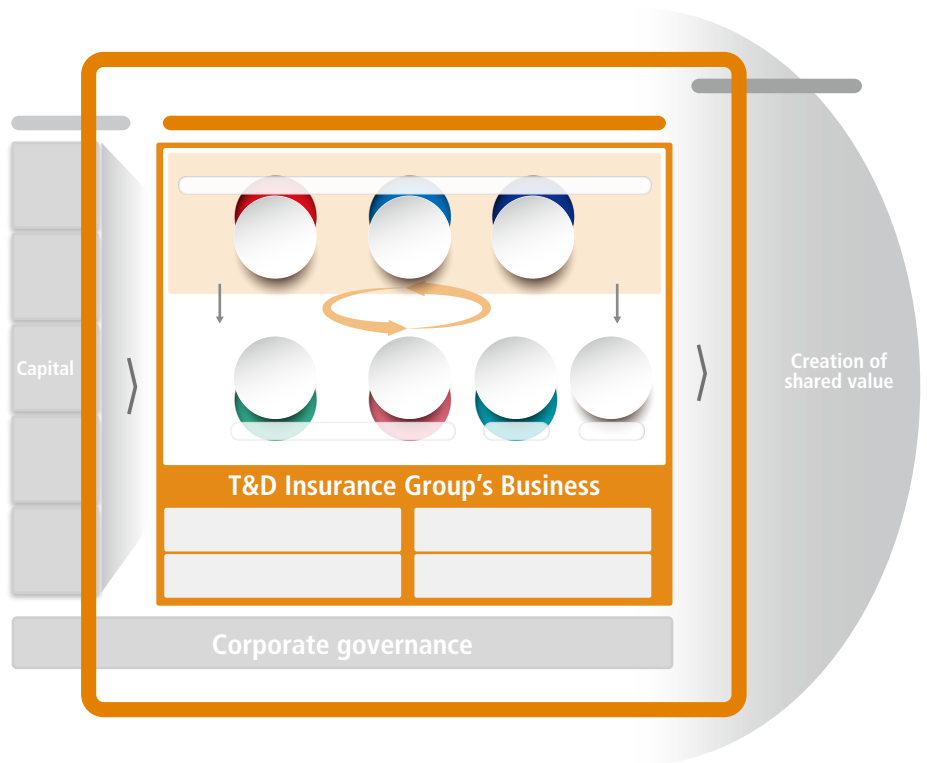




CHAPTER 05

T&D Insurance Group's Business

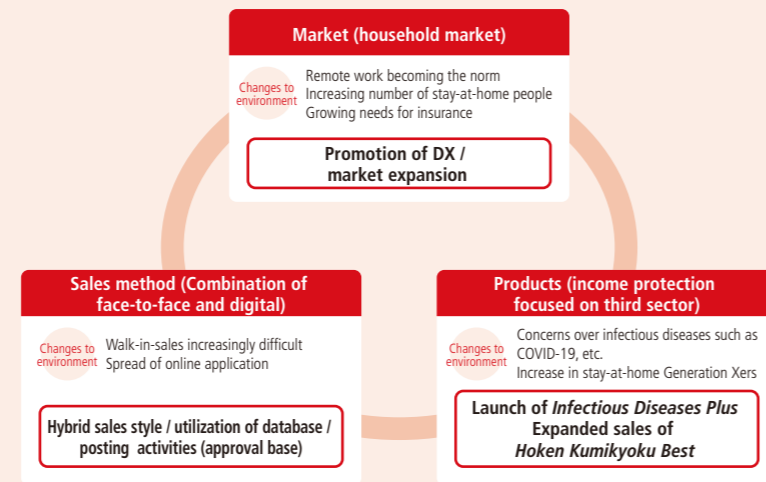
The Group's core business of domestic life insurance is based on the pursuit of market-specialized strategies, and we complement this with business that has a high affinity to life insurance, including closed book business, asset management business, pet insurance business, and a diverse range of other businesses, through which we improve our Group's corporate value.



The Domestic Life Insurance Business



Taiyo Life's core business is sales of life insurance in the household market. In addition to traditional face-to-face sales activities by in-house sales representatives, we are deploying a DX-driven "hybrid sales" approach that incorporates non-face-to-face services. By transforming our business model, we are providing state-of-the-art coverage to more customers.



Strengths

- Solid foundation in the household market built by the continual development of new customers through "Combination Activity" where sales representatives form pairs on visit to individual households
- Provision of products that meet customer needs in response to social issues such as dementia, cancer, and critical illness
- Senior-friendly customer services such as *Kaketsuke-Tai*, in which office workers with specialized knowledge provide direct customer support for benefits claim procedures

Growth Opportunities

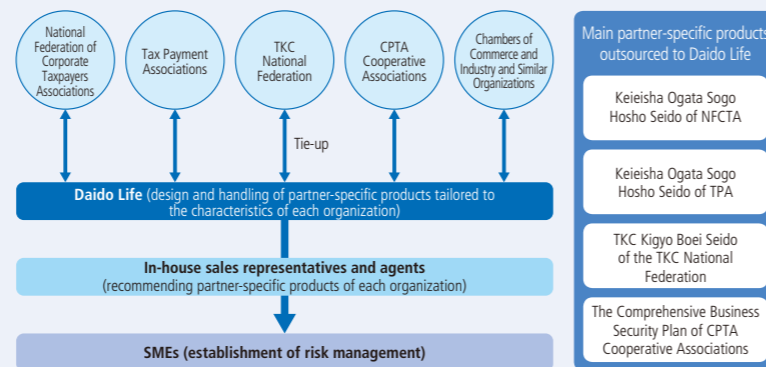
- Increase in senior population
- Increasing percentage of household decision makers at home due to the spread of remote work
- Increasing need for insurance during the COVID-19 pandemic
- Market expansion through diversification of channels such as infomercials and *Sma-Hoken*
- Extension of healthy life expectancy and growing awareness of health promotion among seniors

Strategies

- Promote a hybrid sales approach using information from *Sma-Hoken* (internet channel), infomercials, and other channels
- Promote digitalization to enable face-to-face and non-face-to-face interactions, and build a system that can respond to a wide range of customer needs
- Provide products that integrate coverage for dementia, cancer, and critical illness with services that lead to early detection and early prevention



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.



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 insurance 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 new markets through the provision of solutions that integrate "coverage" and "prevention and improvement (recovery) services"
- Further contribute to the sustainable development and growth of SMEs by providing and expanding solutions that support SMEs in "promoting health-oriented management" and "solving management issues"
- Stronger growth through new channels, i.e., "financial institution agents" and "FP / inheritance consultants," and through a "channel mix" combining the strengths of our in-house sales representatives and agents



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

- Concentrates management resources on the independent insurance agent channel, owns 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

- Create a well-balanced product portfolio by combining flat-rate and variable-rate products, and expand the top line through the development of the agency channel
- Develop and improve products with differentiated benefits based on the market environment
- Develop new channels and expand services for customers and agents through integration of real and virtual
- Improve convenience through the use of IT from a customer-oriented perspective



A company that helps more customers live longer, healthier lives



Naoki Soejima
Taiyo Life Insurance Company
Representative Director and President

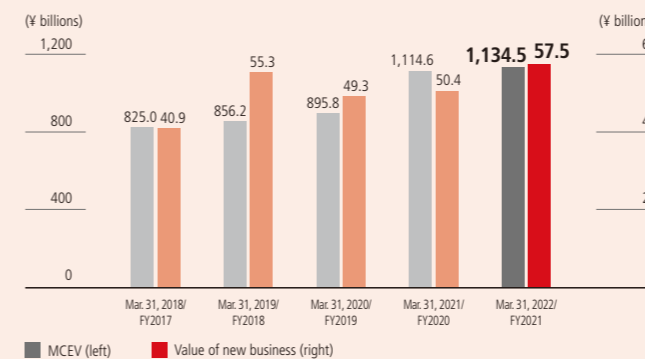
Strategy to achieve the management plan

In response to major changes in the social environment, Taiyo Life has made significant changes in the way it conducts business, including revising its business model. In addition to traditional "Combination Activity" where in-house sales representatives form pairs on visits to individual households, we are deploying a "hybrid sales" approach that combines face-to-face and non-face sales utilizing information obtained through TV commercials, internet advertising and other promotional channels.

With regard to products, to address social issues such as dementia, cancer, and critical illness, we are providing new coverage that integrates products and services leading to early detection and early prevention of these conditions. In addition, *Sma-Hoken*, our fully-online insurance, is a new concept-based insurance program with extensive after-sales services, combining a convenient online insurance quoting and enrollment process with attentive service from our highly trained personnel.

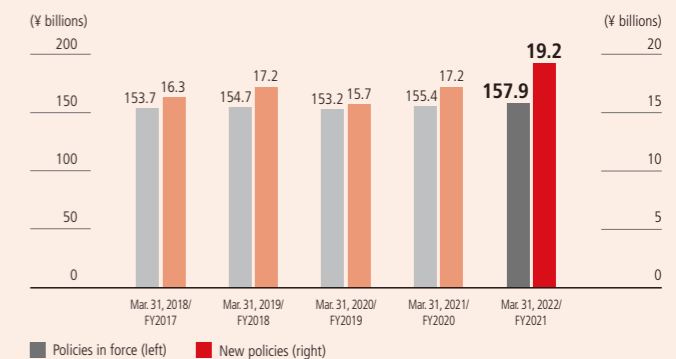
Going forward, as a life insurance company capable of responding to the changes of the times, we will continue to strive to be a company helping more customers live longer, healthier lives through the promotion of DX.

MCEV* / Value of New Business*



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

Protection-type Annualized Premiums



A trusted partner for SMEs that delivers value beyond expectations

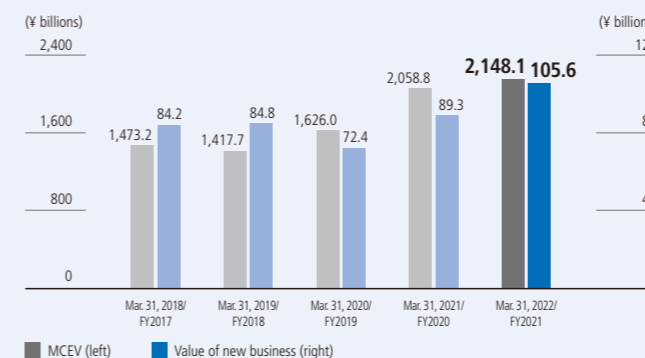


Mutsurou Kitahara
Daido Life Insurance Company
Representative Director and President

Strategy to achieve the management plan

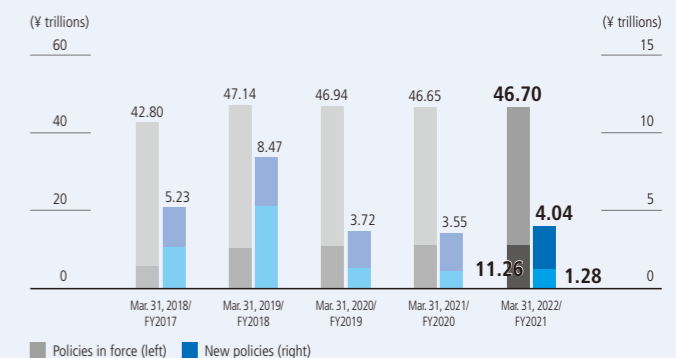
In recent years, the environment surrounding SMEs has been changing and their needs diversifying. Such examples include business owners who are now active for a longer period of time thanks to advances in medical technology and other areas, their needs to respond to inheritance and business succession issues, and growing interests in the importance of social issues such as the SDGs and health-oriented management. In this changing environment, we are working on (1) advancing the coverage to be provided to protect SMEs, and (2) supporting in solving issues to help SMEs resolve the various challenges they face. With respect to evolving our provision of coverage, we will continue our efforts at providing a full-range of protection integrating both corporations and individuals, as well as providing integrated prevention and protection and reducing the burden at the time of enrollment. With respect to working side-by-side on problems, we will evolve and expand the value we provide by working to support solutions to social issues such as the SDGs. Going forward, we will continue to further contribute to the business continuity, growth, and development of SMEs by refining our products and services and delivering value that exceeds their expectations.

MCEV* / Value of New Business*

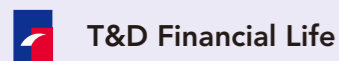


* The company applies ultimate forward rate (UFR) from FY2019/Mar. 31, 2020.

Policy Amount



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



Aiming to be a company of choice by treating customers and partners with care



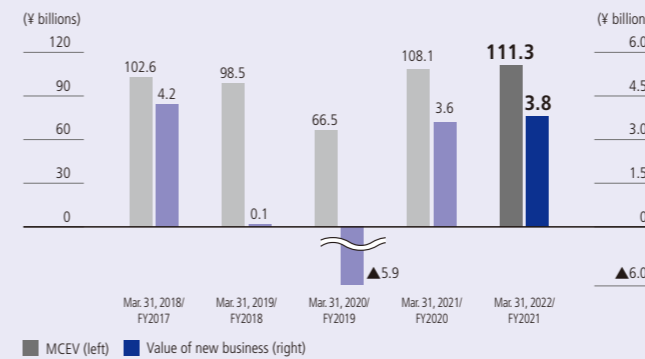
Masafumi Itasaka
T&D Financial Life Insurance Company
Representative Director and President

Strategy to achieve the management plan

Through its independent insurance agent channel, T&D Financial Life provides wealth creation products to support a comfortable retirement life by preparing for post-retirement expenditures and meet the need for protection for be-reaved families as well as protection-oriented products at an affordable price.

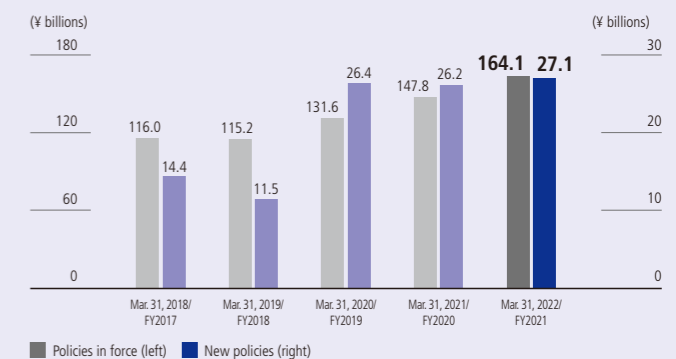
Although competition is fierce in the independent insurance agent channel, we expect continued share growth of the channel in life insurance market. In light of the arrival of the era of the 100-year life and the progression of Japan's super-aged society, we will expand our single-premium and level-premium products to meet customers' needs, and provide ancillary services that complement our 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 improve our presence and business performance in the independent insurance agent market as a company of choice by treating customers, agents, and other partners with care.

MCEV* / Value of New Business*



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

Annualized Premiums



Group Companies

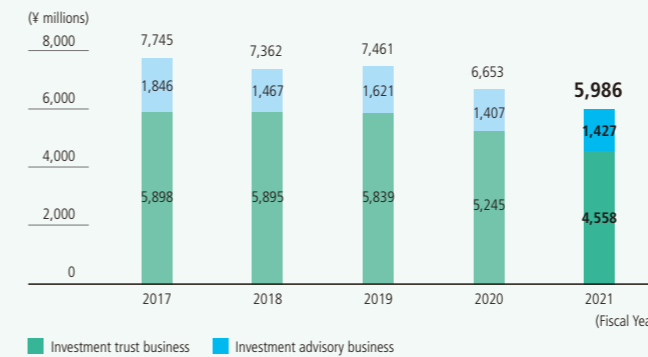
T&D Asset Management

One Step Forward, Together with Our Clients

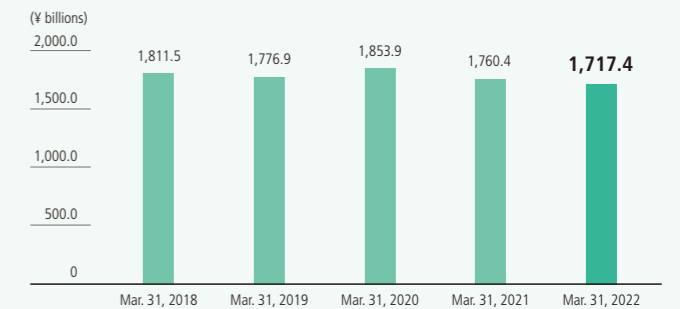
T&D Asset Management conducts investment trust business by offering investment trusts through financial institutions, and investment advisory business by managing the funds of pension funds and institutional investors. In today's rapidly changing society, in keeping with its principles of "Make a Difference," we will engage in distinctive operations and product development in response to emerging needs, and in so doing, strive to solve social

issues in our own small way by "creating value." As the asset management company of the T&D Insurance Group, T&D Asset Management collaborates with the Group life insurance business to upgrade its asset management. At the same time, we apply our advanced investment management practices for external businesses to expand our asset management business and contribute to increasing the Group's corporate value.

Operating Income (by Business)



Investment Trust AUM



Pet & Family Insurance

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

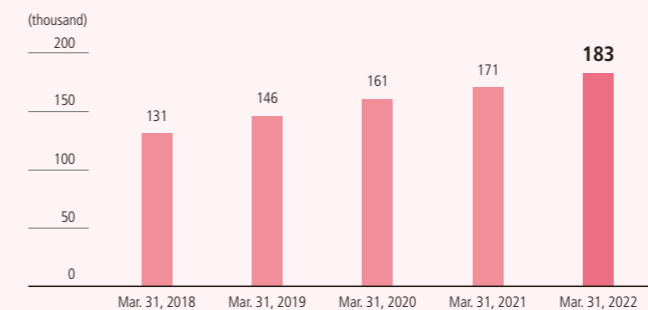
Pet & Family Insurance aims to be a company that contributes to people and society by bringing peace of mind to a full life with "pets who are members of the family" through pet insurance to our customers.

Recognizing pets as members of the family and living with them for the rest of their lives is becoming the norm, and the COVID-19 pandemic caused pets and owners to spend even more time together. As pets become more

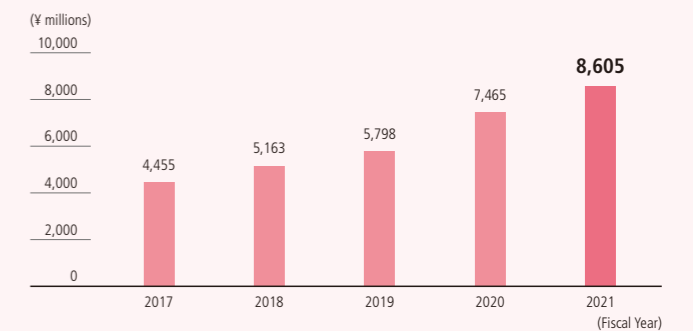
important as members of the family than ever before, our social mission as a provider of pet insurance is also becoming more important.

We will continue to expand customer services and improve customer satisfaction by providing optimal, high-quality insurance products and services that meet customer needs so that both pets and their owners can lead healthy and fulfilling lives with peace of mind.

Number of Policies in Force



Net Premium Income (Pet Insurance)



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

T&D United Capital

Realizing Dreams Together

As the driving force behind the Group's goal of diversification and optimization of business portfolio, T&Ds United Capital is working to expand the Group's earnings over the medium to long term by investing in new business areas that have a high affinity with the life insurance business. In fiscal 2019, we invested in the French asset management and investment company Tikehau Capital SCA, and in fiscal 2020, we made Fortitude Group Holdings, a

Bermuda-based reinsurance holding company, an equity-method affiliate. We are working to further strengthen our relationship with Fortitude in particular through reinsurance and additional investments. Having positioned the closed book business as a strategic focus area under the Group Long-Term Vision, we will continue to work to expand and strengthen this business going forward.

Equity acquisition of Bermuda-based reinsurance holding company, Fortitude Ltd.

FORTITUDE RE Characteristics of Fortitude Group Holdings, LLC

- Fortitude owns Fortitude Re, a Bermuda-based reinsurer; Fortitude International Re; and FLIAC, an insurance company based in Arizona in the U.S.
- Fortitude Re underwrites reinsurance for some in-force policies no longer sold by AIG.

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.

Aim 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.

Aim 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.