

Overview of the Life Insurance Market

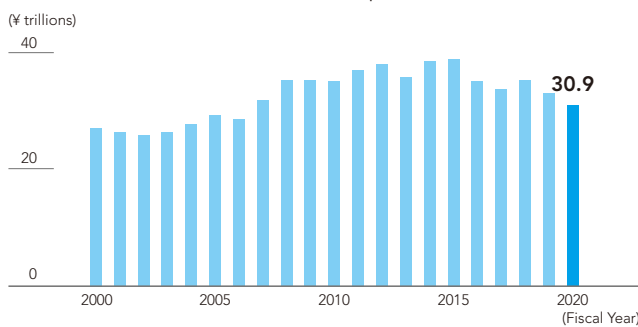
1 Market Scale

Income from insurance premiums in fiscal 2020 for Japan's life insurers* totaled ¥30.9 trillion. It had continued to gradually increase from fiscal 2002, but has recently turned downward.

However, Japan's life insurance industry boasts the third largest market in the world, following those of the U.S. and China. According to the latest research, the life insurance household participation rate is 88.7%, and nine out of ten households have taken out some form of life insurance, making Japan an "insurance superpower."

* There are a total of 42 Japanese life insurance companies. (As of March 31, 2021)

Trend in the income from insurance premiums



Source: Compiled by T&D Holdings based on "The summary of Life Insurance Business in Japan" published by the Life Insurance Association of Japan
 Note: Excluding the numerical value of former postal life insurance up to fiscal 2007.

Domestic share of premium income (Year 2020)

Rank	Country	Premium income (100 millions USD)	Share
1	United States	6,326	22.62 %
2	China	3,475	12.42 %
3	Japan	2,944	10.53 %
4	United Kingdom	2,388	8.54 %
5	France	1,366	4.88 %
6	Italy	1,186	4.24 %
7	Germany	1,065	3.81 %
8	Korea	1,061	3.79 %
9	Taiwan	911	3.26 %
10	India	812	2.90 %
	Others	6,434	23.00 %
	World total	27,974	100.00 %

Source: Compiled by T&D Holdings based on Swiss Re, Sigma 3/2021 WORLD insurance the recovery gains pace

2 Diversification of Customers' Life Insurance Needs

Changes in household composition due to such factors as the declining birthrate, aging population, and late marriage have decreased the need for large death benefits aimed at heads of households. Meanwhile, the needs for third sector insurance such as medical and nursing care products are increasing.

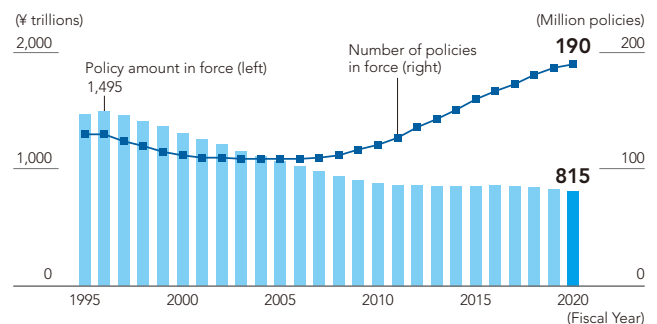
► Policy Amount in Force and Number of Policies in Force

The policy amount in force, which is the total death benefit amount of individual insurance policies held by life insurance companies, was ¥815 trillion in fiscal 2020, down from the peak of ¥1,495 trillion in fiscal 1996. Meanwhile, the number of policies in force, which is the number of individual insurance policies held by life insurance companies, was 190.24 million in fiscal 2020, marking the 13th straight year of increase.

► Number of Policies in Force for Individual Insurance by Type

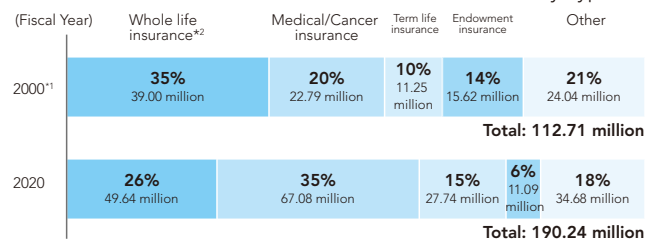
Turning to the breakdown of numbers of policies in force by type, the proportion of policies taken by medical and cancer insurance has increased significantly, from 20% in fiscal 2000 to 35% in fiscal 2020. The number of policies has also increased 2.9 times, from 22.79 million to 67.08 million, indicating increasing customer needs for third sector products.

Trend in the policy amount and the number of policies in force for individual insurance



Source: Compiled by T&D Holdings based on the summary of Life Insurance Business in Japan published by the Life Insurance Association of Japan
 Note: Excluding the numerical value of former postal life insurance up to fiscal 2007.

Number of Policies in Force for Individual Insurance by Type



Source: Compiled by T&D Holdings based on the summary of Life Insurance Business in Japan published by the Life Insurance Association of Japan

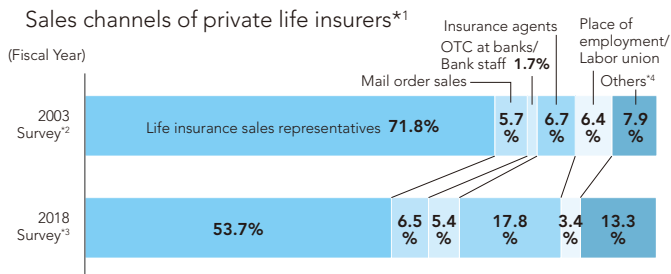
*1 Excluding the numerical value for former postal life insurance in fiscal 2000.

*2 Whole life insurance is the sum of whole life insurance, fixed-term whole life insurance and variable interest type savings-type whole life insurance.

3 Diversification of Sales Channels

The sales channels of life insurance companies are growing more diverse with, in addition to the in-house sales representative channel, a recently increasing presence of OTC insurance sales at banks, and agent channels including insurance shops.

The results of a fiscal 2019 survey revealed that customers are even more likely to purchase insurance in the future via mail order channels such as insurance sales agents and the internet. It is possible that sales channel diversification and channel mixing (i.e., combination of both face and non-face-to-face) will develop even further as a result of mainly the increase in non-face-to-face sales due to the COVID-19 pandemic.



Source: Compiled by T&D Holdings based on the results of the Corporation Sample Survey on Life Insurance (FY2003 and FY2018) of Japan Institute of Life Insurance.

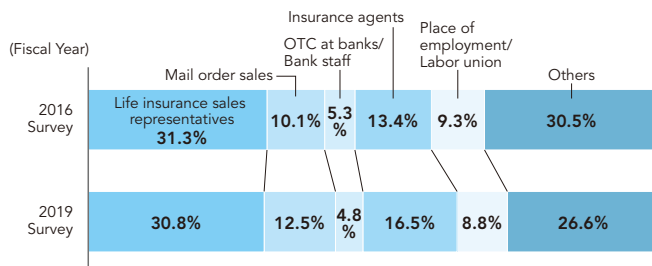
*1 Excluding Japan Post Insurance Co., Ltd.

*2 Policies taken out during 1998-2003.

*3 Policies taken out during 2013-2018.

*4 Including those policies through indirect channels.

Channels through which customers are most likely to purchase insurance



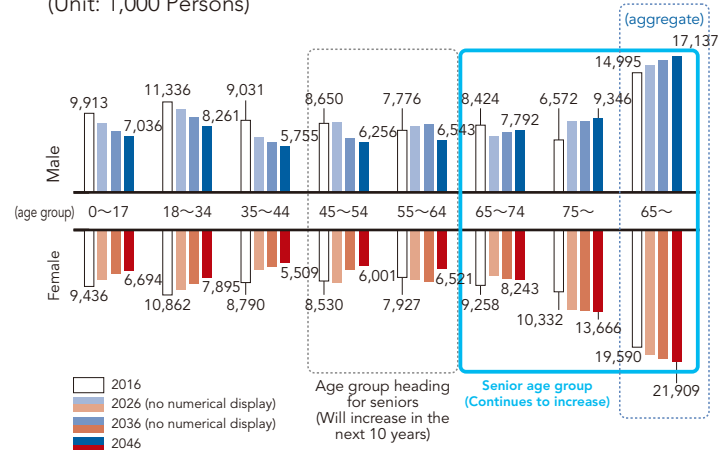
Source: Compiled by T&D Holdings based on Survey on Life Protection (Quick Report Version) (FY2019) of Japan Institute of Life Insurance.

4 The Future of the Japanese Life Insurance Market

In Japan, it is certain that the declining birthrate and aging population will continue to progress, going forward. As the future financial burden of social security will become even greater, it is possible that the role played by private life insurance will increase further in the future, with a focus on seniors, as private security that complements public security.

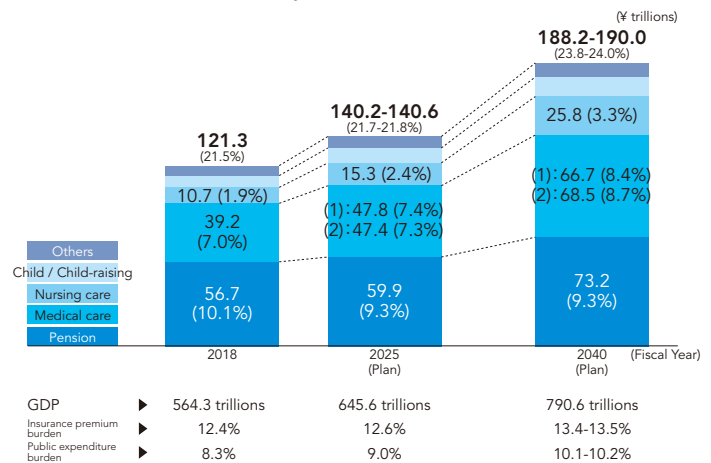
Meanwhile, as the social insurance premium burden is expected to increase as the number of young people declines, the inclusion of young people has become an important issue for life insurance companies.

Estimated Future Population by Gender and Age Group (Unit: 1,000 Persons)



Source: Compiled by T&D Holdings based on "Estimated Future Population of Japan (2017 Estimates)" (birth median (death median) estimates), by the National Institute of Population and Social Security Research.

Outlook for Social Security Benefits



GDP ▶ 564.3 trillions / 645.6 trillions / 790.6 trillions
 Insurance premium burden ▶ 12.4% / 12.6% / 13.4-13.5%
 Public expenditure burden ▶ 8.3% / 9.0% / 10.1-10.2%

Note: For medical care, two assumptions regarding unit price growth rates are set, and two benefit costs ((1) and (2)) are indicated.

* Figures inside () are percentages compared to GDP. Insurance premium and public expenditure burdens are each expressed as a percentage compared to GDP.

Source: Compiled by T&D Holdings based on "Environment Surrounding Social Security around 2040" by the Ministry of Health, Labour and Welfare.

Overview of the Life Insurance Market

Reference: Types of Life Insurance

There are three main types of life insurance : death insurance, pure endowment insurance, and accident and sickness insurance.

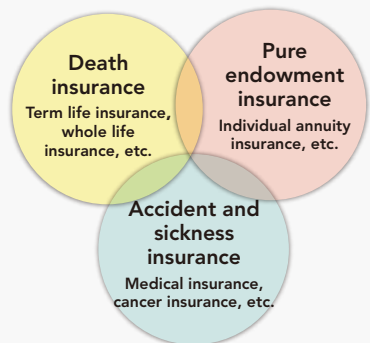
Death insurance	Insurance benefits are paid when the insured individual dies. Typical products include term life insurance and whole life insurance.
Pure endowment insurance	Insurance benefits are paid when the insured individual remains alive after a certain period of time. A typical product is individual annuity insurance.
Accident and sickness insurance	Insurance benefits are paid when the insured individual becomes ill, falls into certain conditions due to diseases or accidents, or dies from an accident. Typical products include medical insurance and cancer insurance.

These insurance are sold not only as single products but in various combinations in accordance with customer needs and so forth.

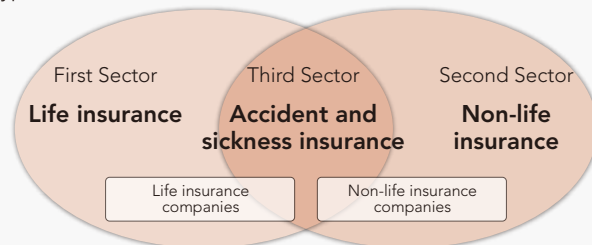
In the Japanese insurance industry, insurance related to a person’s life and death are called “First Sector” insurance and only life insurance companies are allowed to sell these products. In contrast, insurance which compensate damages caused by a fortuitous accident are called “Second Sector” insurance and only non-life insurance companies are allowed to sell these products. Death insurance and pure endowment insurance mentioned above are included in the First Sector.

Accident and sickness insurance do not belong to either of the First Sector or Second Sector insurance categories, and are called “Third Sector” insurance. Both life insurance companies and non-life insurance companies can sell Third Sector products. A typical Third Sector insurance product sold by non-life insurance companies is “accident insurance,” which insures against injuries.

Types of life insurance



Types of insurance



► Special Characteristics of Life Insurance Accounting

Due to the long-term nature of life insurance policies, misalignments in the recognition of revenue and expenses occur, as shown on the right.

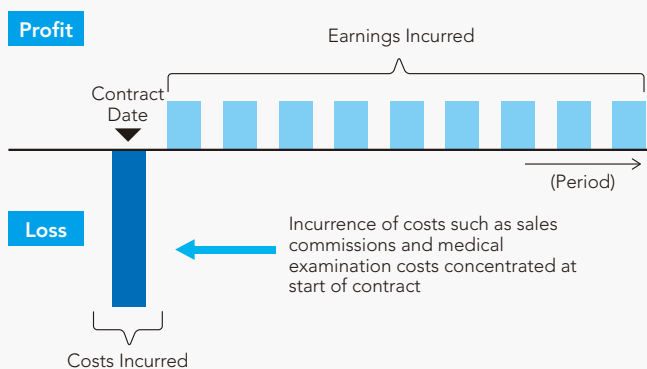
In single fiscal year accounting, profits decline due to increased costs when sales results are good, while profits increase due to decreased costs when results are not good.

Meanwhile, from a long-term perspective, an increase in the policy amount in force leads to an increase in future revenue sources, while a decrease in the policy amount in force is a factor in future profit decline.

Accordingly, as life insurance accounting has special characteristics, we use economic values such as Embedded Value (EV*) when representing life insurance company corporate value.

* Please see page 77 for more details on Embedded Value (EV).

Typical Life Insurance Earnings Image



Glossary

A

A company with an Audit and Supervisory Board	A publicly-listed company with an Audit and Supervisory Board comprised of at least three directors serving as Audit and Supervisory Board members (and outside directors as the majority of its members). The Board audits and supervises the execution of duties by directors not serving as Audit and Supervisory Board members.
Adjusted DOE	Calculated by dividing total dividend value by shareholders' equity on the balance sheet which is exempt of an accumulated amount of unrealized gains/losses caused by discrepancy of accounting treatment of assets and liabilities.
Adjusted ROE	Calculated by dividing Group adjusted profit by average net asset balance.
Annualized premiums	An adjusted figure for premiums paid using monthly, annual, or lump-sum payment methods showing total premiums paid on an annual basis.
Assumed business expense rate	One of the forecast rates used in the calculation of insurance premiums. It is the rate used to include business expenses necessary for administering insurance policies.
Assumed investment yield	One of the forecast rates used in the calculation of insurance premiums. It is the predetermined discount rate based on the expected earnings from the investment of insurance premiums.

C

Closed book business	A business model in which an insurance company generates profit by obtaining and consolidating blocks of policies in force for products that are no longer sold (closed book) and enhancing their value. In Western countries, there has been an increase in the number of closed books separated as a part of revisions of the business strategy and the product portfolio according to changes in the business environment.
Contingency reserve	A reserve included as part of the policy reserve to account for the risk of insurance payment events occurring at a higher-than-expected rate due to higher-than-expected mortality and morbidity rates, and the risk of actual investment yields being lower than the assumed investment yields related to outstanding policies. Contingency reserve can be classified into: Contingency reserve I Corresponds to insurance risk Contingency reserve II Corresponds to assumed investment yield risk Contingency reserve III Corresponds to minimum guarantee risk relating to variable annuity and others Contingency reserve IV Corresponds to insurance risk of Third Sector insurance
Core profit	An indicator showing core period earnings of life insurance companies, made up of insurance income and expenses (which include income from insurance premiums and insurance benefits and business expenses), and investment income and expenses (which include mainly interest, dividends and income from real estate for rent). It is not an item on the Company's statement of operation, but is calculated by deducting capital gains, such as gains (losses) on sales of securities and other one-time gains (losses), from ordinary profit.
Cost of shareholder's capital	Of capital raised by a company, costs required to procure funds from investors. Also can be defined as the rate of return anticipated by an investor on an investment.

E

Economic value-based solvency regulation	The solvency regulation is a rule to enable an insurance company to properly pay insurance benefits in the future. An economic value-based solvency regulation, proposed to be introduced in 2025, stipulates that insurance liabilities shall also be assessed based on the current value.
ERM (Enterprise Risk Management)	A strategic management method used to achieve managerial goals such as raising corporate value and maximizing earnings, through the integrated management of capital, profit and risk.
ESG investment	Selective investments focused on companies that pay adequate attention to the environmental, social and governance factors.
ESR (Economic Solvency Ratio)/ Core ESR	An indicator of capital adequacy based on economic value, calculated by dividing net assets based on economic value (surplus), by the risk volume (economic capital (EC)) quantified using the internal model. An ESR of 100% means that capital and risk are equal. The higher the ESR, the greater the amount of capital secured relative to risk. Although ESR is widely used mainly in Europe, there is no standardized calculation method. Each life insurance company calculates ESR individually based on its internal models. Core ESR means economic value-based capital efficiency and used as an indicator for considering return to shareholders. Differs from ESR in terms of considering the quality of capital (especially availability) and specifically calculated by subtracting subordinated debt, and unrealized gains and losses on insurance liabilities after the application of UFR from surplus and dividing the resulting number by EC.
EV (Embedded Value)	Generally, life insurance policies extend over significantly long durations, resulting in a time gap between the recognition of revenues and expenses. EV is a concept used for measuring the corporate value of a life insurance company in consideration of this gap. EV (embedded value) refers to the amount of net assets after tax, which is considered to be attributable to shareholders, and is the sum of adjusted net assets calculated based on balance sheets, etc., and the value of in-force business calculated based on policies in force. <Specific nature of life insurance accounting> From the perspective of financial accounting, a life insurance company successfully acquiring new business in a year apparently shows a decrease in profit for the corresponding period, due to a heavier burden of initial costs, such as sales commissions. While there is a constant inflow of premiums each year, expenses gradually decrease over time, which results in the accumulation of earnings over longer periods.

Glossary

G

General account The aggregate of a life insurer's assets, other than those allocated to separate accounts. General account assets are invested by a company to meet fixed guaranteed rates of return for policyholders, and that company bears the investment risk on such assets.

Group adjusted profit Calculated by subtracting unrealized gains/losses caused by discrepancy of accounting treatment of assets and liabilities from net income, and then adding additional internal reserves in excess of the legal standard requirements to the resulting number.

J

Japan's Corporate Governance Code Guidelines for corporate governance drafted by the Financial Services Agency and the Tokyo Stock Exchange, which indicate a "a structure for transparent, fair, timely and decisive decision-making by companies, with due attention to the needs and perspectives of shareholders and also customers, employees and local communities," in the form of a code of conduct to be observed by a listed company.

Japan's Stewardship Code Code of conduct for behavior for institutional investors setting out the principles as "responsible institutional investors," designed to prompt sustainable growth of corporations through investment and dialogue.

L

Level-premium products A type of insurance where the amount of the premium is constant from inception to the expiry of the premium payment period.

M

MCEV (Market Consistent EV) MCEV refers to Market Consistent EV, which is a method for evaluating EV in consistency with financial markets. MCEV is an EV calculated based on the MCEV Principles established in June 2008 by the CFO Forum (an organization of major European insurance companies), whereby a market consistent evaluation method was applied with a view to further unify the calculation standards.

Mortality rate Rates of death, varying by such parameters as gender, age, and health, used in pricing and computing liabilities for future policyholder benefits for life insurance and annuity products.

N

Non-participating policy Policies under which the policyholder receives no policyholder dividends. Non-participating policies generally feature lower premiums than participating or semi-participating policies.

P

Participating policy Policies under which the policyholder is eligible to share in the divisible surplus of a company—calculated based on the mortality rate margin, investment yield margin, and business expense margin—through the receipt of annual policyholder dividends.

P/EV ratio A ratio calculated by dividing an aggregate market value by EV (Embedded Value). An indicator which compares a company's share price to its per-share EV.

Policy amount Aggregate sum insured by a life insurance company. The total of policy amount at the end of a fiscal year is called the "policy amount in force." The total policy amount of policies (including converted policies) sold in a year is called the "new policy amount."

Policy reserve A reserve established for the fulfillment of insurance claims and other payments related to a company's outstanding policies that are expected to be paid in the future. The policy reserve consists of a premium reserve, an unearned premium reserve, a repayment reserve, and a contingency reserve. A company uses the net level premium method to calculate the amount it sets aside each year as a policy reserve. The policy reserve is one of the three reserves comprising the reserve for policy and other reserves.

Positive spread/Negative spread The state in which actual investment earnings exceed the expected return based on the assumed investment yield is referred to as a "positive spread." A "negative spread" is when actual investment earnings are below the expected return.

Positive spread (Negative spread denoted in bracket) =
 $(\text{Investment yield on core profit} - \text{Average assumed investment yield}) \times \text{Policy reserve in general account}$

- "Investment yield on core profit" is calculated by dividing the numerator as investment earnings in general account included in core profit less the provision for interest portion of reserve for dividends to policyholder by the denominator as policy reserve in general account.
- "Average assumed investment yield" is calculated by dividing the numerator as assumed interest by the denominator as policy reserve in general account.
- "Policy reserve in general account" represents the policy reserve in general account less contingency reserve calculated by the following method.

Policy reserve in general account =
 $(\text{Policy reserve at beginning of fiscal year} + \text{Policy reserve at the end of fiscal year} - \text{Assumed interest}) \times 1/2$

R

Reserve for policyholder dividends	A reserve used to fund the payment of policyholder dividends. The reserve for policyholder dividends is one of the three reserves comprising the reserve for policy and other reserves. For a mutual life insurance company, a transfer to reserve for policyholder dividends is treated as a disposition of net surplus. For a joint stock corporation, provision for reserve for policyholder dividends is treated as an expense.
Reserve for price fluctuations	Pursuant to provisions of the Insurance Business Act, companies maintain reserves to cover losses due to price fluctuations in assets subject to market price volatility, particularly investments in domestic and foreign stocks, yen-denominated bonds, and foreign currency-denominated bonds. This reserve may be used only to reduce deficits arising from price fluctuations of those assets.
ROEV/Core ROEV	ROEV stands for Return on Embedded Value, which is an indicator for measuring capital efficiency by assuming an increase in EV as profit in consideration of the speciality of life insurance accounting. Core ROEV is an indicator using an increase in EV mainly through the acquisition of new business.

S

Separate account	Assets related to variable insurance and variable annuity products, as well as some group pension products (including employee pension fund insurance and national pension fund insurance), are managed in a separate account for the purpose of directly returning investment results to policyholders. The investment results, less asset management fees, of the separate account assets are attributable to all policyholders so that the insurance company bears limited or no investment risk on such assets.
Single-premium insurance	A type of insurance where the premium is paid in lump-sum at the conclusion of the policy which covers the entire insurance period.
Social bond	Bond issued to raise funds for contributing to solutions to global social issues, such as support for emerging countries and measures against global warming.
Solvency margin ratio	A risk indicator calculated as the total solvency margin (including net assets, the reserve for price fluctuations, contingency reserve, reserve for possible loan losses, etc.) divided by 1/2 of total risk, which includes such factors as insurance risk due to a major earthquake or other disaster, investment risk, and various other risks. If a life insurance company's solvency margin ratio falls below 200%, the regulatory authorities will require management to introduce corrective measures to quickly return the company to soundness.
Surrender and lapse amount	The total amount of money reimbursed on the surrender or lapse of insurance policies in a given fiscal year. Surrender occurs when policyholders choose to discontinue their policies. Lapse occurs when the deadline for payment of premiums that are in arrears is exceeded.

T

Third sector insurance	In the Japanese insurance industry, life insurance products and non-life insurance products are called "First Sector" and "Second Sector" insurance products, respectively, and insurance products which have intermediate characteristics of both products are called "Third Sector" insurance products. Examples include medical care, cancer, accident, and nursing care insurance.
Total payout ratio	An indicator showing the ratio of return to shareholders. Calculated by dividing the sum of total dividend value and the amount of share buybacks by Group adjusted profit.
Trust-type stock compensation	A stock compensation system under which a Trust established by T&D Holdings through entrusting money, acquires the Company's stocks, and through the Trust, the Company provides eligible directors with its stocks corresponding to the number of points granted to them by the Company.

U

Ultimate Forward Rate (UFR)	A very long-term interest rate level that is thought to be realized macroeconomically. The Group begins interest rate extrapolation from 31 years and sets the convergence point for the ultimate forward rate level at 60 years.
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V

Value of new business	The value of distributable earnings to shareholders expected to be generated in the future from insurance policies (including converted policies) sold in a year, converted to a present value as at the valuation date.
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Status of Stock Holdings

I. Standards and ways of thinking by category in investments

The Group holds investment stocks for the purpose of pure investment in order to reap earnings by an increase in equity value and by receiving dividends and so forth.

In addition, the Group holds investment stocks for purposes other than pure investment (hereinafter “non-pure investment stocks” or “strategic shareholdings”).

The purpose of holding non-pure investment stocks / strategic shareholdings is to maintain and expand long-term, stable business relationships, to maintain and strengthen business partnerships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.

The Company has set its policies regarding the Group’s strategic shareholdings and its standpoint on exercise of the voting rights under the Basic Policy on Corporate Governance Article 20, as per below.

1. When holding strategic shareholdings of listed stocks, the Group shall adhere to the following policies:

- a. The purpose of holding strategic shareholdings of listed stocks shall be to maintain and expand long-term, stable business relationships, to maintain and strengthen business partnerships, and to reap medium- to long-term benefits by an increase in equity value and by receiving dividends and so forth.
- b. Every year, the Board of Directors of the Company and its Group companies that hold strategic shareholdings shall verify the propriety of holding individual strategic shareholdings by concretely examining the adequacy of the holdings, whether the benefits and risks commensurate with the capital cost, and other factors.
- c. If the continued holdings of individual strategic shareholdings were deemed inadequate as a result of verifying the propriety of the holding, such strategic shareholdings shall be subject to sales and the strategic shareholdings shall be reduced.
- d. The Group shall disclose its details of the verification of above (b) and (c) annually.

2. The Group believes that the appropriate exercise of the voting rights of strategic shareholdings will encourage the establishment of sound corporate governance systems and sustained growth at counterparty companies. At the same time, the Group believes that the appropriate exercise of these voting rights is a crucial means of helping to bolster shareholder interests. Accordingly, the Group shall exercise the voting rights of its strategic shareholdings.

3. In the course of exercising voting rights as stipulated in the preceding item, the Company shall strive to share a common awareness with the counterparty company by engaging in dialogue and other forms of communication from a medium- to long-term perspective, while respecting the counterparty company’s management decisions, rather than making judgments based on formal standards. In cases where it is judged that shareholder interests could be impaired, the Company shall express its position through the appropriate exercise of its voting rights.

In order to validate the appropriateness of strategic shareholdings, the Board of Directors of the Company and those of Group companies examine whether the benefits of each business are proportionate to the capital cost. Moreover, we may sell full or partial amount of strategic shareholdings that was once determined to be held, through thorough communication with the issuer.

In fiscal 2020, we have sold or partially sold our holdings of 32 stocks.

Going forward, the balance of strategic shareholdings will be first proceeded to be reduced to approximately 20% of Group net asset, and furthermore by the end of fiscal 2025.

II. Taiyo Life Insurance Company's stock holding status

Of the Company and its consolidated subsidiaries, Taiyo Life is the consolidated subsidiary with the largest balance of investment stock. The status of Taiyo Life's stock holding is as follows:

1. Investment Stocks for which the holding purpose is other than pure investment

a. Policies to hold shares, the rationality to hold shares, verification contents at the Board of Directors meetings about the appropriateness to hold individual companies

Every year, the Board of Directors of the Company and Taiyo Life Insurance Company shall verify the propriety of holding individual non-pure investment stocks by concretely examining the adequacy of the holdings, whether the benefits and risks are commensurate with the capital cost, and other factors.

b. The number of stocks and the amounts on Balance Sheets

	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	7	¥ 2,897
Stocks other than unlisted stocks	26	235,269

(Stocks with increased number of shares in this fiscal year)

	The number of stocks	Total of acquisition cost related to the increase in the number of shares (¥ millions)	The reasons for increasing the number of shares
Unlisted stocks	0	¥ —	
Stocks other than unlisted stocks	1	1,361	For additional purchase in expectation of the quantitative effectiveness of holding the stocks such as development of products and services and opening up channels in the insurance field and peripheral businesses by further enhancement with the long-term and stable business relationships

(Stocks with decreased number of shares in this fiscal year)

	The number of stocks	Total of sale price related to the decrease in the number of shares (¥ millions)
Unlisted stocks	0	¥ —
Stocks other than unlisted stocks	1	2,818

Status of Stock Holdings

c. The information about the number of the stocks and balance sheet amount for Specified Investment Shares and Regarded as Holding Shares

Specified Investment Shares

Stocks	Year ended March 31, 2021	Year ended March 31, 2020	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Keio Corporation	5,862,032	5,862,032	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	¥ 43,613	¥ 37,458		
SHIMADZU CORPORATION	7,411,520	7,411,520	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. There is joint development of services in the insurance field. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	29,683	21,085		
Daiwa Securities Group Inc.	41,140,000	37,980,400	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs. The number of stocks has been increased in expectation to receive high effect of holding benefits such as development of products and services and opening up channels in the insurance field and peripheral businesses through the reinforcement with the long-term and stable business relationships.	Y
	23,536	15,921		
Mitsui Fudosan Co., Ltd.	8,096,575	8,096,575	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	20,350	15,144		
MITSUI & CO., LTD.	8,160,800	8,160,800	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	18,786	12,269		
Mitsubishi Chemical Holdings Corporation	18,838,372	18,838,372	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 1
	15,633	12,109		
Mitsubishi Estate Co., Ltd.	7,700,000	7,700,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	14,880	12,281		
TOKYU CORPORATION	9,566,559	9,566,559	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	14,101	16,263		
Tsubakimoto Chain Co.	3,559,663	3,559,663	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	10,856	8,756		
Mitsubishi UFJ Financial Group, Inc.	15,220,718	15,220,718	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 2
	9,006	6,133		
Sompo Holdings, Inc.	1,996,820	2,661,820	The purpose of holding the stocks is to maintain and strengthen business partnerships in insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 3
	8,470	8,898		
Obayashi Corporation	5,486,400	5,486,400	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	5,568	5,080		

Stocks	Year ended March 31, 2021	Year ended March 31, 2020	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
RAITO KOGYO CO., LTD.	2,734,500	2,734,500	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	5,140	3,355		
Tsukishima Kikai Co., Ltd.	1,885,000	1,885,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,418	2,554		
Tsubakimoto Kogyo Co., Ltd.	573,805	573,805	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,180	2,065		
Kurimoto, Ltd.	1,209,075	1,209,075	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,117	2,291		
Electric Power Development Co., Ltd. (J-POWER)	1,085,040	1,085,040	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,098	2,363		
Sotetsu Holdings Co., Ltd.	760,000	760,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	1,884	2,107		
Taikisha Ltd.	422,029	422,029	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	1,280	1,320		
Takasago Thermal Engineering Co., Ltd.	678,347	678,347	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	1,169	1,126		
Toppan Printing CO., LTD.	474,544	474,544	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	887	785		
Advance Create Co., Ltd. *Note 4	731,000	365,500	The purpose of holding the stocks is to maintain and strengthen business partnerships in insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs. The number of stocks has been increased because of the stock split.	N
	788	614		
Daiwa Motor Transportation Co., Ltd.	375,000	375,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	331	320		
Meito Sangyo Co., Ltd.	150,000	150,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	226	200		
MEIWA INDUSTRY CO., LTD.	210,120	210,120	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	188	188		
San ju San Financial Group, Inc.	50,000	50,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 5
	69	74		

Status of Stock Holdings

Stocks	Year ended March 31, 2021	Year ended March 31, 2020	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Kuraray Co., Ltd.	—	3,282,010	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	N
	—	3,583		
TS TECH Co., Ltd.	—	1,400,000	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	3,581		
Showa Denko K.K.	—	700,000	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	1,565		
Hokuetsu Corporation	—	2,817,987	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	1,138		
TOYO WHARF&WAREHOUSE CO.,LTD.	—	200,643	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	261		
Sanwa Holdings Corporation	—	260,000	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	219		
MAEZAWA KASEI INDUSTRIES CO., LTD.	—	216,800	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	215		
Mitsubishi Paper Mills Limited	—	205,220	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	72		
NKK SWITCHES CO., LTD.	—	22,584	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	68		

*Note 1 The subsidiary Mitsubishi Chemical Corporation holds stocks.

*Note 2 The subsidiary MUFG Bank, Ltd. holds stocks.

*Note 3 The subsidiary Sampo Japan Insurance Inc. holds stocks.

*Note 4 Sold all shares held by the Company in May 2021.

*Note 5 The subsidiary THE MIE BANK, LTD. holds stocks.

*Note 6 The "—" symbol indicates that the relevant stock is not held.

Regarded as Holding Shares

Not applicable.

2. Investment stocks for which the holding purpose is pure investment

	Year ended March 31, 2021		Year ended March 31, 2020	
	The number of stocks	Total of balance sheet amount (¥ millions)	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	38	¥ 19,370	40	¥ 18,666
Stocks other than unlisted stocks	29	219,928	19	133,726

	Fiscal 2020 (¥ millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Valuation losses
Unlisted stocks	¥ 231	—	¥ 2,352	¥ —
Stocks other than unlisted stocks	3,976	—	66,666	—

3. Change in investment purpose during fiscal 2020

a. Stocks of which the holding purpose has been changed from pure investment to other than pure investment

Stock	The number of shares	Balance sheet amount ¥ millions
Toyokosan Ltd.	15,000	¥ 25
MCBI Inc.	200,000	0

b. Stocks of which the holding purpose has been changed from other than pure investment to pure investment

Stock	The number of shares	Balance sheet amount ¥ millions
TS TECH Co., Ltd.	2,800,000	¥ 4,617
Kuraray Co., Ltd.	3,282,010	4,145
Showa Denko K.K.	700,000	2,205
Hokuetsu Corporation	2,817,987	1,459
Sanwa Holdings Corporation	260,000	376
TOYO WHARF&WAREHOUSE CO.,LTD.	200,643	316
MAEZAWA KASEI INDUSTRIES CO., LTD.	216,800	221
NKK SWITCHES CO., LTD.	22,584	88
Mitsubishi Paper Mills Limited	205,220	77

Status of Stock Holdings

III. Daido Life Insurance Company's stock holding status

Of the Company and its consolidated subsidiaries, Daido Life is the consolidated subsidiary with the second largest balance of investment stock. The status of Daido Life's stock holding is as follows:

1. Investment Stocks for which the holding purpose is other than pure investment

a. Policies to hold shares, methods to verify the rationality to hold shares, verification contents at the Board of Directors meetings about the appropriateness to hold individual companies

Every year, the Board of Directors of the Company and Daido Life Insurance Company shall verify the propriety of holding individual non-pure investment stocks by concretely examining the adequacy of the holdings, whether the benefits and risks are commensurate with the capital cost, and other factors.

b. The number of stocks and the amounts on Balance Sheets

	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	98	¥ 11,029
Stocks other than unlisted stocks	58	255,354

(Stocks with increased number of shares in this fiscal year)

	The number of stocks	Total of acquisition cost related to the increase in the number of shares (¥ millions)	The reasons for increasing the number of shares
Unlisted stocks	1	¥ 1,449	For additional purchase as the purpose of maintaining and expanding long-term and stable business relationships in the fields such as insurance.
Stocks other than unlisted stocks	0	—	

(Stocks with decreased number of shares in this fiscal year)

	The number of stocks	Total of sale price related to the decrease in the number of shares (¥ millions)
Unlisted stocks	0	¥ —
Stocks other than unlisted stocks	22	11,207

c. The information about the number of the stocks and balance sheet amount for Specified Investment Shares and Regarded as Holding Shares

Specified Investment Shares

Stocks	Year ended March 31, 2021	Year ended March 31, 2020	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Mitsubishi UFJ Financial Group, Inc.	64,168,770	64,168,770	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in a wide range of fields such as insurance and asset management, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 1
	37,968	25,860		
Kansai Paint Co., Ltd.	7,607,000	7,607,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	22,478	15,655		

Stocks	Year ended March 31, 2021	Year ended March 31, 2020	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
SMC Corporation	313,700	313,700	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	20,174	14,351		
ONO PHARMACEUTICAL CO., LTD.	6,549,500	6,549,500	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	18,928	16,282		
TKC Corporation	5,138,092	2,569,046	The purpose of holding the stocks is to maintain and strengthen partnerships to support the continuation and development of small and medium enterprises, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs. The number of stocks has been increased because of the stock split.	Y
	18,086	12,472		
Nuernberger Beteiligungs-Aktiengesellschaft	1,727,036	1,727,036	The purpose of holding the stocks is to maintain and strengthen business partnerships in insurance products/services, asset management, and technology fields such as information systems, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	17,148	13,213		
Daiwa House Industry Co., Ltd.	5,000,000	5,000,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	16,205	13,387		
Ezaki Glico Co., Ltd.	3,500,400	3,500,400	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	15,559	15,891		
FUJI CORPORATION	4,811,200	6,280,500	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	13,639	10,362		
Resona Holdings, Inc.	28,590,000	28,590,000	The purpose of holding the stocks is to maintain and strengthen business partnerships in the sales field for solving management issues of small and medium enterprises such as "health and productivity management" and "inheritance and business succession," and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 2
	13,288	9,297		
KONICA MINOLTA, INC.	9,040,518	9,040,518	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	5,424	3,968		
The Kansai Electric Power Company, Incorporated	3,656,550	3,656,550	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	4,380	4,400		
OKASAN SECURITIES GROUP INC.	8,660,000	8,660,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	3,905	2,961		
Electric Power Development Co., Ltd. (J-POWER)	1,993,680	1,993,680	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	3,855	4,342		
Mitsubishi Pencil Co., Ltd.	2,344,000	2,344,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	3,745	3,330		
THE SHIZUOKA BANK, LTD.	3,824,000	3,824,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	3,326	2,512		

Status of Stock Holdings

Stocks	Year ended March 31, 2021	Year ended March 31, 2020	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Sekisui House, Ltd.	1,400,000	1,400,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	3,323	2,498		
Keihan Holdings Co., Ltd.	633,800	633,800	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,915	3,042		
Tsukishima Kikai Co., Ltd	2,115,700	2,115,700	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,714	2,866		
MEISEI INDUSTRIAL CO., LTD.	3,472,700	4,032,700	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,691	2,960		
Mitsui Fudosan Co., Ltd.	1,000,000	*	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,513	*		
Strike Co., Ltd.	498,000	*	The purpose of holding the stocks is to maintain and strengthen partnerships in sales fields such as M&A support service, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains information about individual transactions with the counterpart company. It's been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N
	2,198	*		

*Note 1 The subsidiary MUFG Bank, Ltd. holds stocks.

*Note 2 The subsidiary Resona Bank, Limited. holds stocks.

Note 3 The "" symbol indicates that the statement is omitted because the amount on the balance sheet of the issue is less than 1/100 of the capital amount.

Regarded as Holding Shares

Not applicable.

2. Investment stocks for which the holding purpose is pure investment

	Year ended March 31, 2021		Year ended March 31, 2020	
	The number of stocks	Total of balance sheet amount (¥ millions)	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	12	¥ 3,603	12	¥ 3,724
Stocks other than unlisted stocks	71	86,012	75	54,911

	Fiscal 2020 (¥millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Valuation losses
Unlisted stocks	¥ 104	¥ —	¥ (9)	¥ 125
Stocks other than unlisted stocks	845	2,491	32,115	—

3. Change in investment purpose during fiscal 2020

- a. **Stocks of which the holding purpose has been changed from pure investment to other than pure investment**
Not applicable.
- b. **Stocks of which the holding purpose has been changed from other than pure investment to pure investment**
Not applicable.

IV. T&D Holdings, Inc.

The status of the Company's stock holding is as follows:

1. Investment Stocks for which the holding purpose is other than pure investment

- a. **Policies to hold shares, the rationality to hold shares, verification contents at the Board of Directors meetings about the appropriateness to hold individual companies**
Not applicable.

- b. **The number of Stocks and the amount on Balance Sheets**

Not applicable.

(Stocks with increased number of shares in this fiscal year)

Not applicable.

(Stocks with decreased number of shares in this fiscal year)

Not applicable.

- c. **The information about the number of the stocks and the balance sheet amount for Specified Investment Shares and Regarded as Holding Shares**

Specified Investment Shares

Not applicable.

Regarded as Holding Shares

Not applicable.

2. Investment stocks for which the holding purpose is pure investment

Not applicable.

3. Change in investment purpose during fiscal 2020

- a. **Stocks of which the holding purpose has been changed from pure investment to other than pure investment**
Not applicable.
- b. **Stocks of which the holding purpose has been changed from other than pure investment to pure investment**
Not applicable.