-friendly customer service

Growth Opportunities

- Growth of senior population
- Increasing percentage of the middle age generation at home due to the spread of remote work
- Increasing needs for insurance during the COVID-19 pandemic
- Growing needs to make self-provision for pension, medical care, and nursing care
- Extension of healthy life expectancy and growing awareness of health promotion among seniors

Strategies

- Promotion of hybrid sales using information from *Sma-Hoken* (internet channel), infomercials, and other channels
- Promotion of digitalization to enable face-to-face and non-face-to-face interactions and establishment of a system that can respond to a wide range of customer needs
- Action to enhance survival benefits, such as medical and nursing care benefits, as well as benefits and services to prevent dementia and other serious diseases
- Development of products in response to social issues in order to support the health and longevity of all customers, including not only the elderly but also the middle age generation

Strengths

- Superiority of business model
- Accumulation of management resources suited to developing the corporate market
- High-quality customer-support framework
- Comparatively sound finances

Growth Opportunities

- Growing and increasingly diverse customer needs
 - Growing need for disability benefit due to aging population and other factors
 - Growing need for business succession and inheritance measures due to tax reforms and other factors
- Increasing awareness of health promotion
- Progress in digital technologies enabling new operational innovations

Strategies

- Development of services that provide new value through “insurance + extras,” with a focus on healthcare and nursing care, management issue support, and senior and affluent segments
- Construction of a new collaborative scheme that integrates the strengths of its in-house sales representatives and agent channels, and development of a new channel for banks and financial institution agents
- Development of new markets by strengthening responses to the needs of the senior segment
- Establishment of a platform for SMEs and promotion of non-face-to-face insurance procedures

Strengths

- Concentrating management resources on the independent insurance agent channel, owning predominant agent channels of financial institutions, etc.
- Strength in product development to create unique products
- Streamlined system

Growth Opportunities

- Increasing needs for asset formation and medical benefits due to an aging population
- Changes in the market, such as emerging new sales channels (e.g., OTC sales at banks and insurance shops), and entry of new players from different industries into the insurance shop field

Strategies

- Product development responding to diversifying needs and channel expansion
- Improvement of convenience through the use of IT, from a customer-oriented perspective
- Development of new channels and expansion of services for customers and agents through integration of real and virtual
- Development and expansion of agents by offering products with a certain level of price competitiveness and differentiated benefits and services, etc.

The Domestic Life Insurance Business

Taiyo Life



Naoki Soejima

Taiyo Life Insurance Company
Representative Director
and President

Strategy to achieve the management plan

Taiyo Life has responded to customer needs by diversifying channels and offering new products. Today we see an unprecedented change in people's behavior in the wake of the COVID-19 pandemic. During the pandemic, many customers have expressed their support for *Sma-Hoken*, our fully-online insurance that combines an online insurance quoting and enrollment process with attentive service from our highly trained personnel, as well as our remote application process (non-face-to-face solicitation), which combines *Sma-Hoken* with consulting and application procedure support through the sales representative channel. At the same time, products that respond to social issues, such as *Infectious disease plus hospitalization insurance (lump-sum payment type)*, which covers hospitalization due to COVID-19, have also been well received.

Going forward, we will continue to further develop our sales representative channel and new channels, such as *Sma-Hoken* (internet channel), to meet customer needs, and we will continue to support the health and longevity of all our customers by developing products that respond to social issues.

Daido Life



Mutsurou Kitahara

Daido Life Insurance Company
Representative Director
and President

Strategy to achieve the management plan

In recent years, the environment surrounding SMEs has changed and the needs of business owners have become more diversified. This is because business owners are now active for a longer period of time owing to the advances in medical technology and more concerned with promoting health as well as inheritance and business succession issues. In this changing environment, Daido Life is working to offer a full-range of protection by enhancing its disability benefit insurance in addition to its mainstay death benefits. In addition, Daido Life is providing the value of "insurance + extras," which is widely useful for the business continuity of SMEs. Our value-added services include practical tools for health and productivity management at SMEs such as the Daido Life KENCO SUPPORT PROGRAM as well as our *Safety Confirmation System*. On the sales front, we will continue to accelerate the shift to remote and digital operations, improve customer convenience, promote the penetration and retention of sales activities that correspond to the new normal, and reform the work styles of our sales representatives.

T&D Financial Life



Masafumi Itasaka

T&D Financial Life
Insurance Company
Representative Director
and President

Strategy to achieve the management plan

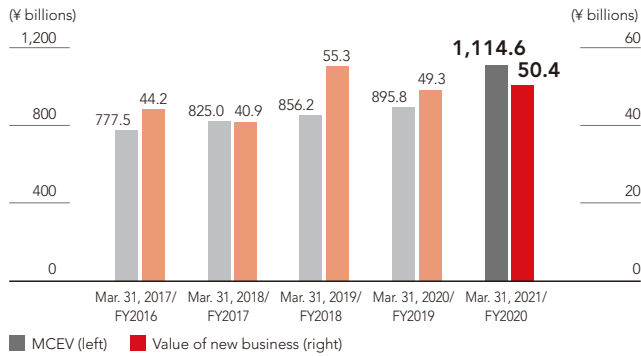
For senior customers, T&D Financial Life provides wealth creation products to support a comfortable retirement life by preparing for post-retirement expenditures and respond to the need for protection for be-reaved families. For customers who are working and/or raising children, the company offers protection-type products at an affordable price.

Competition is fierce in insurance sales through agent channels such as financial institutions. However, since this is an area where market share is expected to continue to increase, we will continue to expand our single-premium products and level-premium products to meet the needs of our customers in light of the arrival of the era of the 100-year life and the progression of Japan's super-aged society. In addition to insurance products, we will also work to provide ancillary services that complement insurance products.

In addition, in the sales channel, we will expand customer contact points and enhance agent support through integration of real and virtual.

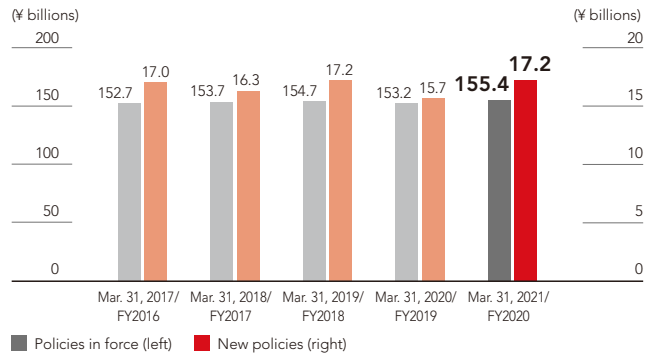
Through these efforts, we aim to expand our presence and business performance in the market mediated by financial institutions and other agents.

MCEV* / Value of New Business*

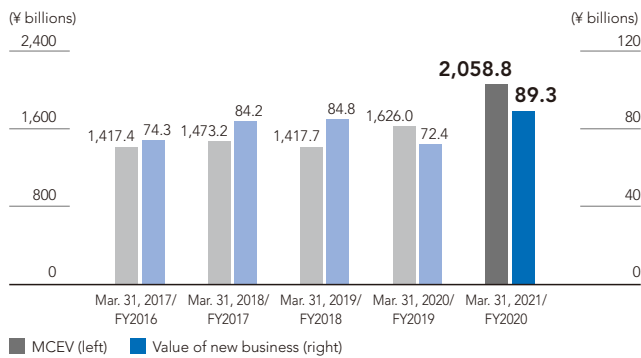


* The company applies ultimate forward rate (UFR) from FY2019/Mar. 31, 2020.

Protection-type Annualized Premiums

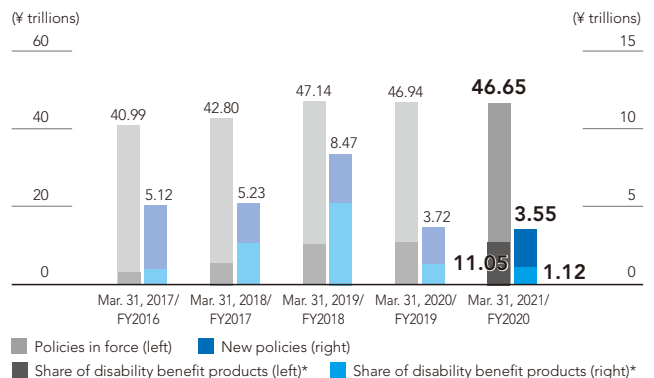


MCEV* / Value of New Business*



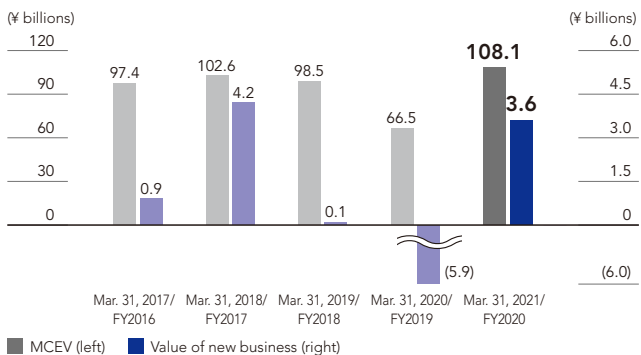
* The company applies ultimate forward rate (UFR) from FY2019/Mar. 31, 2020.

Policy Amount



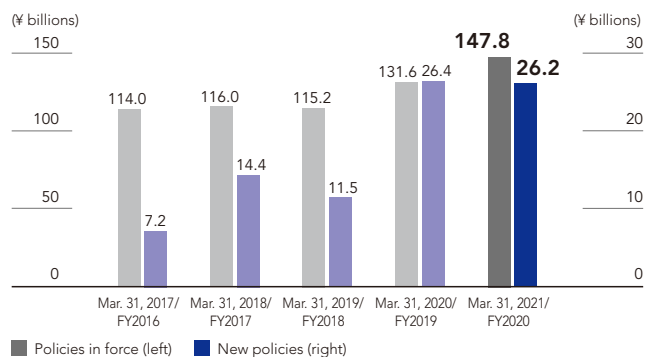
* Disability benefit products include J-type, T-type, Kaigo Relief Alpha, Shunyu Relief, and so forth.

MCEV* / Value of New Business*



* The company applies ultimate forward rate (UFR) from FY2019/Mar. 31, 2020.

Annualized Premiums



Group Companies



T&D Asset Management

One Step Forward, Together with Our Clients

T&D Asset Management operates an investment trust business by offering investment trusts through financial institutions, as well as an investment advisory business by managing funds for pension funds and institutional investors. As an ultra-low interest rate environment has continued for the long term, wealth creation for the future is a significant social issue in each generation. Under such circumstances, in line with its principles of "Make a Difference," the company will endeavor to provide products and services that satisfy its customers and make every effort to contribute to solving social issues by working on

characteristic management and product development.

In July 2021, the company established the Life Insurance Asset Management Department in charge of asset management of the Group's life insurance companies. The company works on sharing management know-how within the Group, securing and developing specialized human resources, and boosting asset management efficiency while taking advantage of scale, to leverage synergies. Through these efforts, T&D Asset Management will aim to upgrade asset management and expand its asset management business.



Pet & Family Insurance

Bringing peace of mind to a full life with pets who are members of the family

Pet & Family Insurance provides pet insurance mainly through pet shops, where many prospective pet owners meet their pets for the first time. It is now becoming commonplace that people recognize pets as part of their family to live with them for the full duration of their life. For this reason, there is growing interest in pet healthcare and measures for covering such costs. The company believes it is its social mission to meet the needs of pet owners by popularizing pet insurance.

Given that many people take out pet insurance when they buy their pet at a pet shop, it is working together with mainstay pet shop agencies to increase insurance coverage when pets are sold. The company will continue to provide insurance products that meet customer needs and improve its services so that both pets and their owners can lead healthy and affluent lives.



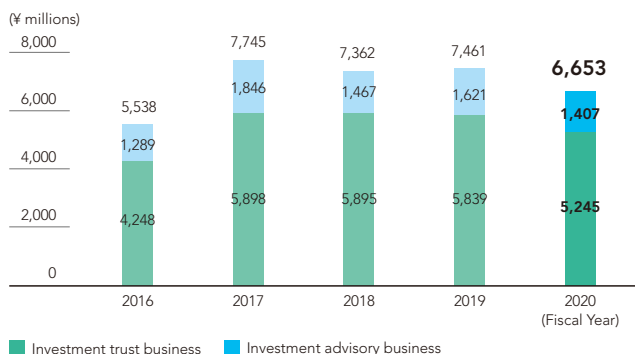
T&D United Capital

Realizing Dreams Together

As the driving force behind the Group's aim to diversify and optimize its business portfolio, T&D United Capital is working to expand medium- to long-term Group earnings by investing in new business areas that have a strong affinity with the life insurance business. In fiscal 2019, the company took an equity stake in French asset management and investment company

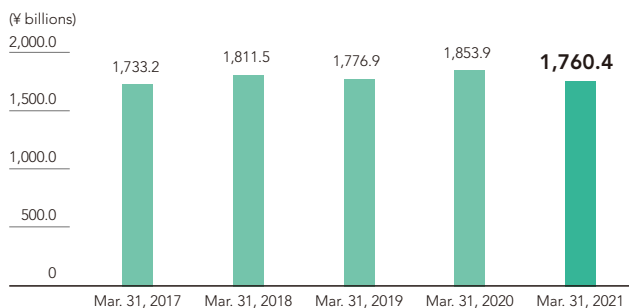
Tikehau Capital SCA, and in fiscal 2020, it made the US-based reinsurance holding company Fortitude Group Holdings, LLC an equity-method affiliate. Going forward, T&D United Capital will work on expanding and strengthening the closed book business, while placing it as a strategic important area under the Group Long-Term Vision.

Operating Income (by Business)



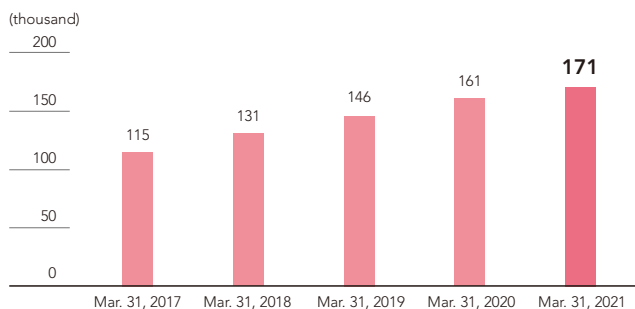
* From this fiscal year (FY2020), operating income is a figure before deducting commissions, research outsourcing expenses and others. Also for the previous fiscal years, the same calculation method is applied.

Investment Trust AUM



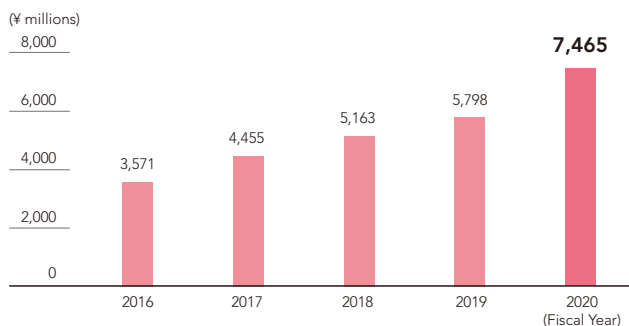
* From this fiscal year (ended Mar. 31, 2021), the whole investment trust AUM including from the investment trust and investment advisory businesses are described. Also for the previous fiscal years, the same calculation method is applied.

Number of Policies in Force



* The above represents the total of individual insurance and group insurance.

Net Premium Income (Pet Insurance)



Equity acquisition of the US-based reinsurance holding company, Fortitude Group Holdings, LLC

FORTITUDE RE 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.

Aims of T&D United Capital

- By taking an equity stake in Fortitude as a strategic partner alongside Carlyle and AIG, T&D United Capital aims to diversify the Group's sources of revenue and create synergies over the medium- to long-term with the domestic life insurance business.

Capital and business alliance agreement with French asset management and investment company Tikehau Capital SCA

TIKEHAU CAPITAL Characteristics of Tikehau Capital SCA

- Offers various alternative investments (management of mainly private debt, real estate, and private equity) to institutional and individual investors.

Aims of T&D United Capital

- Provide private debt products to mainly Japanese pension funds through collaboration between T&D Asset Management and Tikehau Capital SCA.
- Explore the possibility of engaging in joint marketing also for other managed products in Japan.