

# Overview of the Life Insurance Market

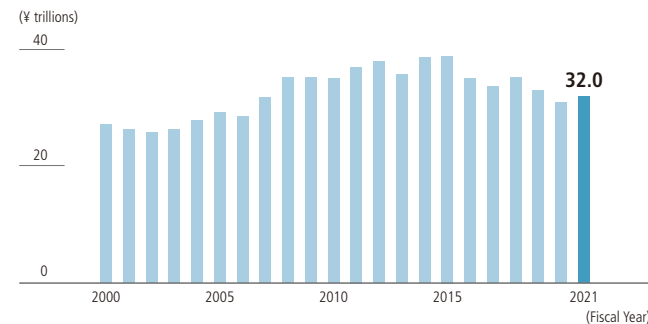
## 1 Market Scale

Income from insurance premiums in fiscal 2021 for Japan's life insurers\* totaled ¥32.0 trillion. The figure had been on a moderate upward trend since fiscal 2002, and is now rising again after a downturn.

The Japanese life insurance market is the third largest in the world after the U.S. and China. According to the latest research, the life insurance household participation rate is 89.8%, 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 April 1, 2022)

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 2021)

Rank	Country	Premium income (100 millions USD)	Share
1	United States	6,096	20.3 %
2	China	3,654	12.2 %
3	Japan	2,958	9.9 %
4	United Kingdom	2,842	9.5 %
5	France	1,854	6.2 %
6	Italy	1,460	4.9 %
7	Germany	1,099	3.7 %
8	Korea	1,018	3.4 %
9	India	966	3.2 %
10	Taiwan	890	3.0 %
	Others	7,133	23.8 %
	World total	29,975	100.0 %

Source: Compiled by T&D Holdings based on sigma 4/2022 - World insurance: inflation risks front and centre.

## 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.

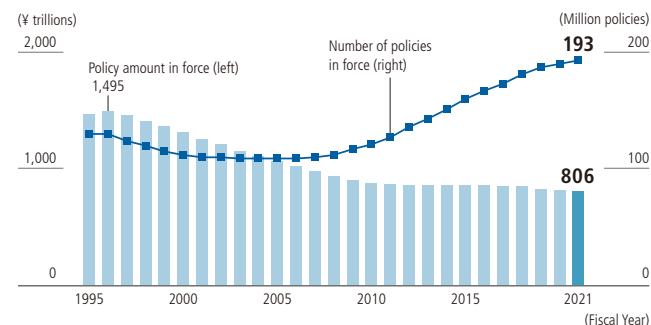
### ► Policy Amount in Force and Number of Policies in Force

The policy amount in force, which is the total death benefit amount of individual insurance policies held by life insurance companies, was ¥806 trillion in fiscal 2021, 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 193.01 million in fiscal 2021, marking the 14th straight year of increase.

### ► Number of Policies in Force for Individual Insurance by Type

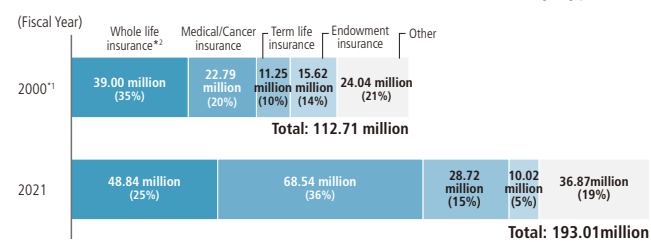
Turning to the breakdown of numbers of policies in force by type, the proportion of policies taken by medical and cancer insurance has increased significantly, from 20% in fiscal 2000 to 36% in fiscal 2021. The number of policies has also increased 3 times, from 22.79 million to 68.54 million, indicating 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.

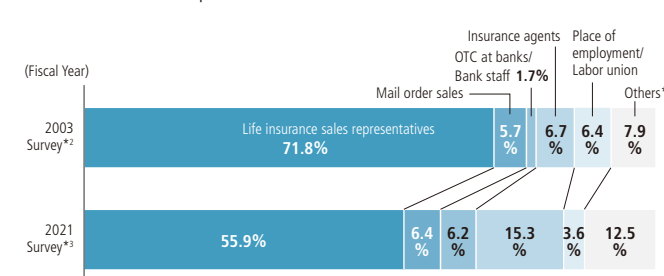
\*2 Whole life insurance is the sum of whole life insurance, fixed-term whole life insurance and variable interest type savings-type whole life insurance.

## 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 2021 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. Sales channel diversification and channel mixing (i.e., combination of both face and non-face-to-face) are developing, mainly as a result of the increase in non-face-to-face sales due to the COVID-19 pandemic.

Sales channels of private life insurers\*1



Source: Compiled by T&D Holdings based on the results of the Corporation Sample Survey on Life Insurance (FY2003 and FY2021) of Japan Institute of Life Insurance.

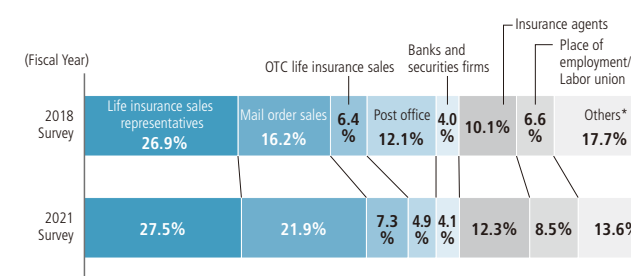
\*1 Excluding Japan Post Insurance Co., Ltd.

\*2 Policies taken out during 1998-2003.

\*3 Policies taken out during 2016-2021.

\*4 Including those policies through indistinct channels.

Channels through which customers are likely to purchase insurance



Source: Compiled by T&D Holdings based on the results of the Corporation Sample Survey on Life Insurance (FY2021) of Japan Institute of Life Insurance.

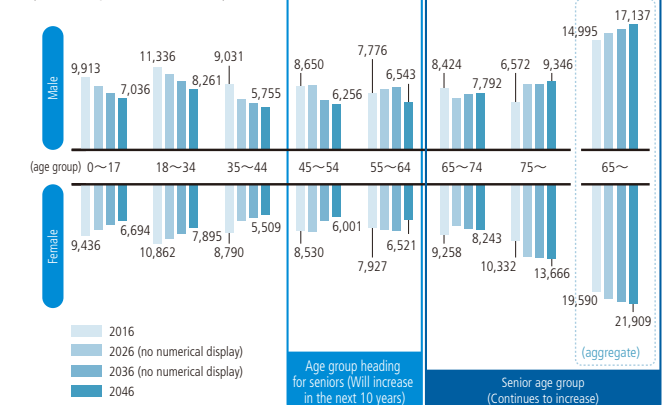
\* Including unknown.

## 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.

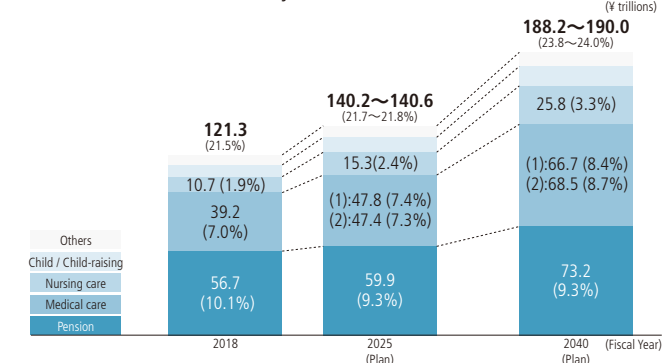
Meanwhile, as the social insurance premium burden is expected to increase as the number of young people declines, the inclusion of young people has become an important issue for life insurance companies.

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



	2018	2025 (Plan)	2040 (Plan)
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.

Reference

Types of Life Insurance

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

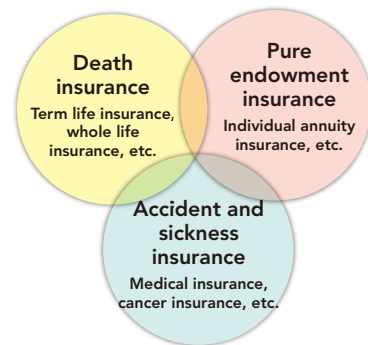
<b>Death insurance</b>	Insurance benefits are paid when the insured individual dies. Typical products include term life insurance and whole life insurance.
<b>Pure endowment insurance</b>	Insurance benefits are paid when the insured individual remains alive after a certain period of time. A typical product is individual annuity insurance.
<b>Accident and sickness insurance</b>	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 insurances are sold not only as single products but in various combinations in accordance with customer needs and so forth.

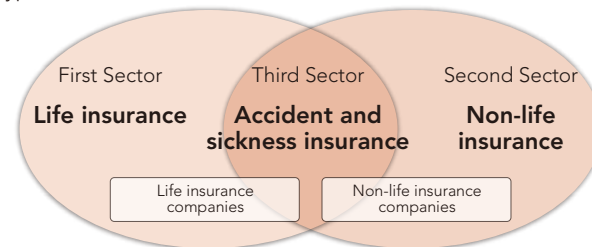
In the Japanese insurance industry, insurance related to a person's life and death are called "First Sector" insurance and only life insurance companies are allowed to sell these products. In contrast, insurance which compensate damages caused by a fortuitous accident are called "Second Sector" insurance and only non-life insurance companies are allowed to sell these products. The "death insurance" and "pure endowment insurance" categories listed on the left fall under 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

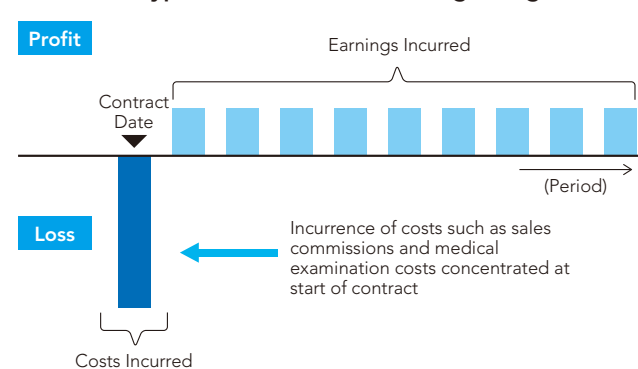
Due to the long-term nature of life insurance policies, misalignments in the recognition of revenue and expenses occur, as shown on the right.

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.

Typical Life Insurance Earnings Image



Glossary

A

<b>A company with an Audit and Supervisory Board</b>	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.
<b>Adjusted DOE</b>	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.
<b>Adjusted ROE</b>	Calculated by dividing Group adjusted profit by average net asset balance.
<b>Annualized premiums</b>	An adjusted figure for premiums paid using monthly, annual, or lump-sum payment methods showing total premiums paid on an annual basis.
<b>Assumed business expense rate</b>	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.
<b>Assumed investment yield</b>	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

<b>Closed book business</b>	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.
<b>Contingency reserve</b>	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

<b>Core profit</b>	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.
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<b>Cost of shareholder's capital</b>	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.
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E

<b>Economic value-based solvency regulation</b>	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.
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<b>ERM (Enterprise Risk Management)</b>	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.
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<b>ESG investment</b>	Selective investments focused on companies that pay adequate attention to the environmental, social and governance factors.
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<b>ESR (Economic Solvency Ratio)/ Core ESR</b>	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.
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<b>EV (Embedded Value)</b>	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.
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## Glossary

### G

<b>General account</b>	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.
<b>Group adjusted profit</b>	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

<b>Japan's Corporate Governance Code</b>	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.
<b>Japan's Stewardship Code</b>	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

<b>Level-premium products</b>	A type of insurance where the amount of the premium is constant from inception to the expiry of the premium payment period.
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### M

<b>MCEV (Market Consistent EV)</b>	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.
<b>Mortality rate</b>	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

<b>Non-participating policy</b>	Policies under which the policyholder receives no policyholder dividends. Non-participating policies generally feature lower premiums than participating or semi-participating policies.
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### P

<b>Participating policy</b>	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.
<b>P/EV ratio</b>	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.
<b>Policy amount</b>	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."
<b>Policy reserve</b>	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.

<b>Positive spread/Negative spread</b>	<p>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.</p> <p>Positive spread (Negative spread denoted in bracket) = (Investment yield on core profit – Average assumed investment yield) × Policy reserve in general account</p> <ul style="list-style-type: none"> <li>• "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.</li> <li>• "Average assumed investment yield" is calculated by dividing the numerator as assumed interest by the denominator as policy reserve in general account.</li> <li>• "Policy reserve in general account" represents the policy reserve in general account less contingency reserve calculated by the following method.</li> </ul> <p>Policy reserve in general account = (Policy reserve at beginning of fiscal year + Policy reserve at the end of fiscal year – Assumed interest) × 1/2</p>
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### R

<b>Reserve for policyholder dividends</b>	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.
<b>Reserve for price fluctuations</b>	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.
<b>ROEV/Core ROEV</b>	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 specialty of life insurance accounting. Core ROEV is an indicator using an increase in EV mainly through the acquisition of new business.

### S

<b>Separate account</b>	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.
<b>Single-premium insurance</b>	A type of insurance where the premium is paid in lump-sum at the conclusion of the policy which covers the entire insurance period.
<b>Social bond</b>	Bond issued to raise funds for contributing to solutions to global social issues, such as support for emerging countries and measures against global warming.
<b>Solvency margin ratio</b>	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.
<b>Surrender and lapse amount</b>	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

<b>Third sector insurance</b>	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.
<b>Total payout ratio</b>	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.
<b>Trust-type stock compensation</b>	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

<b>Ultimate Forward Rate (UFR)</b>	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

<b>Value of new business</b>	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 of listed stocks and its standpoint on exercise of the voting rights under the Basic Policy on Corporate Governance, as per below.

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

- 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.
- Every year, the boards 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.
- 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.
- 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 believe 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 determined to be sold, through thorough communication with the issuer.

In fiscal 2021, we reduced the number of holdings of 15 stocks to zero by selling, etc., and sold some of the other 5 stocks. As a result, we reduced the balance by about 43 billion yen on a market price basis.

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, 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 boards 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	19	199,182

(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	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	3	8,668



## 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, 2022	Year ended March 31, 2021	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			
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
	31,387	29,683		
Daiwa Securities Group Inc.	41,140,000	41,140,000	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
	28,497	23,536		
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
	28,049	43,613		
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
	27,159	18,786		
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
	21,213	20,350		
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
	15,229	14,101		
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
	10,874	10,856		
Mitsubishi Estate Co., Ltd.	5,775,000	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
	10,504	14,880		
Sompo Holdings, Inc.	998,820	1,996,820	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 1
	5,374	8,470		
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
	5,340	5,140		
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
	4,937	5,568		
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
	2,100	2,180		
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
	1,898	2,117		

Stocks	Year ended March 31, 2022	Year ended March 31, 2021	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			
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
	1,896	2,098		
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
	1,741	1,884		
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
	1,285	1,280		
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
	1,176	1,169		
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
	300	331		
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
	214	188		
Mitsubishi Chemical Holdings Corporation	—	18,838,372	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
	—	15,633		
Mitsubishi UFJ Financial Group, Inc.	—	15,220,718	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
	—	9,006		
Tsukishima Kikai Co., Ltd.	—	1,885,000	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
	—	2,418		
Toppan Printing CO., LTD.	—	474,544	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
	—	887		
Advance Create Co., Ltd.	—	731,000	Taiyo Life Insurance Company used to have the stocks to maintain and expand 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.	N
	—	788		
Meito Sangyo Co., Ltd.	—	150,000	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
	—	226		
San ju San Financial Group, Inc.	—	50,000	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.	N *Note 2
	—	69		

\*Note 1 The subsidiary Sompo Japan Insurance Inc. holds stocks.

\*Note 2 The subsidiary San ju San Bank, Ltd. holds stocks.

\*Note 3 The "—" symbol indicates that the relevant stock is not held.

Regarded as Holding Shares  
Not applicable.

## Status of Stock Holdings

### 2. Stocks for which the holding purpose is pure investment

	Fiscal 2021		Fiscal 2020	
	The number of stocks	Total of balance sheet amount (¥millions)	The number of stocks	Total of balance sheet amount (¥millions)
Unlisted stocks	34	7,219	38	19,370
Stocks other than unlisted stocks	34	224,348	29	219,928

	Fiscal 2021 (¥ millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Valuation losses
Unlisted stocks	244	(4,349)	207	857
Stocks other than unlisted stocks	7,226	1,340	50,438	36

### 3. Change in investment purpose during fiscal 2021

#### 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

Stock	The number of shares	Balance sheet amount ¥millions
Mitsubishi Chemical Holdings Corporation	18,838,372	15,392
Mitsubishi UFJ Financial Group, Inc.	15,220,718	11,572
Tsukishima Kikai Co., Ltd	1,885,000	2,041
Toppan Printing CO., LTD.	474,544	1,027
Meito Sangyo Co., Ltd.	150,000	238
San ju San Financial Group, Inc.	50,000	73

### 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 boards 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	97	11,268
Stocks other than unlisted stocks	50	248,413

(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	251	For additional purchase as the purpose of further strengthening relationship for business alliances.

(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	2	15
Stocks other than unlisted stocks	11	4,887

## 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

Stock	Year ended March 31, 2022	Year ended March 31, 2021	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 periodically examined whether the effectiveness and risks to hold stocks that have been commensurate with the capital costs.	N
	48,787	37,968		
SMC Corporation	295,200	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.	N
	20,321	20,174		
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
	20,080	18,928		
Nuemberger 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
	18,768	17,148		
TKC Corporation	5,138,092	5,138,092	The purpose of holding the stocks is to maintain and strengthen partnerships to support the continuation and development of SMEs, 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
	17,058	18,086		
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
	16,005	16,205		
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
	15,008	22,478		
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 1
	14,984	13,288		
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
	13,021	15,559		
FUJI CORPORATION	4,811,200	4,811,200	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
	10,695	13,639		

Stock	Year ended March 31, 2022	Year ended March 31, 2021	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			
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
	4,664	5,424		
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
	4,201	4,380		
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
	3,484	3,855		
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
	3,319	3,323		
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
	3,300	3,326		
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
	3,204	3,905		
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
	2,969	3,745		
Mitsui Fudosan Co., Ltd.	1,000,000	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
	2,620	2,513		
Strike Co., Ltd.	498,000	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
	2,348	2,198		
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
	2,291	2,714		
Keihan Holdings Co., Ltd.	*	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		
MEISEI INDUSTRIAL CO., LTD.	*	3,472,700	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		

\*Note 1 The subsidiary Resona Bank, Limited. holds stocks.

\*Note 2 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.

## Status of Stock Holdings

### 2. Stocks for which the holding purpose is pure investment

	Fiscal 2021		Fiscal 2020	
	The number of stocks	Total of balance sheet amount (¥ millions)	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	11	465	12	3,603
Stocks other than unlisted stocks	69	91,151	71	86,012

	Fiscal 2021 (¥millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Valuation losses
Unlisted stocks	39	—	60	—
Stocks other than unlisted stocks	1,277	(2,316)	25,350	—

### 3. Change in investment purpose during fiscal 2021

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

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, methods to verify 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. Stocks for which the holding purpose is pure investment

Not applicable.

#### 3. Change in investment purpose during fiscal 2021

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

Not applicable.

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

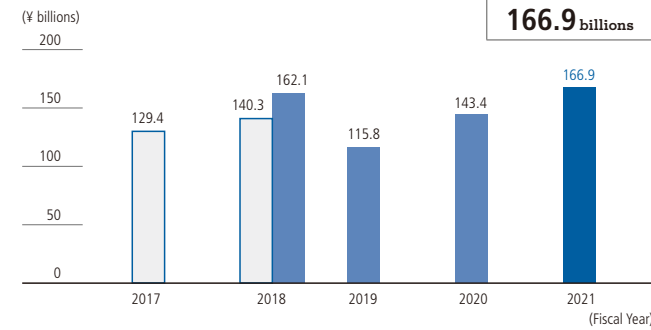
Not applicable.



# Financial Highlights

## Key Performance Indicators

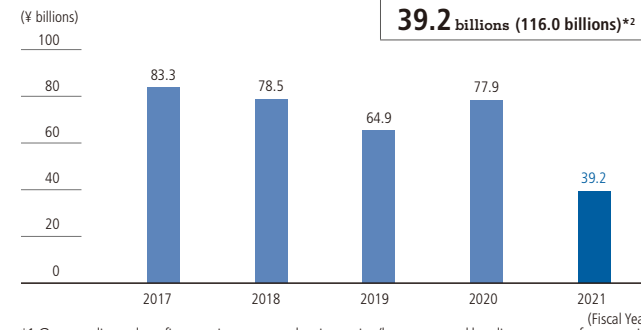
### Value of New Business



■ Ultimate forward rate not applied ■ Ultimate forward rate applied

The value of new business increased by ¥23.5 billion from the previous fiscal year to ¥166.9 billion, mainly due to an increase in new policies.

### Group Adjusted Profit\*1

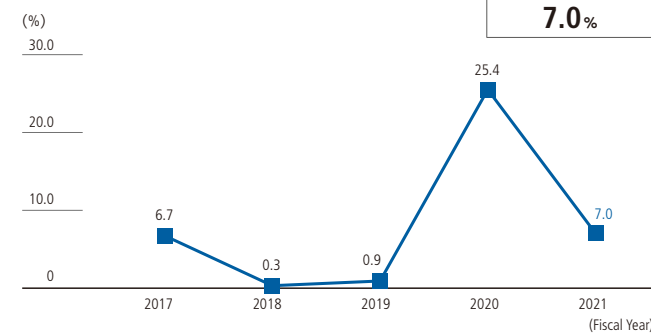


\*1 Group adjusted profit = net income ± valuation gains/losses caused by discrepancy of accounting treatment of assets and liabilities + additional internal reserves in excess of the legal standard requirements. Adjusted net income was described until fiscal 2018.

\*2 Figures in parentheses in the chart exclude the impact related to Taiyo Life's reinsurance (news release dated March 31, 2022)

Group adjusted profit was ¥39.2 billion due to the negative ¥76.7 billion impact of Taiyo Life's reinsurance. Excluding this impact, however, profit increased significantly from the previous fiscal year due to strong asset management performance.

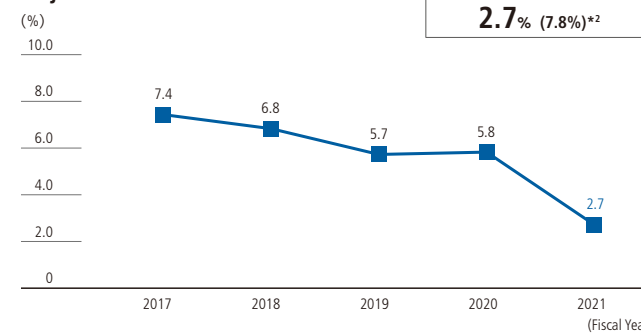
### ROEV\*



\* 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, Application of UFR from fiscal 2019.

ROEV was 7.0% due to an increase in Group MCEV excluding valuation gains/losses, etc. related to Fortitude from the end of the previous fiscal year.

### Adjusted ROE\*1



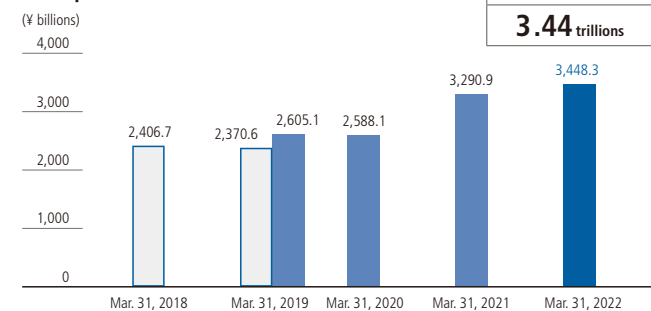
\*1 Adjusted ROE = Group adjusted profit / Average net asset balance  
Adjusted net income was described until fiscal 2018.

\*2 Figures in parentheses in the chart exclude the impact related to Taiyo Life's reinsurance (news release dated March 31, 2022)

Excluding the impact of Taiyo Life's reinsurance, adjusted ROE was 7.8%, up from 5.8% in the previous fiscal year.

## Corporate Value

### Group MCEV



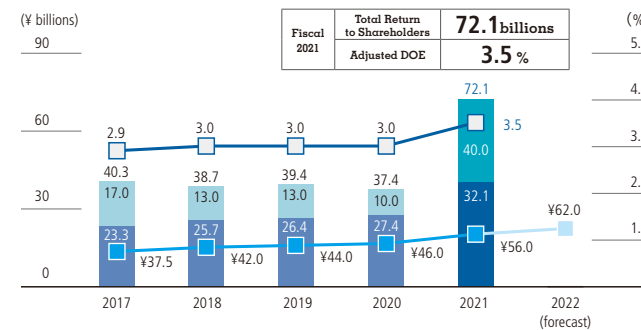
■ Ultimate forward rate not applied ■ Ultimate forward rate applied

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

Group MCEV increased by ¥157.4 billion from the previous fiscal year-end to ¥3,448.3 billion, mainly due to the accumulation of value of new business.

## Return to Shareholders

### Total Return to Shareholders + Adjusted DOE\*



■ Share buyback ■ Cash dividend ■ Dividend per share ■ Adjusted DOE (right)

\* Adjusted DOE = Total dividend value/shareholders' equity (excluding valuation gains/losses caused by discrepancy of accounting treatment of assets and liabilities of Fortitude)

In fiscal 2021, the Company increased the annual dividend per share by ¥10 from the previous fiscal year to ¥56. In addition, we conducted a share buyback of ¥40.0 billion, providing a total return to shareholders of ¥72.1 billion.

## Consolidated Results of Operations

In fiscal 2022, net income is expected to be ¥17.0 billion, similar to the fiscal 2021 level. This is due to valuation losses caused by discrepancy of accounting treatment of assets and liabilities in Fortitude's results of January to March 2022, mainly as a result of increased interest rates in the U.S.

### Fiscal 2022 Full-year Earnings Forecasts\* [Consolidated and Three Life Insurance Companies]

	T&D Holdings		Taiyo Life		Daido Life		T&D Financial Life	
	Fiscal 2021 (actual)	Fiscal 2022 (forecasts)	Fiscal 2021 (actual)	Fiscal 2022 (forecasts)	Fiscal 2021 (actual)	Fiscal 2022 (forecasts)	Fiscal 2021 (actual)	Fiscal 2022 (forecasts)
Ordinary revenues	2,614.3	2,390.0	1,439.8	840.0	1,032.6	1030.0	485.3	480.0
Ordinary profit	57.0	84.0	(86.6)	56.0	122.7	102.0	5.6	0.0
Net income	14.1	17.0	(74.1)	28.0	76.2	62.0	3.1	(1.0)
Income from insurance premiums			598.1	680.0	808.0	820.0	367.1	450.0
Core profit (new standard)			46.3	50.0	129.6	94.0	(3.0)	(3.0)
Positive spread (new standard)			34.1	42.0	52.2	24.0	(2.6)	(3.0)
Core profit			55.1		131.6		(2.6)	
Positive spread			42.9		54.2		(2.2)	

\* Disclosed on May 13, 2022.

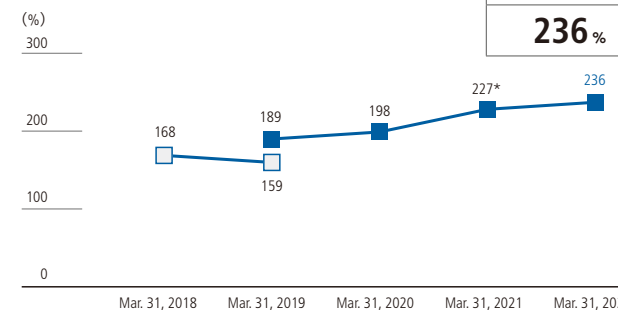
## Core Profit

	Taiyo Life	Daido Life	T&D Financial Life
Fiscal 2021 Core profit	55.1	131.6	(2.6)
Items excluded from calculation of core profit			
Gains and losses on cancellation of investment trusts	3.6	0.0	0.3
Exchange rate fluctuation portion of gain/loss on revaluation of securities	0.4	—	—
Items included in calculation of core profit			
Hedging costs related to foreign exchange	(4.7)	(1.9)	—
Fiscal 2021 Core profit (new standard)	46.3	129.6	(3.0)

Effective from the fiscal year ending March 31, 2023, the method of calculating core profit will be revised. The table on the left shows the changes due to the revision of the method of calculating core profit in the fiscal year ended March 31, 2022.

## Financial Soundness

### ESR



■ Ultimate forward rate not applied ■ Ultimate forward rate applied

\* Figures reflect the retroactive application of the accounting treatment of Fortitude's reorganization announced on October 1, 2021.

The economic solvency ratio (ESR) increased by 9 percentage points from the previous fiscal year-end to 236%, due to an increase in surplus, mainly from the acquisition of new policies and an increase in unrealized gains on liabilities resulting from higher domestic interest rates, among other factors.

### Rating\* / Solvency Margin Ratio

	Rating Agencies			Solvency margin ratio
	Japan Credit Rating Agency, Ltd. (JCR)	Rating and Investment Information, Inc. (R&I)	Standard & Poor's (S&P)	
T&D Holdings	AA-	—	—	1,026.3%
Taiyo Life	AA-	AA-	A	734.2%
Daido Life	AA-	AA-	A	1,203.8%
T&D Financial Life	AA-	AA-	—	749.5%

Rating is as of January 25, 2022  
Solvency margin ratio is as of March 31, 2022

\* Long-term issuer rating for T&D Holdings and insurance claims paying ability ratings for the three life insurance companies.

The solvency margin ratio was 1,026.3% on a consolidated basis, 734.2% for Taiyo Life, 1,203.8% for Daido Life and 749.5% for T&D Financial Life, indicating sufficient financial soundness.

# Non-financial Highlights

## Creating a workplace environment where employees reach their potential

The T&D Insurance Group has been promoting to nurture a corporate culture where diverse human resources can feel job satisfaction and reach their potential. Given that women represent the majority of the Group's employees, the active participation of female employees is recognized as a crucial management priority. To this end, each

Group company is introducing various support systems to enhance work-life balance. We are working to increase employment opportunities for people with disabilities by creating workplaces which are comfortable for them to work in.

Employee satisfaction

\* Five rated evaluation

	FY2020	FY2021
T&D Holdings	3.84	4.11
Taiyo Life	3.61	3.60
Daido Life	3.75	3.88
T&D Financial Life	3.55	3.67

### Recognition for health and productivity management initiatives



#### Certified Health and Productivity Management Organizations - White 500 -

Taiyo Life, Daido Life, and T&D Financial Life have been approved as Certified Health and Productivity Management Organizations (White 500) under a certification system aimed to promote health and productivity management for employees organized by the Ministry of Economy, Trade and Industry (METI). Taiyo Life and Daido Life have earned this certification for six consecutive years.

## Initiatives on customer-oriented services

The T&D Insurance Group emphasizes clarity for the customer and strives to provide services customers can trust.

The T&D Insurance Group takes "customer-oriented" as a shared Group-wide value, and has established the

"T&D Insurance Group Basic Policy on Customer-oriented Business Operations." Each Group company is taking steps in accordance with such value.

### Main awards received for initiatives on customer service

#### Taiyo Life

- Received the UCDA 2021 "Ease of understanding Information" Award and the "Another Voice" Award at the UCDA Award 2021

#### Daido Life

- Received the highest rank of "3 Star" for HDI-Japan's "Quality Service" for two consecutive years

Assessments of the policies of the three life insurance companies on customer-oriented operations

		FY2020	FY2021
Taiyo Life	Overall satisfaction level	91.8%	91.9%
Daido Life	Overall satisfaction level	82.3%	81.1%
T&D Financial Life	Satisfaction level at the contract signing stage	98.1%	98.1%

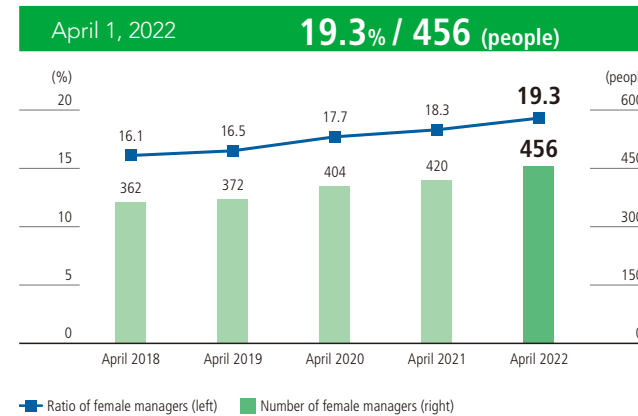
\* Survey implementation methods differ for each company.

[https://www.td-holdings.co.jp/information/business\\_operations.html](https://www.td-holdings.co.jp/information/business_operations.html) (Japanese)

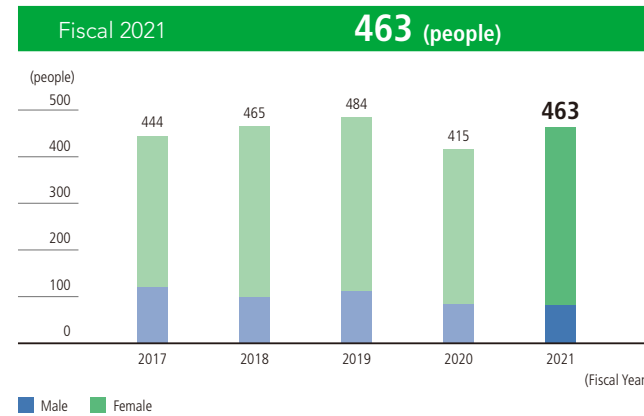
## Environmental initiatives

The T&D Insurance Group has enacted "T&D Insurance Group Environmental Policy." Recognizing the environmental burden of resource or energy consumption and waste emissions, we are working toward reducing environmental impact by conserving energy or resources, recycling resources, and promoting green purchasing.

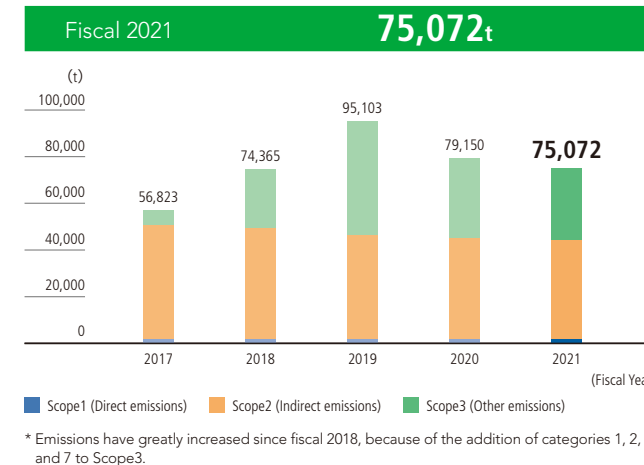
Ratio/number of female managers



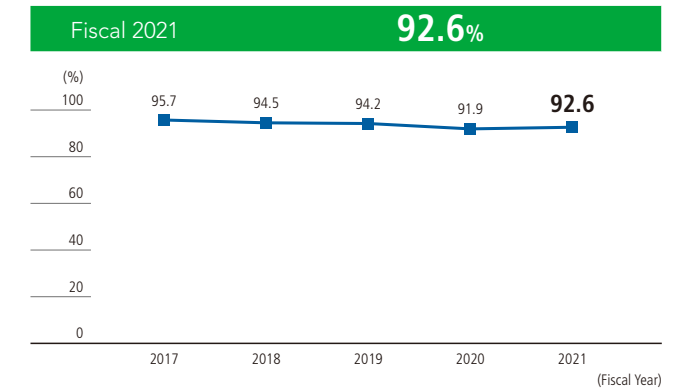
Number of employees taking child care leave



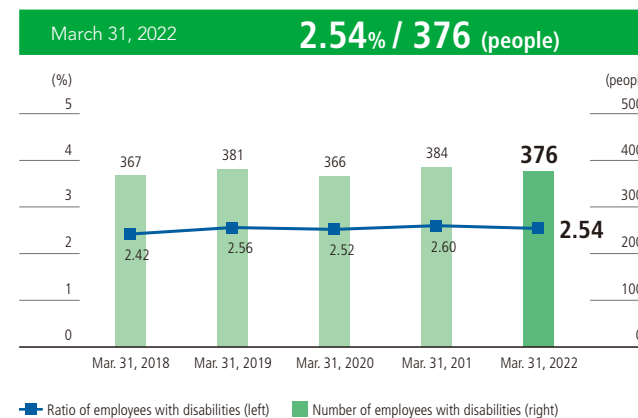
CO2 emissions volume



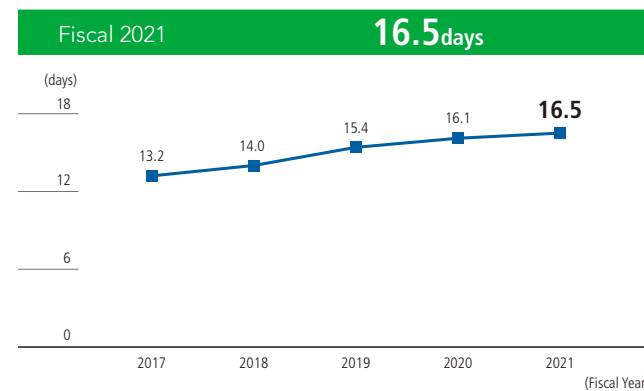
Green Purchasing Ratio



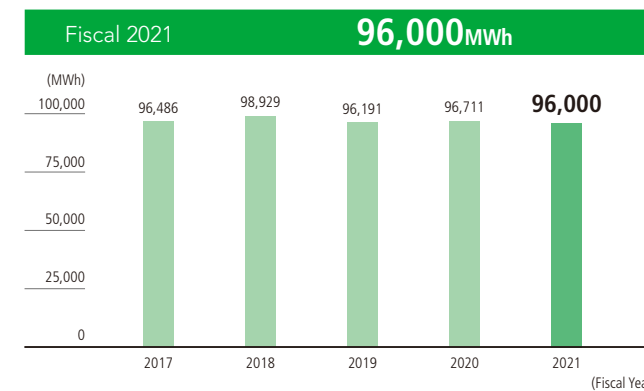
Ratio/number of employees with disabilities



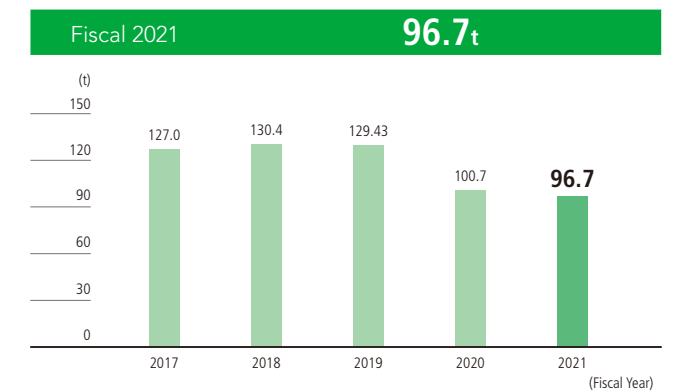
Average number of paid leave days taken



Electricity consumption



Office paper consumption



\* The above ratio of female managers, number of employees taking child care leave, ratio of employees with disabilities and average number of days of paid leave taken are for the total of three life insurance companies.

# Selected Financial Data

## T&D HOLDINGS

Years ended March 31	2018	2019	2020	2021 <sup>*2</sup>	2022
¥ millions					
<b>Statement of Operation Data:</b>					
<b>Ordinary revenues:</b>					
Income from insurance premiums	¥1,483,719	¥1,676,184	¥1,753,508	¥1,783,369	¥1,781,952
Investment income	372,753	393,901	369,419	453,706	476,904
Other ordinary income	71,813	70,076	75,001	73,963	338,770
Equity in earnings of affiliates	72	—	—	102,914	16,749
<b>Total ordinary revenues</b>	<b>1,928,359</b>	<b>2,140,162</b>	<b>2,197,928</b>	<b>2,413,953</b>	<b>2,614,377</b>
<b>Ordinary expenses:</b>					
Insurance claims and other payments	1,146,175	1,141,636	1,193,510	1,308,157	2,174,187
Provision for policy and other reserves	262,894	469,615	431,011	484,929	1,945
Investment expenses	96,288	112,285	164,819	110,235	82,332
Operating expenses	202,366	201,563	212,453	214,509	229,279
Other ordinary expenses	64,159	68,086	70,424	67,988	69,602
<b>Total ordinary expenses</b>	<b>1,771,884</b>	<b>1,993,213</b>	<b>2,072,506</b>	<b>2,185,820</b>	<b>2,557,348</b>
<b>Ordinary profit</b>	<b>156,475</b>	<b>146,949</b>	<b>125,422</b>	<b>174,649</b>	<b>57,029</b>
<b>Net extraordinary gains (losses)</b>	<b>(16,485)</b>	<b>(17,890)</b>	<b>(6,055)</b>	<b>(12,591)</b>	<b>(9,816)</b>
<b>Provision for reserve for policyholder dividends</b>	<b>30,331</b>	<b>27,144</b>	<b>21,883</b>	<b>24,429</b>	<b>24,284</b>
<b>Income before income taxes</b>	<b>109,657</b>	<b>101,915</b>	<b>97,483</b>	<b>137,628</b>	<b>22,928</b>
<b>Income taxes:</b>					
Current	34,106	32,383	31,768	28,969	3,730
Deferred	(2,044)	(3,316)	(1,425)	(744)	4,779
<b>Total income taxes</b>	<b>32,061</b>	<b>29,066</b>	<b>30,343</b>	<b>28,224</b>	<b>8,510</b>
<b>Profit attributable to non-controlling interests</b>	<b>19</b>	<b>22</b>	<b>36</b>	<b>890</b>	<b>237</b>
<b>Profit attributable to owners of parent</b>	<b>¥ 77,577</b>	<b>¥ 72,825</b>	<b>¥ 67,103</b>	<b>¥ 108,512</b>	<b>¥ 14,180</b>

As of March 31	2018	2019	2020	2021 <sup>*2</sup>	2022
¥ millions					
<b>Balance Sheet Data:</b>					
<b>Assets:</b>					
<b>Total assets</b>	<b>¥15,262,398</b>	<b>¥15,794,711</b>	<b>¥16,520,137</b>	<b>¥17,826,238</b>	<b>¥17,813,408</b>
<b>Liabilities:</b>					
Policy reserves	13,395,725	13,859,097	14,282,219	14,765,300	14,505,391
<b>Total liabilities</b>	<b>14,109,362</b>	<b>14,635,123</b>	<b>15,396,987</b>	<b>16,324,441</b>	<b>16,423,901</b>
<b>Net assets:</b>					
Total shareholders' equity	833,779	863,933	889,817	960,015	898,301
Total accumulated other comprehensive income	313,645	289,181	226,124	533,641	482,949
<b>Total net assets</b>	<b>¥ 1,153,036</b>	<b>¥ 1,159,588</b>	<b>¥ 1,123,149</b>	<b>¥ 1,501,796</b>	<b>¥ 1,389,506</b>

\*1 The above figures are calculated based on the prevailing accounting standards of each fiscal year.

\*2 Figures reflect the retroactive application of the accounting treatment of Fortitude's reorganization announced on October 1, 2021.

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Policy Results *:</b>					
<b>Policy amount in force</b>	<b>¥66,010,749</b>	<b>¥69,264,639</b>	<b>¥67,362,978</b>	<b>¥65,638,037</b>	<b>¥64,228,285</b>
<b>New policy amount</b>	<b>7,273,000</b>	<b>9,985,762</b>	<b>4,711,892</b>	<b>4,220,821</b>	<b>4,642,915</b>
<b>Surrender and lapse amount</b>	<b>3,884,453</b>	<b>4,625,021</b>	<b>4,206,148</b>	<b>3,891,199</b>	<b>4,007,120</b>
<b>Other Data:</b>					
<b>Core profit</b>	<b>¥ 148,466</b>	<b>¥ 149,638</b>	<b>¥ 166,227</b>	<b>¥ 161,039</b>	<b>¥ 184,059</b>
<b>Group MCEV *<sup>1</sup></b>	<b>2,406,700</b>	<b>2,370,600</b>	<b>2,588,100</b>	<b>3,377,600</b>	<b>3,508,500</b>
<b>Value of New Business *<sup>1</sup></b>	<b>129,400</b>	<b>140,300</b>	<b>115,800</b>	<b>143,400</b>	<b>166,900</b>
<b>Consolidated solvency margin ratio</b>	<b>1,061.8%</b>	<b>1,093.1%</b>	<b>1,107.0%</b>	<b>1,094.7% *<sup>3</sup></b>	<b>1,026.3%</b>
<b>ESR *<sup>2</sup></b>	<b>168%</b>	<b>159%</b>	<b>198%</b>	<b>227% *<sup>3</sup></b>	<b>236%</b>

\*1 Group MCEV, Value of New Business is shown in terms of hundreds of millions of yen. Based on Ultimate Forward Rate since fiscal 2019.

\*2 In addition to applying the Ultimate Forward Rate, subordinated debt is added to the surplus since the end of March 2020.

\*3 Figures reflect the retroactive application of the accounting treatment of Fortitude's reorganization announced on October 1, 2021.

<b>Non-financial indicators:</b>					
<b>Ratio of female managers</b>	16.1%	16.5%	17.7%	18.3%	19.3%
<b>CO<sub>2</sub> emissions volume*</b>	56,823t	74,365t	95,103t	79,584t	75,072t
<b>Electricity consumption</b>	96,486MWh	98,929MWh	96,191MWh	96,711MWh	96,000MWh
<b>Office paper consumption</b>	127.0t	130.4t	129.43t	100.7t	96.7t

\* Categories 1, 2, and 7 have been added to Scope 3 since fiscal 2018.

## TAIYO LIFE

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Statement of Operation Data:</b>					
<b>Ordinary revenues:</b>					
Income from insurance premiums	¥511,900	¥715,120	¥593,679	¥619,721	¥598,144
Investment income	189,495	190,444	196,911	165,283	174,377
Other ordinary income	37,319	12,044	11,947	12,296	667,370
<b>Total ordinary revenues</b>	<b>738,716</b>	<b>917,610</b>	<b>802,538</b>	<b>797,301</b>	<b>1,439,893</b>
<b>Ordinary expenses:</b>					
Insurance claims and other payments	522,746	521,457	542,912	569,480	1,381,684
Provision for policy and other reserves	885	183,693	43,421	46,414	1,649
Investment expenses	45,292	52,386	76,173	46,919	36,965
Operating expenses	76,698	76,730	75,077	76,509	80,675
Other ordinary expenses	30,301	29,147	28,171	26,371	25,560
<b>Total ordinary expenses</b>	<b>675,925</b>	<b>863,413</b>	<b>765,756</b>	<b>765,695</b>	<b>1,526,535</b>
<b>Ordinary profit</b>	<b>62,790</b>	<b>54,196</b>	<b>36,782</b>	<b>31,606</b>	<b>(86,642)</b>
<b>Net extraordinary gains (losses)</b>	<b>(4,254)</b>	<b>(5,370)</b>	<b>(1,594)</b>	<b>(4,592)</b>	<b>(3,665)</b>
<b>Provision for reserve for policyholder dividends</b>	<b>15,664</b>	<b>13,138</b>	<b>10,197</b>	<b>12,574</b>	<b>12,572</b>
<b>Income before income taxes</b>	<b>42,870</b>	<b>35,687</b>	<b>24,990</b>	<b>14,440</b>	<b>(102,881)</b>
<b>Income taxes:</b>					
Current	10,238	10,798	10,391	5,956	(23,042)
Deferred	2,151	(657)	(1,218)	(1,800)	(5,691)
<b>Total income taxes</b>	<b>12,390</b>	<b>10,140</b>	<b>9,172</b>	<b>4,156</b>	<b>(28,734)</b>
<b>Net income</b>	<b>¥ 30,480</b>	<b>¥ 25,547</b>	<b>¥ 15,817</b>	<b>¥ 10,284</b>	<b>¥ (74,147)</b>

As of March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Balance Sheet Data:</b>					
<b>Assets:</b>					
<b>Total assets</b>	<b>¥7,219,463</b>	<b>¥7,411,864</b>	<b>¥7,660,474</b>	<b>¥8,235,372</b>	<b>¥7,693,272</b>
<b>Liabilities:</b>					
Policy reserves	6,389,235	6,569,075	6,608,629	6,654,572	6,001,168
<b>Total liabilities</b>	<b>6,810,776</b>	<b>6,996,551</b>	<b>7,269,351</b>	<b>7,708,881</b>	<b>7,351,808</b>
<b>Net assets:</b>					
Total shareholders' equity	290,945	304,203	303,647	302,568	186,925
Total valuation and translation adjustment	117,742	111,109	87,476	223,923	154,538
<b>Total net assets</b>	<b>¥ 408,687</b>	<b>¥ 415,312</b>	<b>¥ 391,123</b>	<b>¥ 526,491</b>	<b>¥ 341,464</b>

\* The above figures are calculated based on the prevailing accounting standards of each fiscal year.

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Policy Results *:</b>					
<b>Policy amount in force</b>	<b>¥21,154,486</b>	<b>¥19,945,620</b>	<b>¥18,023,246</b>	<b>¥16,278,405</b>	<b>¥14,527,568</b>
<b>New policy amount</b>	<b>1,686,796</b>	<b>1,196,690</b>	<b>540,573</b>	<b>243,585</b>	<b>179,669</b>
<b>Surrender and lapse amount</b>	<b>1,236,078</b>	<b>1,240,097</b>	<b>1,149,490</b>	<b>941,331</b>	<b>915,627</b>
<b>Surrender and lapse rate</b>	<b>5.69%</b>	<b>5.86%</b>	<b>5.76%</b>	<b>5.22%</b>	<b>5.62%</b>

\* The total of individual insurance and individual annuities. The new policy amounts include net increases from conversions.

<b>Other Data:</b>					
<b>Core profit</b>	<b>¥ 48,547</b>	<b>¥ 51,859</b>	<b>¥ 54,387</b>	<b>¥ 52,703</b>	<b>¥ 55,122</b>
<b>MCEV *</b>	<b>825,000</b>	<b>856,200</b>	<b>895,800</b>	<b>1,114,600</b>	<b>1,134,500</b>
<b>Solvency margin ratio</b>	<b>835.1%</b>	<b>849.7%</b>	<b>805.5%</b>	<b>852.8%</b>	<b>734.2%</b>
<b>Number of in-house sales representatives</b>	<b>8,942</b>	<b>8,440</b>	<b>8,071</b>	<b>8,473</b>	<b>8,534</b>

\* MCEV is shown in terms of hundreds of millions of yen. Based on Ultimate Forward Rate since fiscal 2019.

## Selected Financial Data

## DAIDO LIFE

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Statement of Operation Data:</b>					
<b>Ordinary revenues:</b>					
Income from insurance premiums	¥790,852	¥ 828,003	¥ 818,070	¥ 808,161	¥ 808,083
Investment income	171,830	191,065	165,137	185,876	191,249
Other ordinary income	25,387	26,492	31,916	28,796	33,357
<b>Total ordinary revenues</b>	<b>988,070</b>	<b>1,045,561</b>	<b>1,015,124</b>	<b>1,022,834</b>	<b>1,032,690</b>
<b>Ordinary expenses:</b>					
Insurance claims and other payments	496,329	510,573	522,146	511,604	516,795
Provision for policy and other reserves	232,739	259,032	214,775	221,616	211,578
Investment expenses	46,233	61,342	61,569	66,440	44,781
Operating expenses	103,602	103,883	107,649	106,644	116,139
Other ordinary expenses	19,767	21,458	22,826	20,622	20,614
<b>Total ordinary expenses</b>	<b>898,672</b>	<b>956,290</b>	<b>928,967</b>	<b>926,928</b>	<b>909,910</b>
<b>Ordinary profit</b>	<b>89,397</b>	<b>89,270</b>	<b>86,157</b>	<b>95,905</b>	<b>122,780</b>
<b>Net extraordinary gains (losses)</b>	<b>(11,698)</b>	<b>(11,956)</b>	<b>(3,703)</b>	<b>(7,123)</b>	<b>(5,267)</b>
<b>Provision for reserve for policyholder dividends</b>	<b>14,668</b>	<b>14,005</b>	<b>11,687</b>	<b>11,854</b>	<b>11,711</b>
<b>Income before income taxes</b>	<b>63,031</b>	<b>63,308</b>	<b>70,766</b>	<b>76,927</b>	<b>105,800</b>
<b>Income taxes:</b>					
Current	22,854	21,414	21,646	25,029	29,892
Deferred	(4,396)	(3,634)	(1,330)	(2,965)	(313)
<b>Total income taxes</b>	<b>18,458</b>	<b>17,779</b>	<b>20,315</b>	<b>22,064</b>	<b>29,578</b>
<b>Net income</b>	<b>¥ 44,572</b>	<b>¥ 45,528</b>	<b>¥ 50,450</b>	<b>¥ 54,863</b>	<b>¥ 76,222</b>

As of March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Balance Sheet Data:</b>					
<b>Assets:</b>					
<b>Total assets</b>	<b>¥6,573,924</b>	<b>¥6,843,179</b>	<b>¥7,037,507</b>	<b>¥7,554,346</b>	<b>¥7,837,366</b>
<b>Liabilities:</b>					
Policy reserves	5,729,754	5,986,450	6,195,363	6,415,546	6,624,897
<b>Total liabilities</b>	<b>5,913,402</b>	<b>6,180,746</b>	<b>6,393,649</b>	<b>6,701,219</b>	<b>6,978,638</b>
<b>Net assets:</b>					
Total shareholders' equity	466,141	489,267	513,114	541,184	532,210
Total valuation and translation adjustment	194,380	173,165	130,743	311,942	326,517
<b>Total net assets</b>	<b>¥ 660,521</b>	<b>¥ 662,433</b>	<b>¥ 643,858</b>	<b>¥ 853,127</b>	<b>¥ 858,727</b>

\* The above figures are calculated based on the prevailing accounting standards of each fiscal year.

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Policy Results *:</b>					
<b>Policy amount in force</b>	<b>¥42,803,504</b>	<b>¥47,146,055</b>	<b>¥46,947,214</b>	<b>¥46,656,071</b>	<b>¥46,703,372</b>
Individual term life insurance	34,724,011	35,305,536	34,688,890	34,301,814	34,214,918
<i>J-type product, T-type product, and Kaigo Relief Alpha, etc.</i>	5,426,922	10,057,448	10,514,377	10,633,572	10,821,740
<b>New policy amount</b>	<b>5,231,498</b>	<b>8,474,888</b>	<b>3,724,420</b>	<b>3,550,612</b>	<b>4,041,989</b>
Individual term life insurance	2,944,065	4,128,641	2,460,009	2,474,808	2,844,737
<i>J-type product, T-type product, and Kaigo Relief Alpha, etc.</i>	2,523,252	5,085,094	1,224,617	1,039,312	1,192,846
<b>Surrender and lapse amount</b>	<b>2,582,199</b>	<b>3,295,771</b>	<b>2,976,811</b>	<b>2,846,020</b>	<b>2,972,735</b>
<b>Surrender and lapse rate</b>	<b>6.30%</b>	<b>7.70%</b>	<b>6.31%</b>	<b>6.06%</b>	<b>6.37%</b>

\* The total of individual insurance, individual annuities, . The new policy amounts include net increases from conversions.

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Other Data:</b>					
<b>Core profit</b>	<b>¥ 100,781</b>	<b>¥ 99,245</b>	<b>¥ 116,903</b>	<b>¥ 111,604</b>	<b>¥ 131,632</b>
<b>MCEV *</b>	<b>1,473,200</b>	<b>1,417,700</b>	<b>1,626,000</b>	<b>2,058,800</b>	<b>2,148,100</b>
<b>Solvency margin ratio</b>	<b>1,206.2%</b>	<b>1,271.9%</b>	<b>1,335.3%</b>	<b>1,293.5%</b>	<b>1,203.8%</b>
<b>Number of in-house sales representatives</b>	<b>3,714</b>	<b>3,786</b>	<b>3,746</b>	<b>3,766</b>	<b>3,699</b>
<b>Number of agents</b>	<b>13,992</b>	<b>14,132</b>	<b>14,413</b>	<b>14,775</b>	<b>15,137</b>

\* MCEV is shown in terms of hundreds of millions of yen. Based on Ultimate Forward Rate since fiscal 2019.

## T&amp;D FINANCIAL LIFE

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Statement of Operation Data:</b>					
<b>Ordinary revenues:</b>					
Income from insurance premiums	¥176,474	¥127,853	¥335,910	¥348,020	¥367,118
Investment income	12,982	17,221	11,924	106,851	113,353
Other ordinary income	7,036	5,683	6,660	5,789	4,839
<b>Total ordinary revenues</b>	<b>196,492</b>	<b>150,758</b>	<b>354,495</b>	<b>460,661</b>	<b>485,311</b>
<b>Ordinary expenses:</b>					
Insurance claims and other payments	124,953	106,894	125,135	222,904	270,745
Provision for policy and other reserves	50,164	26,791	174,312	216,631	183,641
Investment expenses	4,888	1,941	30,117	127	840
Operating expenses	12,349	11,453	19,373	20,216	20,543
Other ordinary expenses	1,592	1,612	3,309	3,727	3,873
<b>Total ordinary expenses</b>	<b>193,948</b>	<b>148,694</b>	<b>352,249</b>	<b>463,608</b>	<b>479,644</b>
<b>Ordinary Profit (loss)</b>	<b>2,543</b>	<b>2,064</b>	<b>2,246</b>	<b>(2,947)</b>	<b>5,667</b>
<b>Net extraordinary gains (losses)</b>	<b>(461)</b>	<b>(552)</b>	<b>(756)</b>	<b>(868)</b>	<b>(880)</b>
<b>Provision for (Reversal of) reserve for policyholder dividends</b>	<b>(1)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
<b>Income (loss) before income loss</b>	<b>2,083</b>	<b>1,511</b>	<b>1,490</b>	<b>(3,816)</b>	<b>4,788</b>
<b>Income taxes:</b>					
Current	199	(456)	(754)	(2,212)	(3,115)
Deferred	295	956	1,178	1,180	4,704
<b>Total income taxes</b>	<b>494</b>	<b>500</b>	<b>424</b>	<b>(1,031)</b>	<b>1,589</b>
<b>Net income (loss)</b>	<b>¥ 1,588</b>	<b>¥ 1,011</b>	<b>¥ 1,065</b>	<b>¥ (2,784)</b>	<b>¥ 3,199</b>

As of March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Balance Sheet Data:</b>					
<b>Assets:</b>					
<b>Total assets</b>	<b>¥1,365,878</b>	<b>¥1,438,819</b>	<b>¥1,645,401</b>	<b>¥1,850,918</b>	<b>¥2,007,568</b>
<b>Liabilities:</b>					
Policy reserves	1,274,376	1,300,935	1,475,204	1,691,538	1,875,148
<b>Total liabilities</b>	<b>1,292,955</b>	<b>1,361,498</b>	<b>1,564,466</b>	<b>1,782,638</b>	<b>1,943,616</b>
<b>Net assets:</b>					
Total shareholders' equity	71,616	72,627	73,693	70,909	74,108
Total valuation and translation adjustment	1,306	4,693	7,240	(2,628)	(10,155)
<b>Total net assets</b>	<b>¥ 72,922</b>	<b>¥ 77,321</b>	<b>¥ 80,934</b>	<b>¥ 68,280</b>	<b>¥ 63,952</b>

\* The above figures are calculated based on the prevailing accounting standards of each fiscal year.

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Policy Results *:</b>					
<b>Policy amount in force</b>	<b>¥2,052,758</b>	<b>¥2,172,963</b>	<b>¥2,392,518</b>	<b>¥2,703,559</b>	<b>¥2,997,343</b>
<b>New policy amount</b>	<b>354,705</b>	<b>314,183</b>	<b>446,898</b>	<b>426,624</b>	<b>421,257</b>
<b>Surrender and lapse amount</b>	<b>66,174</b>	<b>89,152</b>	<b>79,846</b>	<b>103,847</b>	<b>118,758</b>
<b>Surrender and lapse rate</b>	<b>3.52%</b>	<b>4.34%</b>	<b>3.67%</b>	<b>4.34%</b>	<b>4.39%</b>

\* The total of individual insurance and individual annuities.

Years ended March 31	2018	2019	2020	2021	2022
¥ millions					
<b>Other Data:</b>					
<b>Core profit (loss)</b>	<b>¥ (863)</b>	<b>¥ (1,466)</b>	<b>¥ (5,063)</b>	<b>¥ (3,268)</b>	<b>¥ (2,694)</b>
<b>MCEV *</b>	<b>102,600</b>	<b>98,500</b>	<b>66,500</b>	<b>108,100</b>	<b>111,300</b>
<b>Solvency margin ratio</b>	<b>1,258.3%</b>	<b>1,101.7%</b>	<b>1,033.6%</b>	<b>826.8%</b>	<b>749.5%</b>

\* MCEV is shown in terms of hundreds of millions of yen. Based on Ultimate Forward Rate since fiscal 2019.



## Stock Information

As of March 31, 2022

### BASIC INFORMATION

Stock Exchange Listings	Tokyo Stock Exchange
Industry and Security Code	Insurance, 8795
Trading Unit	100 shares
Number of Shares of Common Stock	Authorized: 1,932,000,000 Issued: 589,000,000
Fiscal Year-End	March 31 every year
Ordinary General Meeting of Shareholders	June every year
Date of Record	Ordinary General Meeting of Shareholders March 31 every year Dividends March 31 every year (interim dividend, when paid, on September 30)
Public Notice	<ul style="list-style-type: none"> <li>Electronic public notice (Japanese only)</li> <li>URL: <a href="https://www.td-holdings.co.jp/information/public.html/">https://www.td-holdings.co.jp/information/public.html/</a></li> <li>If the Company is unable to issue an electronic public notice due to an accident or any other unavoidable reason, a public notice will be issued in the Nihon Keizai Shimbun (daily newspaper).</li> </ul>
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo, Japan URL: <a href="https://www.tr.mufig.jp/english/">https://www.tr.mufig.jp/english/</a>
Number of Shareholders	212,485

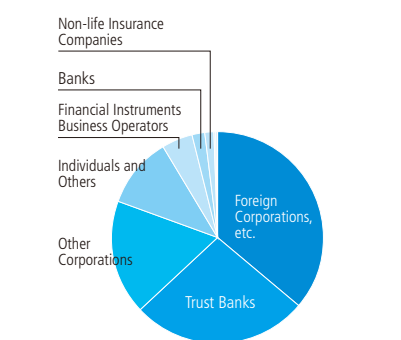
### PRINCIPAL SHAREHOLDERS

Name of Shareholders	Number of Shares Held (Thousands of shares)	Percentage of Total Shares Outstanding (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	101,470	18.04
Custody Bank of Japan, Ltd. (Trust Account)	32,173	5.72
SSBTC CLIENT OMNIBUS ACCOUNT	12,608	2.24
STATE STREET BANK WEST CLIENT – TREATY 505234	9,444	1.68
JPMorgan Securities Japan Co., Ltd.	8,311	1.48
JP MORGAN CHASE BANK 385781	8,103	1.44
Custody Bank of Japan, Ltd. (Trust Account4)	7,107	1.26
STATE STREET BANK AND TRUST COMPANY 505103	6,943	1.23
THE BANK OF NEW YORK MELLON 140044	6,675	1.19
AIG General Insurance Company, Ltd.	6,000	1.07

Note: In addition to the above, the Company holds 26,458 thousands of shares in treasury shares, which are excluded from the principal shareholders stated above. Further, the percentage of total shares outstanding is calculated after deducting the treasury shares.

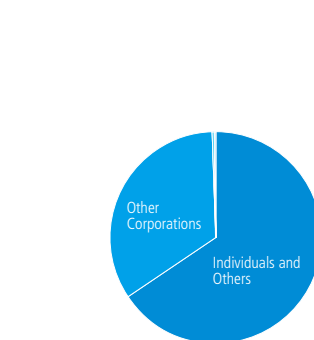
### COMPOSITION OF SHAREHOLDERS AND SHARES

Proportion of Shares Held



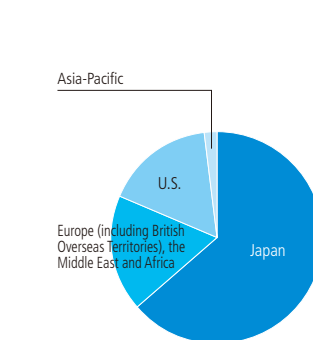
	Shares	%
Foreign Corporations, etc.	213,545	36.26
Trust Banks	158,060	26.84
Other Corporations	103,207	17.52
Individuals and Others	64,783	11.00
Financial Instruments Business Operators	27,881	4.73
Banks	10,888	1.85
Non-life Insurance Companies	8,362	1.42
Other Financial Institutions	1,429	0.24
Life Insurance Companies	841	0.14

Composition of Shareholders



	Shareholders	%
Individuals and Others	139,831	65.80
Other Corporations	71,805	33.79
Foreign Corporations, etc.	745	0.35
Financial Instruments Business Operators	36	0.02
Trust Banks	21	0.01
Life Insurance Companies	16	0.01
Banks	14	0.01
Other Financial Institutions	12	0.01
Non-life Insurance Companies	4	0.00
Government and Local Public Bodies	1	0.00

Regional Distribution of Shares Held



	%
Japan	63.74
Europe (including British Overseas Territories), the Middle East and Africa	17.89
U.S.	16.65
Asia-Pacific	1.71
Others	0.00

## Group Companies

The T&D Insurance Group comprised the holding company, 19 consolidated subsidiaries, and 5 affiliated companies. Centered on the life insurance business, the T&D Insurance Group's operations are outlined below:

### T&D T&D Holdings, Inc.

Major consolidated subsidiaries, and affiliated companies accounted for by the equity method

#### Insurance & Insurance-related Businesses

##### Insurance

- Taiyo Life Insurance Company (Life insurance business)
- Daido Life Insurance Company (Life insurance business)
- T&D Financial Life Insurance Company (Life insurance business)
- Pet & Family Insurance Co., Ltd. (Nonlife insurance Business)
- Capital Taiyo Life Insurance Limited (Life insurance Business)
- FGH Parent, L.P. (Insurance holding company)

##### Insurance-related

- All Right Co., Ltd. (Services related to healthcare and fields of health)
- T&D Confirm Ltd. (Policyholder confirmation services)
- Toyo Insurance Agency Co., Ltd. (Insurance agent)
- Daido Management Service Co., Ltd. (Insurance agent)
- Taiyo Life Aging Society Institute (Survey and research on health and medical care)

#### Investment-related Businesses

##### Investment Management and Advisory, etc.

- T&D Asset Management Co., Ltd. (Investment advisory and investment trust services)

##### Other Investment-related

- T&D United Capital Co., Ltd. (Principal investment, Investment management [administration])
- T&D United Capital North America Inc. (Principal investment, Investment management [administration])
- T&D Lease Co., Ltd. (Leasing)
- Taiyo Credit Guarantee Co., Ltd. (Credit guarantee services)
- Alternative Investment Capital Ltd. (Investment in private equity funds)

#### Administration-related Businesses

##### Administration-related

- T&D Customer Services Co., Ltd. (Life insurance policy clerical services, including drafting, amendment, custody and distribution of documents, and delivery of securities)

##### General Affairs and Calculation-related

- T&D Information Systems, Ltd. (Computer software and system services)
- Nihon System Shuno, Inc. (Premium collection)
- Zenkoku Business Center Co., Ltd. (Premium collection)
- Thuriya Ace Technology Company Limited (Designing and developing information technology, information technology systems, software solutions and business solutions for the insurance industry)

Companies marked by ■ are consolidated subsidiaries, and companies marked by ● are affiliated companies accounted for by the equity method.

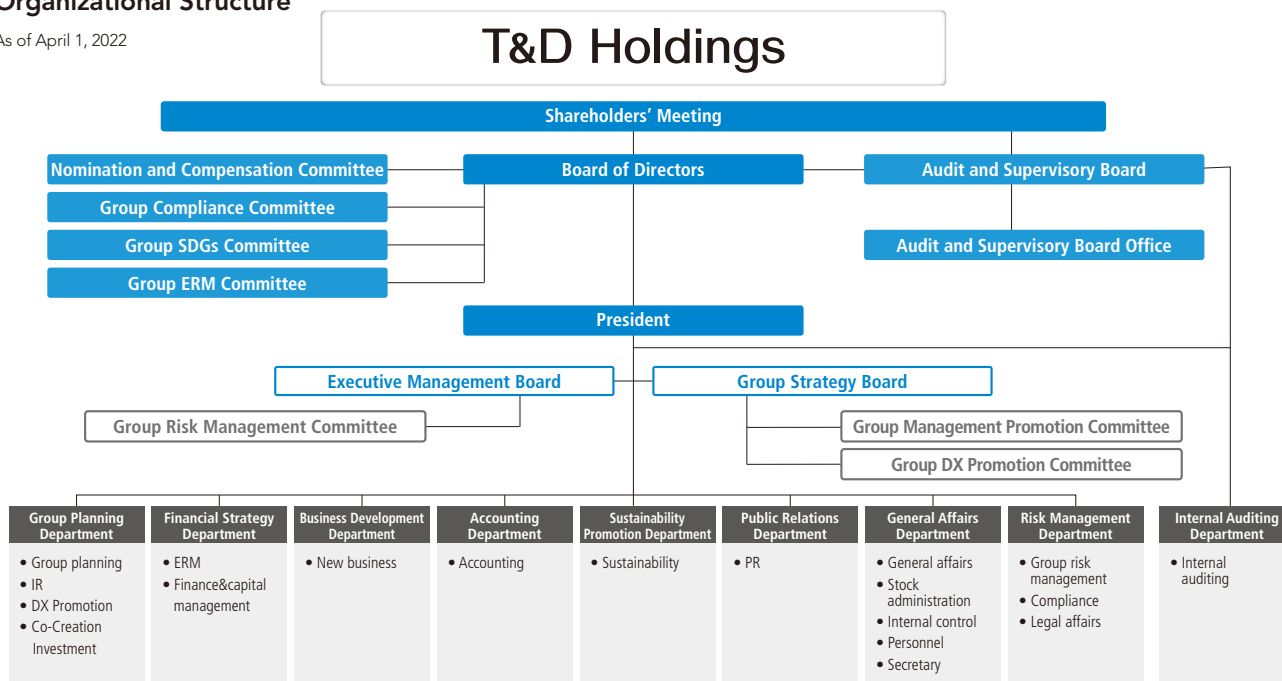
# Corporate Overview

As of March 31, 2022

Company Name	T&D Holdings, Inc.
Date of Establishment	April 1, 2004
Location of Headquarters	2-7-1, Nihonbashi, Chuo-ku, Tokyo 103-6031, Japan Tel: +81-(0)3-3272-6110 Fax: +81-(0)3-3272-6552
Type of Business	Management control of life insurance subsidiaries under the Insurance Business Act of Japan and other laws and regulations, and other businesses associated with the above
Paid-in Capital	207,111.86 million yen
Security Code	8795
Stock Exchange Listings	Tokyo Stock Exchange (Prime Market)
Number of Common Stocks Issued	589,000,000 shares
Number of Employees	117

## Organizational Structure

As of April 1, 2022



## Websites

For more detailed information on the contents of this report, please see the Company's websites.

Website of T&D Holdings, Inc.  
<https://www.td-holdings.co.jp/en/>

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

Sustainability  
<https://www.td-holdings.co.jp/en/csr/>

