



Sustainability Management

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Sustainability Management

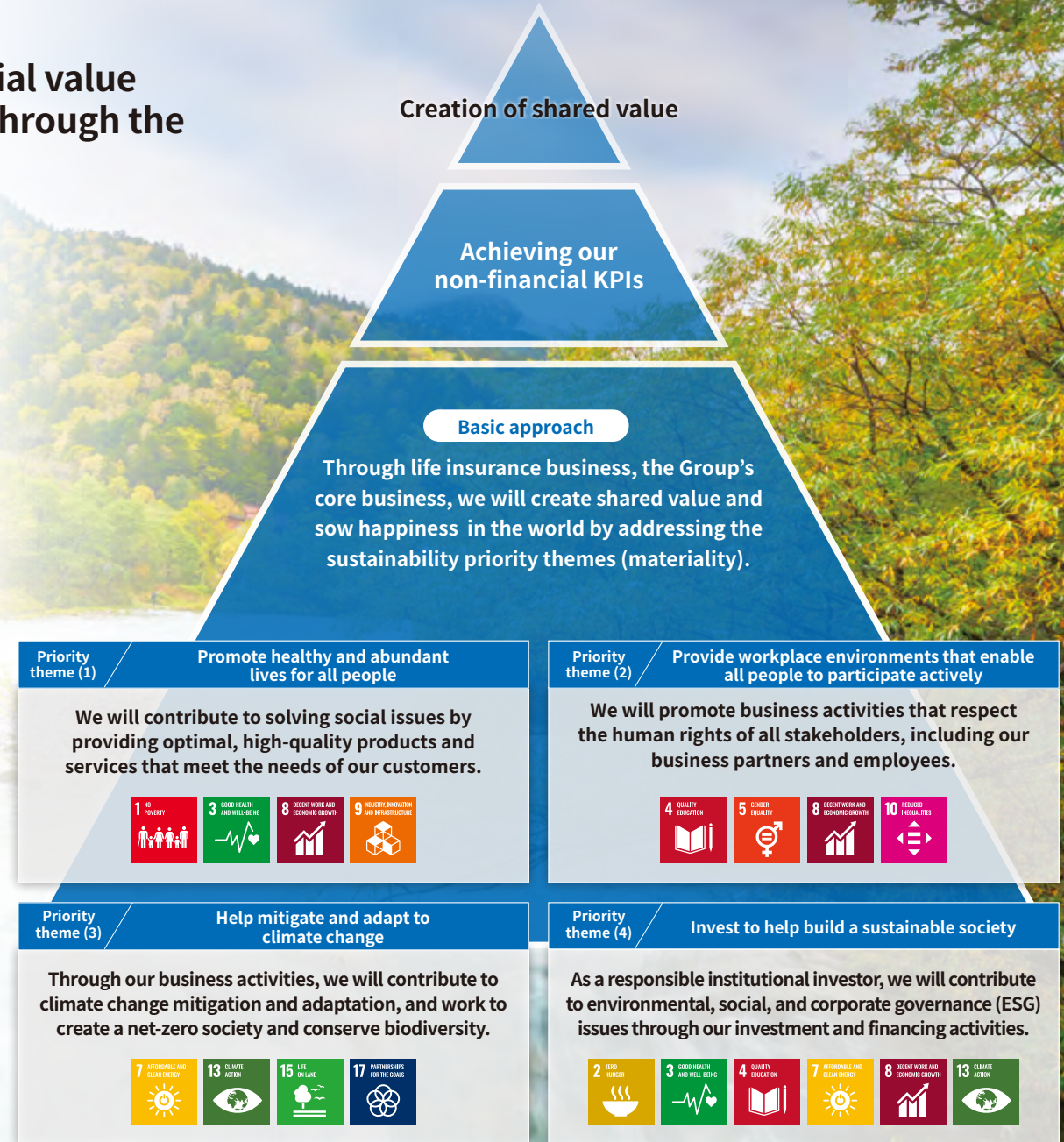
Creating both economic value and social value Contributing to a sustainable society through the creation of shared value

The Group's core business is the life insurance business, and we mainly focus on having sustainable business that provides customers with safety and peace of mind through our products and services. At the same time, as an institutional investor, we are closely connected to economic development and the realization of a sustainable society, and we have a responsibility to contribute to society through our business.

In 2021, T&D Insurance Group developed a Group Long-Term Vision towards FY2025 under the Management Vision: "Sow happiness, make change with boldness." The Group Long-Term Vision identifies SDGs management and creation of value as one of the challenges to the Group's Growth Strategy and priority themes and sets new non-financial KPIs to quantitatively measure the created social value.

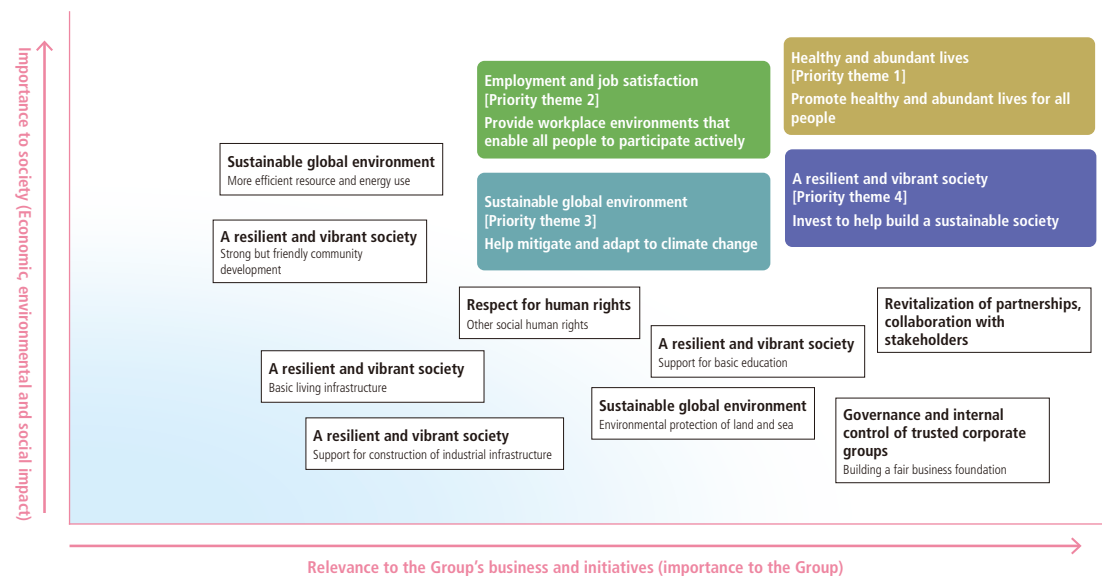
The Group believes that its efforts to promote SDGs management and solve social issues will lead the Group to achieve its goals of creation of shared value and sowing happiness in the world.

We, T&D Insurance Group, will take steady steps to become a sustainable insurance group that grows along with society.



Sustainability Priority Theme and Selection Process

From the various sustainability fields that relate to business activities, the T&D Insurance Group has identified the priorities of social issues that are of high importance to society and have significant relevance to the Group's business, and has identified four sustainability priority themes that we will focus on as follows.



Process for Selecting Priority Themes

(1) Identify important social issues

We considered various social issues to be targeted, based on what society expects of us as a Group engaged mainly in the insurance business, as well as how we can help develop a sustainable society.

After examining the SDG goals and targets, our Group CSR Charter, changes in the social environment, trends in technological innovation, and other sources, we identified 40 (important) target-related social issues relevant to our policies, products, services, and business model.

(2) Identify initiatives that address the important social issues

We identified the initiatives that have been implemented to increase social value with respect to the important social issues through our business activities and our critical business and sustainability management platforms.

(3) Identify the shared value to be realized by the initiatives and the corresponding sustainability themes

We identified initiatives that address important social issues and the shared value of their impact. In order to create shared value, we set themes that promote Group sustainability from the perspectives of the areas of the issues to be addressed and the ways of addressing them.

(4) Prioritize shared values and sustainability themes

We evaluated the importance of each shared value and sustainability theme based on both a) importance to society, and b) relevance to the Group's business (influence on social issues). We then clarified the priority of the initiatives for the Group to pursue.

- Importance to society: Evaluation based on its impact on society and its contribution to the SDGs
- Relevance to the Group's business: Evaluation based on

the relationship with policies and actions defined in the T&D Insurance Group CSR Charter

(5) Select sustainability priority themes

We set priority themes for promoting Group sustainability that can have an impact on the creation of shared value by addressing important social issues.

(6) Verify the adequacy of sustainability priority themes

- We engaged in dialogue and exchanged views on the selection process of priority themes with a qualified third party, then confirmed the adequacy of social issues to be targeted and the validity of our priority evaluation.
- In addition, we received approval from the Group SDGs Committee and reported to the Executive Committee (now the Executive Management Board) and Board of Directors.

Recommendations from Sustainability Advisory Committee

The Sustainability Advisory Committee, which was established in FY2021, receives commentary from outside experts on the latest international trends as well as a variety of recommendations based on their expertise. The Group reflects these recommendations in its initiatives on sustainability issues, and will promote the SDGs management and creation of value outlined in the Group Long-Term Vision.



From left

Mr. Kenji Fuma

Neural, Inc.
CEO / Specially Appointed
Professor, Shinshu University

Masahiko Moriyama

T&D Holdings, Inc.
Representative Director and
Senior Managing Executive Officer

Mr. Takejiro Sueyoshi

UNEP Finance Initiative
Special Advisor

Hirohisa Uehara

T&D Holdings, Inc.
Representative Director and
President

Ms. Mari Yoshitaka

Mitsubishi UFJ Research and
Consulting Co., Ltd.
Fellow (sustainability)

Yasuhiro Mori

T&D Holdings, Inc.
Executive Officer

Recommendations from Sustainability Advisory Committee

Recommendations on overall sustainability

A global policy debate is underway that views climate change not only as a means and cost of reducing CO₂ emissions, but also as a human rights issue that affects human life, health, and living areas. Furthermore, the younger generations are calling for climate justice, and they are speaking out from the perspective of creating an equal society with an eye to human rights, race, and poverty issues. The age where their values influence society is right before us, which will bring a big impact on business moving forward.

Recommendation 1

Toward de-carbonization

- (1) The Group Long-Term Vision indicates a CO₂ emissions reduction target with a deadline of FY2025 (40% reduction from FY2013), but there is no mention of net-zero emissions. That the T&D Insurance Group has not yet adopted the 2050 globally-championed Net Zero goal is a lag behind the global trend. The global trend is already changing from “low carbon” to “de-carbonization.” In view of the recent severity of climate change, we presume that the target date will be moved earlier than 2050.
- (2) In the financial industry, there is a trend toward a shift to a net-zero investment and financing portfolio by 2050. Since the T&D Insurance Group has made the effort to sign the Principles for Responsible Investment (PRI), it should consider a proactive course of action, such as committing to net zero CO₂ emissions and interim targets for its investees and borrowers, and release them.

Response

While we had set a target to reduce CO₂ emissions (Scope 1 and 2) by 40% by FY2025 compared to FY2013 in the non-financial KPIs in our Group Long-Term Vision, established in 2021, the Committee commented on the fact that no net-zero targets or targets for investees and borrowers had been established. In response to this, on September 30, 2021, an additional target was set to achieve net zero in FY2050, including own investment and loan recipients (Scope 3, Category 15). In addition, an interim target was set on April 11, 2022 for own investees and borrowers.

Reference: T&D Insurance Group CO₂ emissions reduction target

Subject	Target
Own emissions (Scope 1 and 2)	FY2025: 40% reduction (compared to FY2013) FY2050: Net zero
Investees and borrowers (Scope 3, category 15)	FY2030: 40% reduction (compared to FY2020) *Subjects are stocks, corporate bonds, and loans of domestic listed companies. FY2050: Net zero

Recommendation 2

Sustainability Statement

- (1) It is necessary to discuss one's values in the preparation of a statement. The company should determine where in the world the problems related to its business are and how it can contribute to the world through its business, and then communicate its stance to the world. Japanese companies' lack of issue awareness regarding why they are tackling these issues is a weakness. To simply list responses without an underlying message would result in a disconnect between stance and evaluation. The company should clarify what its purpose of existence is, and communicate products and investment policies based on that purpose.
- (2) Any sustainability initiatives to be described in the statement should be noted with an awareness of their connection to the sustainability priority themes. In addition, because prime market listing standards require Task Force on Climate-related Financial Disclosures (TCFD) or equivalent disclosure of climate change measures, the T&D Insurance Group, as a prime listed company, should prepare its statement with TCFD in mind.

Response

In response to the opinions of the committee, we started writing a statement in September 2021. We exchanged opinions with the committee midway through this process, and the statement was completed and disclosed on May 23, 2022.

We have established four sustainability priority themes, which reflect the Group's basic approach to sustainability and the issues to be addressed in the future, and have communicated to our stakeholders the direction and specifics of the Group's initiatives. We report on related results and progress via media such as our website and the Sustainability Report.

In May 2023, we updated our statement in light of changing social attitudes and initiatives to date.



Recommendations from Sustainability Advisory Committee

Recommendation 3

ESG investment

- (1) The T&D Insurance Group invests in a variety of bonds, but it would be better to link its position as an institutional investor with its position as an insurance company, and to make investments that can explain what the bond means to the T&D Insurance Group. Take, for example, the large number of female customers that Taiyo Life has. In this context, it would mean investing in gender bonds that support women's advancement in society and help reduce gender disparities.
- (2) When it comes to engagement, it is important to continue doing business with companies that are committed to Net Zero. In order for our business partners to build a net-zero portfolio, it is important for us to have a basic attitude toward our own net-zero portfolio. It may be a good idea to consider showing, as an indicator, the actual amount of ESG investments and financing from the perspective of the overall portfolio.

Response

The Group has already been considering the effect of its investment activities as an institutional investor on realizing a sustainable society, and has invested with consideration to environment, society, and corporate governance. In response to the committee's recommendation, in FY2023, we will set up focus areas for ESG investments and financing based on the business characteristics of the Group and the concept of our Sustainability Statement. Aiming to make further contributions to solving social issues in focus areas, we will strengthen our investments, financing, and engagement activities. In particular, we will aim to expand information disclosure and improve the contribution of our investment and financing activities to sustainability issues, etc. by quantitatively understanding their social outcomes (positive impact).

Recommendation 4

Support to small to medium enterprises

- (1) Observing the actions of the Japanese government, we feel that rapid changes are coming to Japan, and we fear that some people may not be able to keep up with these changes. Communicating global trends in sustainability to SMEs will further strengthen the relationship of trust between the T&D Insurance Group and its customers. While the Corporate Governance Code only covers listed companies, the mandatory disclosure on sustainability will have a knock-on effect on SMEs that make up the supply chain. This means that SMEs also have to understand and address global trends. One of the future material issues is that the T&D Insurance Group, which has access to SMEs, will support the industry.
- (2) Whether or not policyholders will be able to continue to enroll insurance in the event of future financial hardship could be viewed as a risk as an insurance company. Furthermore, in order for SMEs to survive, it is necessary to consider whether we can contribute in a different way than insurance and investment, such as engagement and consulting.

Response

Group company Daido Life has been engaged in various initiatives to support SMEs in resolving their business issues, namely: KENCO SUPPORT PROGRAM, which supports SMEs in their Kenkokeiei® (Health and Productivity Management); Sustainability Management Support Program to encourage SMEs' efforts to tackle the SDGs; starting to provide "Dodai?" an online service for managers of SMEs to gather and work on resolving social issues together.

In March 2023, Daido Life formulated and announced their Sustainability Promotion Plan aiming to become a company that contributes to a society where the wellbeing of SME workers and their families is realized. Based on this plan, we will work with SMEs to solve social issues and realize a sustainable society through the continuous development of SMEs.



Priority Theme (1)

Priority Theme (1) Promote Healthy and Abundant Lives for All People

Main related SDG targets



For the T&D Insurance Group, whose core business is life insurance, our most fundamental corporate social responsibility is to contribute to the realization of healthy and abundant lives for all people. By providing high-quality products and services that are optimal for customers' needs, we will contribute to the sustainable growth of society and the resolution of social issues through our insurance business, and create happiness in the world.

Our Target

Customer satisfaction at the FY2020 level or above*

* We will strive to achieve each theme from a comprehensive perspective, not limited to the stated targets.

The Initiatives of Taiyo Life

Providing products and services which preempt the changes of the times

In order to enable all people to enjoy long and healthy lives in the era of the 100-year life, Taiyo Life aims to be a company that supports customers' long and healthy lives through the best products and services.

To ensure that customers can enjoy their elderly years with peace of mind, we sell *Himawari Dementia Prevention Insurance* and *Cancer and Critical Illness Prevention Insurance*, which support customers' efforts to prevent dementia and serious illnesses.

As part of efforts to support customers' well-being, we provide information on services related to early detection and prevention of diseases and health promotion, such as MCI Screening Plus, which determines the risk of mild cognitive impairment through a blood test, AminoIndex® Risk Screening, and HPV Test Papix for cervical cancer, among others. Other services include the *Kaketsuke-Tai Service*, in which our office workers with specialized knowledge visit customers and their families to assist them with benefit claim procedures.

Taiyo Life provides greater peace of mind to its customers by integrating its products and services.

Best Senior Service

- **Senior Visit Service**

We visit senior customers once a year to confirm policy content and check that no claims have been missed.

- **Kaketsuke-Tai Service**

At the customer's request, our office workers visit the customer's home to assist with benefits claims.



Dedicated online service for customers Taiyo Life My Page

- **Procedures that can be completed on My Page (sample)**

Users can carry out procedures without having to come to offices, such as confirmation of policy content, address change, name change, change of death insurance recipient, and claiming benefits.

The Initiatives of Daido Life

Initiatives to spread KenkoKeiei® (Health and Productivity Management)

Daido Life supports the implementation of KenkoKeiei® (Health and Productivity Management) by SMEs, aiming to contribute to the creation of a society in which SMEs and their employees can thrive and play an active role, and to help solve the issues faced by Japan's aging society.

In January 2022, we launched *Kaisha Minnade KENCO+*, a health-promoting insurance that integrates the KENCO SUPPORT PROGRAM and coverage to realize disease prevention through health management while preparing for unexpected retirement. The product covers a wide range of risks, including death, severe disability, physical disability and serious illness, and also provides a discount on the following year's main policy premium if the policyholder takes an average of at least 8,000 steps per day every year.

Dodai? — A web service, which enables business owners to communicate with each other

Dodai?, an online service for managers of SMEs to get together and work together to solve social issues was launched in March 2022. Daido Life, which has supported SMEs through its coverage until now, has given form to its desire to shape the future together with SMEs moving forward.



Over 40,000 people!



Priority Theme (1)

The Initiatives of T&D Financial Life

Providing asset formation products that consider social and environmental changes

T&D Financial Life offers asset formation products, mainly for senior customers, to support a comfortable post-retirement life through the preparation of post-retirement expenditures and the need for protection of bereaved family members and other needs.

In June 2021, we launched *Hybrid Asset Life*. This product integrates investment trusts and life insurance to provide a yen-denominated, single-payment variable whole life insurance policy that supports self-directed asset formation in the era of the 100-year life. To help customers enjoy life more, we have developed products that allow them to continue to invest mainly in long-term diversified investments, while also providing for planned asset withdrawals, as well as preparing for dementia, and inheritance for themselves and their families.

In April 2023, *Fivetenworld 3*, a renewed version of *Fivetenworld 2*, a single-premium individual annuity that utilizes overseas interest rates and foreign exchange, was launched. The product is now available in two plans, the yen plan and the foreign currency plan, to meet the needs of customers.



The Initiatives of T&D Asset Management

Contributing to the promotion of a healthy society through investment

T&D Asset Management's active management of Japanese equities emphasizes analysis of non-financial information in addition to financial information. The T&D Japanese Equity ESG Research Fund, a private investment trust that selectively invests in companies that excel from an environmental, social and governance perspective, has set "health, safety and security" as one of the material issues when evaluating investee companies. It actively invests in companies that contribute to solving social issues related to people's health.

In addition, our analysts encourage corporate actions to solve social issues by holding dialogues with investee companies in line with material issues, thereby contributing to building a society that realizes healthy and abundant lives.



The Initiatives of Pet & Family Insurance

For the benefit of precious families

Pet owners are becoming increasingly concerned about pet medical care and its costs as they shift to recognizing their pets as members of the family. To ensure that pet owners and their pets can receive treatment with peace of mind, we offer products such as *Genki Number One Smart*, which compensates a certain percentage of the cost of veterinary hospital treatment for pets suffering from illness or injury.

Providing information on pet life

In addition, "Pet News Storage" is offered on the website, which regularly communicates on various themes, presenting information to enhance life with pets and familiar questions in an understandable manner. The number of articles reached 335 in March 2023.



Priority Theme (1)

Initiatives to respond to customer feedback

Initiatives to Customer satisfaction

The T&D Insurance Group has established the "T&D Insurance Group Basic Policy on Customer-oriented Business Operations" in order to conduct sincere, honest, fair, and appropriate corporate activities that lead to the benefit of customers, with "customer-oriented" as the Group's common value.

Based on this policy, each Group company strives to provide customers with greater satisfaction by providing better products and services based on its own business model and by improving the quality of its operations.

In addition, based on the results of customer satisfaction surveys and our response to changes in the social environment, we are constantly striving to provide more convenient services and improve our operations, aiming to become a group that can be trusted with confidence into the future.

Customer feedback collected through daily sales activities

In order to respond to social needs that change by providing better products and services, the three life insurance companies have established numerous points of contact with customers, including sales representatives, sales agents, call centers, and the internet, to collect as much customer feedback as possible. In addition, we conduct customer satisfaction surveys to gauge satisfaction with our products, services, and after-sales services.

System to reflect customer feedback in management

By establishing a department dedicated to overseeing customer-oriented business operations and a committee with the participation of external members, we have established a system to ensure customer satisfaction at all stages from policy making to payment, based on a customer-oriented business operation policy and specific targets set for complaint improvement, and other matters. In addition, customer feedback is centrally managed in a database and shared with relevant departments for use in product and service development, quality improvement, and business improvement.

Evaluation of the three life insurance companies' customer-oriented business operations policy (FY2022)

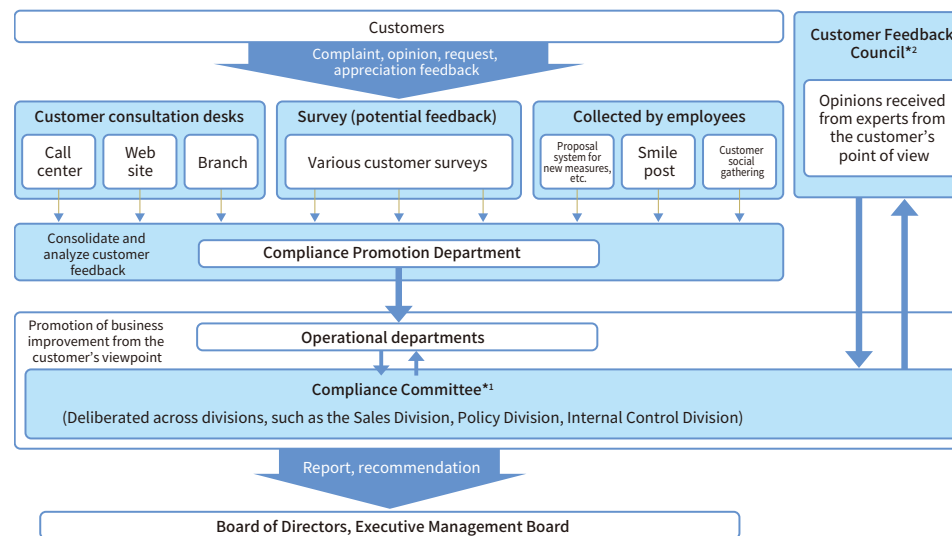


* Taiyo Life: Four levels - "satisfied," "mostly satisfied," "somewhat unsatisfied," and "unsatisfied." Aggregate the total of "satisfied" and "mostly satisfied."

Daido Life: Seven levels - "highly satisfied," "satisfied," "mostly satisfied," "neutral," "somewhat unsatisfied," "unsatisfied," and "highly unsatisfied." Aggregate the total of "highly satisfied," "satisfied" and "mostly satisfied."

TDF Life: Five levels - "satisfied," "mostly satisfied," "average," "somewhat unsatisfied," and "unsatisfied." Aggregate the total of "satisfied" and "mostly satisfied."

System to reflect customer feedback in management (The system chart is an example from Daido Life)



*1: Compliance Committee
The Compliance Committee has been established to develop and establish a compliance promotion system on a company-wide basis and to further promote customer-oriented corporate activities as stated in the basics of the corporation. The committee continuously reviews all processes from insurance solicitation to payment from the customer's perspective, and reports and proposes improvements to the Board of Directors and the Executive Management Board.

*2: Customer Feedback Council
The Customer Feedback Council was established to utilize the knowledge of outside experts in sound business operations from the customer's perspective. The Council verifies the appropriateness and effectiveness of business operations related to the improvement of customer service and the deliberations of the Compliance Committee.

Priority Theme (1)

Initiatives to Digital transformation (DX)

In order to create value for each and every customer experience through the Group's DX initiatives, the T&D Insurance Group is working to evolve the value it provides in both the insurance and non-insurance fields by improving customer understanding and UX.

More specifically, we are working to expand our customer contact points and improve customer service by the promotion of hybrid sales that combines face-to-face and digital

sales, expanding the number of customers to whom we can deliver our products and services.

Furthermore, we are also using AI to strengthen our consulting capabilities, and will strive to propose products and services that are optimal for each customer.

Also, Daido Life started providing "Dodai?", an online service for managers, in March 2022. We will provide various solutions such as promoting Kenkokeiei® (Health and Produc-

tivity Management) and supporting the resolution of management issues through "Dodai?". In addition, by expanding various functions, we will grow into a service platform that is essential for the management of SMEs and contribute to their sustainable development.

To achieve the further growth of the Group, we will take on the challenge of evolving the value provided to customers through bold transformations utilizing data and digital technologies.



Efforts to spread and establish DX and foster a culture of DX

Promotion of information sharing

- At the Group DX Promotion Committee, share information on DX promotion measures within the Group, external IT services being utilized, and other positive initiatives, and promote the creation of synergies through standardization and joint initiatives.

Developing DX talent

- Promoting the improvement of literacy among all employees by encouraging the acquisition of IT passports
- In order to develop human resources to lead DX, promote acquisition of skills in customer understanding, experience design, AI utilization, etc.

Utilization of IT, technologies, etc.

- Development of next-generation sales terminals to improve proposal capabilities and work styles
- Continue to promote zero seals, paperless operations, RPA, and the use of low-code development tools to improve operational efficiency.
- Utilize the Ministry of Economy, Trade and Industry's DX promotion framework, including the DX certification system, for Group DX promotion (renewal of DX certification is scheduled for FY2023)

Priority Theme (2)

Priority Theme (2) Provide Workplace Environments that Enable All People to Participate Actively

Main related SDG targets



To respect the human rights of all people, respect the personality and diversity of our employees, we ensure a healthy and safe working environment, and develop our human resources.

Our Target

Employee engagement score at the FY2020 level or above*

* We will strive to achieve each theme from a comprehensive perspective, not limited to the stated targets.



Message from executive officer in charge of human resources

— Promoting Try & Discover and aiming to be a group where diverse human resources can play an active role —

Yasuro Tamura, Senior Managing Executive Officer

The Group's approach to human resources

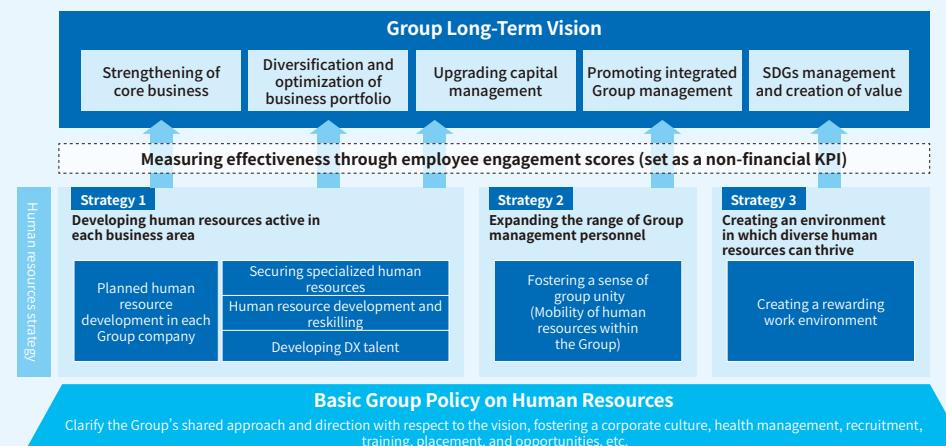
We believe that the human resources who work with us are the most important driving force behind our business activities to realize the T&D Insurance Group's Corporate Philosophy. The Basic Group Policy on Human Resources has been established as the basic policy for human resources management in the Group. The Group's core business is the domestic life insurance business, in pursuit of our market-specialized strategy. Human resources active in a wide range of fields collaborate to create

new value, including the closed book business, asset management business, and pet insurance business, which have strong affinities with the life insurance business. The Group will secure and develop human resources with advanced expertise, knowledge, and skills in a wide range of fields, and create opportunities for them to play an active role, thereby leading to the sustainable growth of the Group.

Relevancy to the Group Long-Term Vision

In order to realize the Group Long-Term Vision, it is essential to link it with a human resources strategy that will serve as the driving force behind the vision. We will invest extensively in human resources so that each employee can maximize his or her potential and continue to evolve in line with the T&D Insurance Group's management vision of "sow happiness, make change with boldness." In addition, we are creating an environment in which diverse human resources can play an active role, thereby improving the wellbeing of our employees. Each initiative will be measured annually for effectiveness using the Employee Engagement Score*, leading to more effective human resource strategies and making the Group a place of which each and every employee can be proud to be a part.

* 45 questions are set across nine categories, including "philosophy/vision," "attachment/trust," "self-initiative," "growth," and "challenge." Evaluation ranges from a minimum of 1.0 to a maximum 5.0 in a five-option multiple choice format.



Priority Theme (2)

Strategy 1 Developing human resources active in each business area

We are implementing various initiatives to develop human resources who will be active in a wide range of business areas.

Quantitative data related to Strategy 1

Item	FY2021	FY2022
Training hours per person*1	6.6 hours	7.5 hours
Total human resource development and training costs*1	309 million yen	365 million yen
Ratio of Group adjusted profit to personnel costs*2	28.1%	61.7%
Value of new business per employee*3	9.3 million yen	9.1 million yen
Employee engagement score (Category: self-initiative)*4	3.89	3.91

Subject: *1 Employees working at the three life insurance companies (administrative personnel as well as sales representatives, etc.)
 *2 Group adjusted profit / Personnel expenses of the three life insurance companies (administrative personnel as well as sales representatives, etc.) x 100
 *3 Value of new business / Number of employees working at the three life insurance companies (administrative personnel as well as sales representatives, etc.)
 *4 Administrative personnel of the three life insurance companies and HD

1.1 Planned human resource development in each Group company

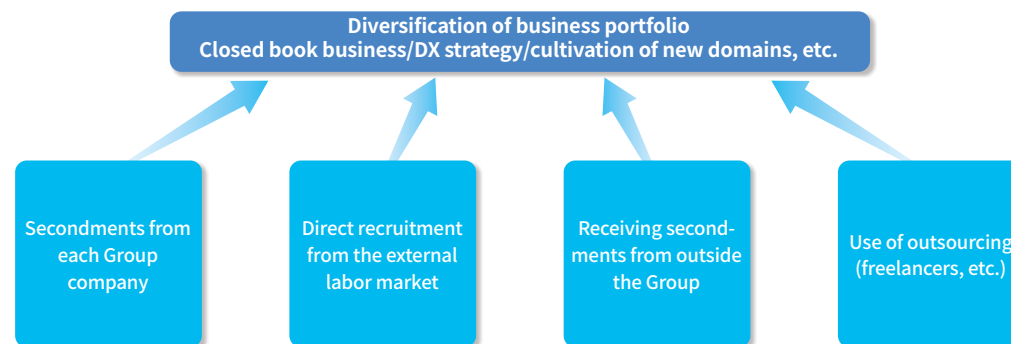
Each Group company provides education and training through on-the-job training (education through actual work), group training, and support for personal development. We support the self-directed career development of each and every employee by providing a diverse curriculum that includes proactive support for obtaining qualifications, as well as distance education, e-learn-

ing, and online teaching materials. In addition, we systematically transfer (rotate) personnel so that employees can gain a variety of work experiences and enhance their ability to perform their duties from a broad company-wide perspective.

1.2 Securing specialized human resources

Recognizing the importance of enhancing the expertise of employees in each of its businesses, the Group engages in a variety of human resource development programs. Furthermore, in order to diversify and optimize our business portfolio, we are developing a closed book business that has affinity with our core business and a new business domain that utilizes digital tools, among others. In these business domains, we are focusing on securing highly specialized human resources with a high level of expertise that can be used both internally and externally. The routes to securing highly specialized human resources are diversifying, and in addition to training by each Group company, we are flexibly recruiting specialists directly from the external labor market.

— Diversification of routes to secure highly specialized human resources —

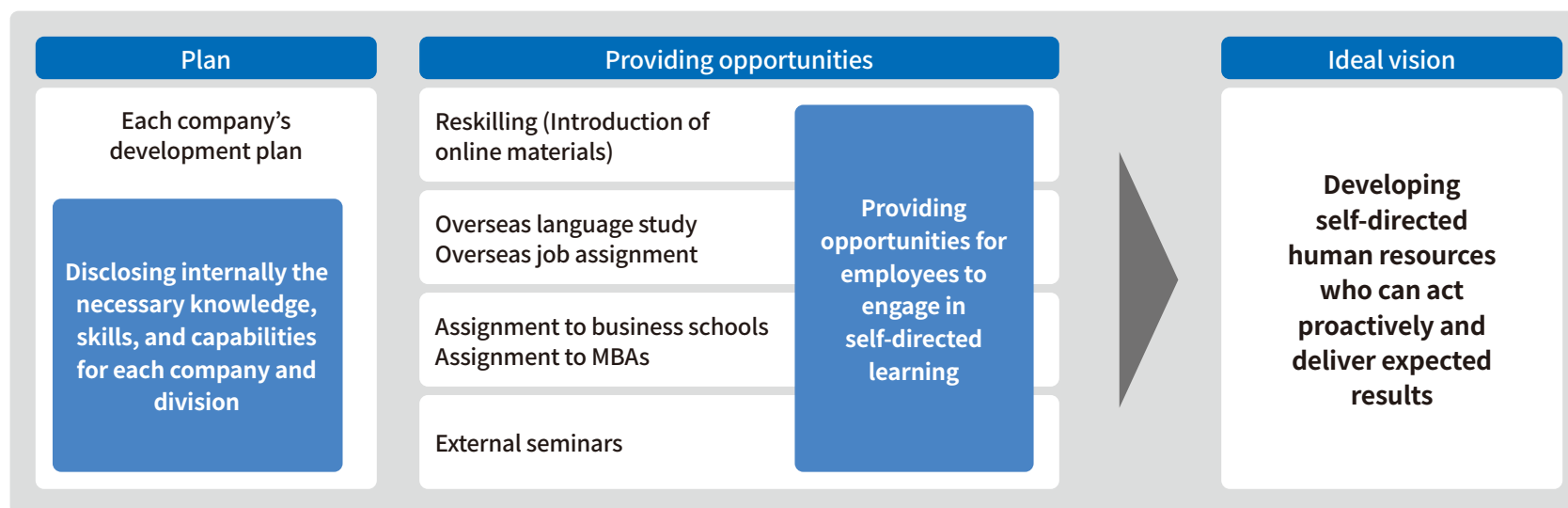


Priority Theme (2)

1.3 Human resource development and reskilling

In accordance with the Basic Group Policy on Human Resources, the Group develops self-directed human resources who understand the direction of the Group and can deliver the expected results. Each Group company promotes self-directed learning by disclosing internally the knowledge, skills, and abilities required in each division. In addition, we support the self-directed career

development of each employee by providing online materials for learning cutting-edge knowledge and skills as reskilling support, proactive support for certification acquisition, and encouragement for employees to take up the challenge of assignment to business schools, MBAs, overseas job assignment, and overseas language study.



1.4 Developing DX talent

In April 2022, the Group newly established the DX Promotion Division in the T&D Holdings Group Planning Department, and is promoting DX throughout the Group. In order to develop human resources who can use DX in each business domain, each Group company is working to improving

DX literacy among all executives and employees by encouraging the acquisition of IT passports and using online materials.

Priority Theme (2)

Strategy 2

Expanding the range of Group management personnel

To respond to the highly uncertain business environment, we are pursuing business synergies among each Group company, based on the recognition that we need to maximize the use of management resources within the Group. We are implementing various initiatives to further raise the Group awareness of employees, which is the foundation for realizing this goal.

Quantitative data related to Strategy 2

Item	FY2021	FY2022
Number of people experiencing work at T&D Holdings (cumulative total):	417 (As of April 1, 2022)	429 (As of April 1, 2023)
Number of Group personnel exchanges	—*	40
Number of participants in Group collaborative training	1,101	982
Employee engagement score(Category: philosophy/vision)	3.97	4.00

Subject: Administrative personnel of the three life insurance companies and HD
* Not conducted to prevent COVID-19

2.1 Mobility of human resources within the Group

In order to develop human resources with a high awareness of Group management, the following initiatives are being implemented to deepen the sense of belonging to the Group and understanding of the T&D Insurance Group's Corporate Philosophy among personnel from each Group company, transcending the boundaries of the companies to which they belong.

Initiative	Content
Planned personnel rotation	Experience in T&D Holdings operations, which is responsible for determining matters such as group strategy, proper allocation of Group management resources, and formulating capital strategies, is closely related to the development of human resources with Group awareness. To this end, we implement planned personnel rotations (transfers) from each Group company to T&D Holdings.
Group personnel exchanges	We dispatch young business persons to companies within the Group for about one week for the purpose of sharing excellent approaches (skills and know-how) of each Group company and building human networks among each Group company.
Open recruiting within the Group	In order to foster human resources who can act proactively and think about their own careers, we have implemented an open recruitment system within the Group that enables employees to take on the challenges of the positions of their choice in the various departments of T&D Holdings.
Group collaborative training	Group companies are collaborating to conduct training and seminars on common issues, which had been conducted independently by each Group company. (Management, human rights, active participation of women, market evaluation by analysts, etc.)
IR activities within the Group	The Group holds intra-Group IR activities for Group executives and employees to deepen their understanding of the Group's direction and market discipline, and to promote a sense of unity among Group companies in order to promote the Group Long-Term Vision and disseminate the Group's Corporate philosophy.

Priority Theme (2)

Strategy 3

Creating an environment in which diverse human resources can thrive

Quantitative data related to Strategy 3

Item	FY2021	FY2022
Ratio of female managers* ¹	19.1% (As of April 1, 2022)	21.9% (As of April 1, 2023)
Gender pay gap* ²	41.2%	42.0%
Ratio of employees with disabilities* ²	2.54%	2.48%
Percentage of male employees taking childcare leave/Average number of days taken* ²	100%, 5.8 days	100%, 12.6 days
Average number of days of paid leave taken* ¹	16.5 days	16.7 days
Employee engagement score (overall)* ³	3.77	3.75

*1: Administrative personnel of the three life insurance companies

*2: Employees working at the three life insurance companies (administrative personnel as well as sales representatives, etc.)

*3: Administrative personnel of the three life insurance companies and HD

3.1 Promotion of health and productivity management

Based on the belief that the mental and physical health of our employees and their families is the foundation for the realization of the T&D Insurance Group's Corporate Philosophy and the continued pursuit of the Group's growth, we are working to create an environment where employees can engage in their work with peace of mind and work with vitality. In recognition of our efforts to date, three of the Group's life insurance companies have been certified as one of the White 500 Corporations for Excellent Health Management*. (Taiyo Life and Daido Life have been certified for seven years running)

* The Ministry of Economy, Trade and Industry (METI) has awarded top-ranked corporations with the White 500 Corporations for Excellent Health Management status, based on its Certified Health and Productivity Management Organization Recognition Program, which was established for the health promotion of employees.



3.2 Promotion of women's activities

The Group recognizes that the further utilization of women's abilities is indispensable for the sustainable enhancement of corporate value, and that the active participation of women is a key management issue for the Group. In addition to creating an environment in which women can play an active role, the Group is working together to provide training for female Group employees, and the three Group life insurance companies are systematically developing human resources for managerial appointments.



Group collaborative women's career design seminar

Our target is to achieve a 30% ratio of female managers by 2030.

3.3 Diversifying work styles

Taiyo Life and Daido Life have introduced retirement age of 65 against a backdrop of an extension of healthy life expectancy and diversified lifestyles. Furthermore, we are working to expand employment opportunities for a diverse range of employees with disabilities by improving the workplace environment to make it easier for employees with disabilities to work. In addition, we

have enhanced systems such as childcare leave to enable employees to fully exercise their abilities while fulfilling family responsibilities such as childcare and nursing care, and introduced a home-based work system and satellite office work systems to enable diverse work styles.

Our target is to achieve 100% ratio of male employees taking child care leave.

Group Employee Dialogue

At T&D Insurance Group, we are committed to promoting the mobility of talent within the Group. For this dialogue, we spoke to key individuals active across our various Group companies, irrespective of the companies at which they originally worked. The discussion centered around the differences in each company's culture and what needs to be done to further advance our integrated Group management.

— Could you please tell us about your work responsibilities?

Ishikawa I work on contract maintenance at Pet & Family Insurance. Our pet insurance policies are renewed annually, and my primary responsibilities involve tasks related to continuing these contracts and administrative duties such as address changes. Additionally, we are pushing our DX strategy forward

through effective utilization of LINE accounts. In this context, I also handle the planning of LINE content, improvements to the functionality of our user portal, service expansion, and the shift toward paperless operations via systematization, etc..

Koike I am currently on a temporary transfer to All Right from T&D Financial Life. All Right opened in October 2022, with the objective of creating a new customer base using digital tools. Initially, we aim to collaborate with companies in the health and healthcare sectors to provide services. In line with this, I am responsible for identifying suitable partner companies and working on plans and proposals targeted toward them.

Hiratsuka I am part of the Investment Management Department at T&D Asset Management, where we manage assets delegated by Taiyo Life and Daido Life. My role is to create synergies across the Group from an asset management stand-

point. My duties mainly involve selecting and monitoring outsourced investment managers, as well as consideration of investment instructions and allocation of investment funds based on the external environment and performance.

Fujita I am stationed in the Business Development Department of both T&D United Capital and T&D Holdings. My primary responsibilities include advancing our closed book business centered around Fortitude, a reinsurance holding company, as well as considering new partnerships and M&A opportunities. The closed book business, a new initiative launched in 2020, involves acquiring and consolidating blocks of in-force policies that various insurance companies have discontinued (closed book), with the aim of enhancing their value to generate revenue. In the European and U.S. insurance markets, there is a rising demand to segregate old insurance

A Diverse Workforce Engages in Challenges and Discoveries to Achieve Sustained Growth

Moderator: Yukako Fukui
T&D Holdings,
IR Department
Deputy Manager
(Original company: Taiyo Life)
Joined: 2015

Akira Koike
All Right,
Corporate Department and Sales & Marketing Department
Deputy Manager
(Original company: T&D Financial Life)
Joined: 2017 (Mid-career entry)

Yuko Ishikawa
Pet & Family Insurance,
Contract Maintenance
Department
Manager
(Proper Employee)
Joined: 2011

Yuki Hiratsuka
T&D Asset Management,
Investment Management
Department
Manager
(Original company: Taiyo Life)
Joined: 2015

Keiichi Fujita
T&D United Capital,
Business Development Department
T&D Holdings, Business Development
Department
Manager
(Originally from: Daido Life)
Joined: 2003



Group Employee Dialogue



contracts to improve operational efficiencies, making this an area of focus. Regarding new partnerships and M&As, I am actively making use of our external network to identify investment opportunities based on the Group's future growth scenario and business portfolio management, while also strategizing about which companies to engage with and taking steps to execute these investments.

— Could you discuss the connection between the gratification you get from your work and the improvement of corporate value?

Hiratsuka In my experience with integrated Group management at T&D Asset Management, I've not only enhanced my management skills, but also expanded the scope of my responsibilities. This has enabled me to feel my own personal growth and made my job more rewarding. I believe I'm contributing to enhancing the corporate value of the Group from an operational perspective through advancements in asset management and improved returns on investment.

Fujita The closed book business is positioned as a new growth business for the Group. We're seeing expanding business opportunities not just in the U.S. and European markets,

but in Japan as well. The satisfaction of tackling new challenges is evident, and this sector now accounts for 20% of the Group's adjusted profit in recent years. This fact makes me realize that it's becoming an increasingly important part of elevating our corporate value. Given the high level of investor attention, I also believe there's a need for greater clarity in how we communicate this aspect.

Koike In my previous role as a banker, my job was mainly to sell pre-determined products based on well-established manuals and rules. By contrast, my current job at All Right involves a new business venture. We are using digital tools to create new customer points of contact, all conceived of from scratch, which makes for a daily process of trial and error. Although challenging, the satisfaction of seeing our ideas materialize is extremely rewarding. Incidentally, the name "All Right" was chosen through discussions among the four of us from the start. As the traditional insurance market contracts due to a declining population, there's a growing need to take on challenges in new areas. I believe that embracing new approaches and tools to discover potential in unexplored areas, and not letting ourselves be constrained by conventional ideas and methods, will enhance corporate value.

Ishikawa At Pet & Family Insurance, we are advancing DX by making features like user profile pages easily accessible via the LINE app. We are adapting existing mechanisms and workflows to align with customer needs, striving to improve customer convenience and communication.

Additionally, we are pushing for paperless operations and other efforts as part of our business innovation initiatives. Seeing the number of LINE users increase and witnessing the tangible effects of going paperless makes my job more and more satisfying.

—What are your thoughts after transferring to a different company within the Group?

Ishikawa I believe that embracing change and acting quickly is crucial when starting new initiatives. Our company has employees who were transferred from other companies within the Group and individuals with a variety of professional experiences. This allows for the exchange of views from multiple perspectives, which I find very enlightening. Moreover, in terms of utilizing digital technology, I share similarities with Mr. Koike of All Right, and I felt we could exchange ideas on how to anticipate the trends of the times and customer needs.

Koike As Ms. Ishikawa pointed out, we both face similar challenges when it comes to utilizing digital tools. At All Right, we employ outside specialized human resources with abundant skills and experience in areas such as social media management and data analytics. We conduct our operations while availing ourselves of their expertise as needed.

Hiratsuka Being in charge of new responsibilities, I feel I am learning first and foremost. I feel that my horizons have been expanding as I get involved in intricate analyses and decision-making related to investments and asset allocations in the management



Group Employee Dialogue



of alternative investments, which are considered to have a low correlation with traditional assets like stocks and bonds. Another revelation from my experience in moving within the Group is that even though we are part of the same Group, the corporate culture can differ considerably from one company to another in terms of mindset and work methodologies.

Fujita I was transferred from Daido Life. T&D United Capital and the Business Development Department at T&D Holdings consist of individuals from a diverse range of backgrounds, including mid-career hires. Everyone brings different perspectives and approaches to the table. In fact, this experience often makes me rediscover aspects about the company I originated from. Additionally, the closed book business receives a high degree of attention from various stakeholders, including shareholders and investors, which I find to be a stimulating environment that allows me to elevate my work perspective.

— What differences have you felt among the Group companies?

Hiratsuka Though this might be a generalization, Taiyo Life seems to emphasize a top-down approach that leverages the strength of the organization, while Daido Life seems to focus

more on a bottom-up culture that values individual capabilities.

Fujita For instance, even with documents that share the same purpose, I've noticed stark differences in focus and layout between Taiyo Life and Daido Life. I've been reminded of the fact that it's not a matter of which is correct, but about learning from each other, which makes the integration of the Group even more meaningful. To deepen mutual understanding at the organizational level, I believe it's necessary not only for individuals to bring back ideas, but also for there to be more opportunities for departments with similar functions to collaborate on common challenges.

Hiratsuka I agree. Even if we articulate these differences post-transfer, they may not resonate with those who haven't experienced it themselves. As Mr. Fujita mentioned, I believe it's crucial to figure out how departments can work together and deepen collaboration across the Group and beyond.

Fujita I think the environment at Holdings is extremely conducive to that effort. As we all work toward achieving the mission of the T&D Insurance Group, everyone has come to understand the importance of integrated Group management on a personal level.

Ishikawa At Pet & Family Insurance, we have been learning various methods and know-how from those who transferred from Taiyo Life and Daido Life, which has been instrumental in streamlining our operations. However, after hearing everyone's thoughts, I believe that new insights could be gained if we were to look at our company from an external viewpoint or gain outside experience. So I'd welcome opportunities for our staff to be transferred to other companies within the Group.

Koike At All Right, I'm the only one who has come from T&D Financial Life, and I work alongside transfers from Taiyo Life and Daido Life. I believe a large part of the cultural differences stems from the distinct business models of each Group company. All

Right is a new venture. We aim to create new value by leveraging the unique knowledge and experience of each Group company.

Ishikawa To be frank, before becoming a manager, I was solely focused on the task at hand and didn't give much thought to the other companies within the Group. However, after becoming a manager and having the opportunity to interact with individuals from other Group companies during training sessions and be exposed to a variety of opinions, I not only found it incredibly educational, but also felt that these insights could be beneficial for our own initiatives.

I wish I had been more conscious of the importance of integrated Group management even before stepping into a managerial role.

Fujita Last year, I participated in the IR activities within the Group for the first time. Hearing first-hand from the management about the current conditions and challenges facing the Group, and receiving candid answers to my questions, served as an excellent opportunity for me to reevaluate my own work in the context of integrated Group management. During these activities, I also sensed differing viewpoints among participants from various Group companies. I believe that if Group companies were to



Group Employee Dialogue

come together for discussions, it would enhance mutual understanding and potentially give rise to new opportunities.

Hiratsuka The first step in integrated Group management is to get to know your colleagues across the Group. However, I rarely interact with people from other Group companies and am largely uninformed about the kind of work they do.

A quick fix I've considered is making effective use of our Group newsletters. While they currently feature key topics from each Group company, why not have more articles that focus on the challenges faced by various departments or head office departments, similar to what each company's in-house magazine does? This could inform the entire Group about each company's efforts to improve corporate value.

Koike During my assignment at All Right, I've had the opportunity to work with people from various Group companies, which has made me aware of the diverse cultures and work styles that exist. I believe it is essential to learn about the kind of people who work in other Group companies and what they are working on through newsletters or other methods.

— What do you think are the strengths of the T&D Insurance Group?

Hiratsuka Our Group's insurance companies target both households and businesses, which I believe places us in a unique position to be highly responsive to societal changes. Because we are not a massive Group, I feel there's this strong sense of urgency that we must adapt to market changes to survive.

Fujita Among life insurance companies in Japan, our Group was one of the first to engage in the closed book business. I see this as a major strength that we should continue to capitalize on.

Koike I think one of the Group's strengths is that each Group company operates under a different business model. In this context, All Right is venturing into new business areas.

Ishikawa I feel that our Group is one where everyone's opinions are heard and fed back into management, regardless of their position in the company. This creates a culture where change is driven by fresh ideas from everyone, and I think that should be leveraged as one of our strengths.

— Finally, could you share your future aspirations?

Ishikawa By aligning my actions with the vision and philosophy being pursued through integrated Group management, I aspire for both the company and myself to achieve significant growth.

Koike I acknowledge that it's All Right's responsibility within the Group to explore new markets. I want us to provide a wide range of services through the use of digital tools and

give each customer one-on-one attention.

Hiratsuka In addition to contributing to the improvement of the Group's medium- to long-term investment revenue, I want to be actively involved in the government's initiatives for advanced asset management, as well as in strengthening and expanding our investment advisory business.

Fujita The closed book business is a new area in which global expansion is highly anticipated. In addition to speeding up our initiatives as a part of the Group's overall growth strategy, I want to focus on developing our organizational structure and nurturing the necessary human capital. I also aim to identify partners who can collaborate with our Group to create new growth opportunities and thereby contribute to increasing the Group's corporate value.



Strengthening IR Activities within the Group

Group IR

Since FY 2022, we have been strengthening IR activities within the Group with the aim of sharing the Group's direction as well as promoting stronger market discipline and other such matters. For the Group's current IR activities, we have also devised ways to make IR more familiar and approachable to Group employees, such as by using the nickname "Group IR" reflecting the fact that the term "IR" sounds like the phrase there is love in Japanese.

This initiative was awarded the "Most Liked!" IR Award" at the 2022 IR Award selected by the Japan Investor Relations Association.

Activity 1 Group internal IR Meetings

Top Company management executives explain the Group's challenges and policies using the same materials as the IR information meetings for investors and analysts.

Activity 2 Small meetings

Our management team held dialogue-based small meetings with managers from the Group head office and branches. Management communicated the purpose and significance of the Group's listing on the stock exchange, the Group's challenges from a market perspective, and the concept of the Group Long-Term Vision (Try & Discover 2025). Meanwhile, participants raised a variety of opinions, including issues faced by the Group from a front-line perspective and their expectations for the Group Long-Term Vision, which led to lively discussions at the meeting.



Scenes from a small meeting

Results for FY2022

Participants

986

Events held

92

Activity 3 Briefing for all group executives and employees

Through the use of video and e-learning, we conduct briefings (delivered via video) for all employees, including sales representatives, and also revitalize the employee stock ownership plan.



Briefing materials (front cover)

Results for FY2022

Participants

16,759

* Based on survey collections

Activity 4 Publication of "Group IR Newsletter" utilizing the Group's common comprehensive information portal site

The Group has a common comprehensive information portal site, "T&D TALK," which can be accessed by all group executives and employees and members of the authorized alumni associations. We publish the Group IR Newsletter on our site, proactively presenting content that had been communicated externally.



"T&D TALK" screen image

Participant opinions

Fostering Group awareness and a deeper understanding of the Group's policies

- Hearing the explanation of the Group's overall direction, I was able to reaffirm my membership in the Group and the direction in which we are headed.
- There were concrete explanations of the business of the Group as a whole and the direction in which the Group is moving forward, which I had only vaguely understood previously. My engagement with belonging to the Group grew as a result.

Increased awareness of stock price (stock ownership plan)

- Although I had felt the disparity in stock price trends with other companies in the industry for some time, I became more aware of stock prices after the explanation with specific indicators and numerical values.
- Even though I was vaguely aware of the stock price after the company was incorporated, I felt that I should reflect on the fact that I had stopped thinking about it there. I became very aware that I myself was involved in the accomplishment of tasks to increase the Group's corporate value.

Internal Group exchange

- After meetings with participants from other companies in the Group, I am able to communicate with them more than before, for example, exchanging information.
- Next time, it would be better to set up a situation where interactive communication is possible, so that the participants can feel a greater sense of unity.
- Perhaps it would be a good idea to have the program focus on mid-career and young professionals, who will be the future leaders.

* Direction of FY2023 initiatives

- In FY2023, the second year of Group IR, we will continue to share the content of external briefings and investor/analyst opinions within the Group, as well as hold small meetings that emphasize more two-way communication.
- HD directors and executive officers and small meeting attendees will exchange opinions on the progress of the Group Long-Term Vision, future issues, and what the T&D Insurance Group should do to become a stronger group in the future.

Priority Theme (3)

Priority Theme (3) Help Mitigate and Adapt to Climate Change

Main related SDG targets



We will contribute to climate change mitigation and adaptation and work to create a net zero society and conserve biodiversity through our own business activities as a provider of insurance products and services to customers.

Our Target

- Reduce our CO₂ emissions by 40% by fiscal 2025
- Reduce our CO₂ emissions to net zero by fiscal 2050

Basic Concept

A globally shared long-term target was established by the Paris Agreement, adopted at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in December 2015, to keep the rise in global average temperature fully below 2°C in comparison to before the Industrial Revolution and pursue efforts to limit this rise to 1.5°C. Achieving net zero emissions and carbon neutrality by 2050 is required to realize this target. To transition to a low carbon/decarbonized society and adapt to climate change, it will be necessary to transform the industrial structure on a large-scale and modify our behavioral patterns. The T&D Insurance Group also remains cognizant of the fact that we must do our part as a member of society.

The T&D Insurance Group formulated the T&D Insurance Group Environmental Policy* to clarify the Group's stance on the environment. The Policy is to carry out business activities with full awareness of the importance of environmental concerns, and to ensure that executives and employees under-

stand that they must act in consideration of the protection of the global environment. The Group will achieve sustainable growth along with society while fulfilling the public mission of life insurance and other businesses, and undertaking its corporate social responsibilities. In addition, based on the above Policy, the Group has set out its Green Purchasing Standards and Detailed Rules and gives priority to the purchase of products and services that help reduce its environmental impact when procuring a diverse group of goods ranging from office furniture, equipment and consumable supplies to real estate facilities and system equipment as well as in printing product brochures and policy documents. While climate change on a global scale is a risk for the continuity of the Group's business activities, the Group considers it an opportunity to undertake new activities.



* For more information, please see our website.

<https://www.td-holdings.co.jp/en/csr/csr-policy/environment.html>

Disclosure of Climate-related Financial Information Based on the TCFD Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), formulated its recommendations for clarified, comparable, and consistent information disclosure regarding the risks and opportunities posed by climate change. These recommendations were announced in June 2017. Climate change is an issue to be

addressed on a global scale. The effects of climate change have significant impacts on the lives of people, through changes in economic behaviors and society worldwide. The T&D Insurance Group has expressed its support for the TCFD recommendations, and is actively committed to disclosing climate-related financial information in an easy-to-understand manner.

Priority Theme (3)

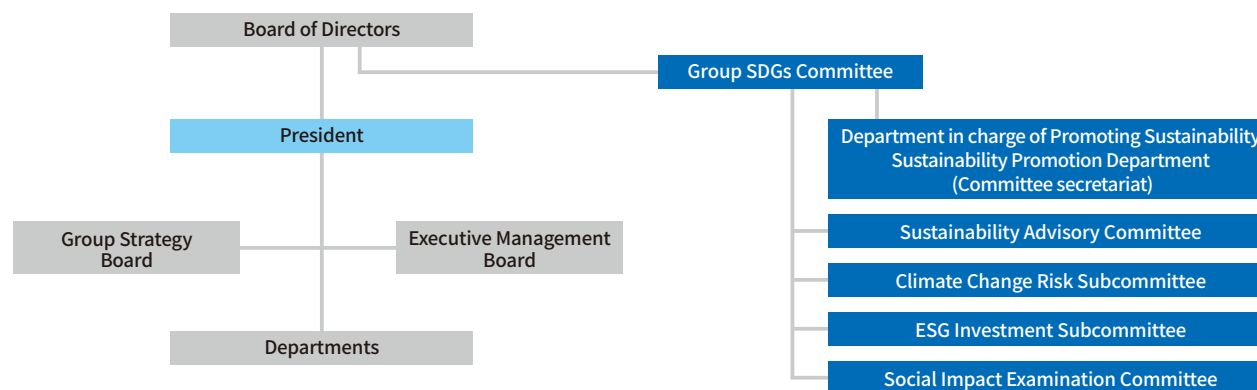
Disclosure of climate-related financial information

Governance

The Board of Directors has established the Group SDGs Committee as its subsidiary body, with the task of reviewing and deliberating its policies related to SDGs and CSR, along with measures concerning the global environment and social issues.

Furthermore, the Climate Change Risk Subcommittee is established as a subordinate body of this committee. The subcommittee researches and examines the status of climate change risks and necessary responses, and assists the Group SDGs Committee in formulating policies and examining initiatives related to climate change.

Sustainability Promotion Framework



Strategies

We conduct scenario analysis based on multiple scenarios to examine the impact on our Group caused by climate change risk (physical risks*¹ and transition risks*²).

*1 Business risks associated with natural disasters caused by extreme weather such as typhoons and floods, and those associated with phenomena such as an increase in the average temperature and a rise in the sea level

*2 Business risks arising from the actions of government, corporations, and consumers in the process of carrying out the transition to a low carbon/decarbonized society (through a significant reduction of greenhouse gas emissions)

● **Scenario analysis: Impact on the Group and the Response Measures**

	Impact	Response
Physical risks	Impact on underwriting profitability due to an increase in the number of heat stroke patients transported to hospitals and the number of fatalities due to higher average temperatures, as well as an increase in the number of disaster victims due to the severity of natural disasters	Appropriate review of premium rates to ensure that there is no significant negative impact on underwriting profitability
Transition risks	Impact on asset management income resulting from the financial impact on the Group's investment and financing recipients caused by stricter regulations on greenhouse gas emissions, the introduction of carbon taxes, replacement with new technologies compatible with decarbonization, changes in consumer values and behavior patterns, and other factors	Promote efforts to promote the decarbonization of investment and financing recipients through engagement, and promote investment and financing activities in businesses that contribute to the realization of a decarbonized society.

● **Scenario analysis: Business Opportunities for the Group**

Changes in the morbidity rate and average life expectancy associated with the progress of global warming are expected to give rise to needs for protection (involving death, annuities, and medical care) against emerging new risks. There are opportunities to expand net sales of the insurance business, by expanding and providing a wider scope of protection in order to meet such emerging needs.

As the reduction of GHG emissions progresses, the Group, as an institutional investor, has opportunities to enhance the value of investment assets and expand investment returns stably over the long term, by investing and lending to expanding clean energy development and energy conservation businesses, and by owning and managing real estate (such as office buildings) with superior environmental performance.

The Group also has opportunities to expand its business domains and earnings as a business operator, rather than as an institutional investor, by developing or entering into new business domains related to the mitigation of and adaptation to climate change.

Priority Theme (3)

● Advancing climate change risk analysis: quantitative analysis of the impact on the Group

In collaboration with KPMG Consulting Co., Ltd. and the Japan Weather Association, we conducted a quantitative analysis of the impact of climate change on the Group as an effort to advance climate change risk analysis.

Analysis method

- The Japan Weather Association has developed the high-resolution regional climate scenario dataset, a 1-km mesh high-resolution version of projected climate change data for physical risk analysis.
- For the Group, models were developed for “estimating the number of disaster victims due to flooding” and “estimating the number of heat stroke patients transported to hospitals and deaths” under the scenarios of 2°C (RCP 2.6 scenario) and 4°C (RCP 8.5 scenario) increase in the future average temperature in Japan due to climate change, respectively. Estimated using five different climate prediction models.
- A physical risk analysis was conducted by dividing the future period up to 2100 into the “first half of the future period: 2026-2050” and the “second half of the future period: 2051-2100.”

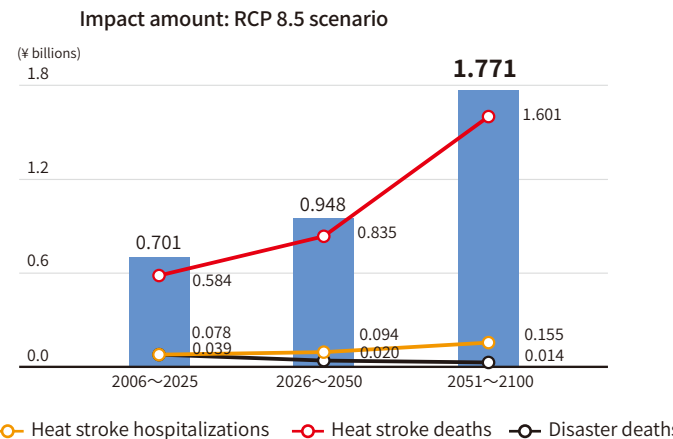
Analysis results

Disaster victims	<ul style="list-style-type: none"> • Variation exists in future rainfall increases by region (decreases in some areas). • In addition, the percentage of powerful typhoons will increase, but the number of typhoons themselves will decrease. <p>⇒ In both scenarios, the number of disaster victims could spike in extreme rainfall cases, but the overall period would stay at the same level.</p>
Heat stroke patients Persons transported to hospital/deaths	<ul style="list-style-type: none"> • In both scenarios, there is not that big of a change in the first half of the future period. • In the second half of the future period, there will be an increase in extremely hot days and tropical nights. Notably, under the RCP 8.5 scenario, the number of extremely hot days increases by more than one month from the current level. <p>⇒ In both scenarios, the number of heat stroke patients transported to hospital and deaths increase in the second half of the future period.</p>

Impact on the Company

- Based on estimates derived from the analysis results, the RCP8.5 scenario, which has a larger impact, results in an increase in insurance claims and benefits of “0.51 to 1.63 billion yen” (a level equivalent to approximately 0.1% to 0.3% of the Group’s insurance claims and benefits paid) in the second half of future period compared to the base period (2006 to 2025).

* The graph on the right shows the average of the five models (Increase of 1.07 billion yen in the second half of the future period)



Priority Theme (3)

Risk management

The Group registers climate change-related risks on the risk profile as critical risks to be managed, and scrutinizes, identifies, and assesses these risks.

Management of climate change-related risks

Physical risks	<ul style="list-style-type: none"> The Group considers to mitigate deterioration of underwriting profitability through reinsurance and other means, along with large-scale disaster risks (insurance underwriting risks). The Group monitors existing products and implements countermeasures, including product revisions, as necessary.
Transition risks	<ul style="list-style-type: none"> The Group engages in investments and borrowings, taking into account climate change-related risks based on the Principles for Responsible Investment (PRI). Engagement to facilitate investees and borrowers' decarbonization efforts

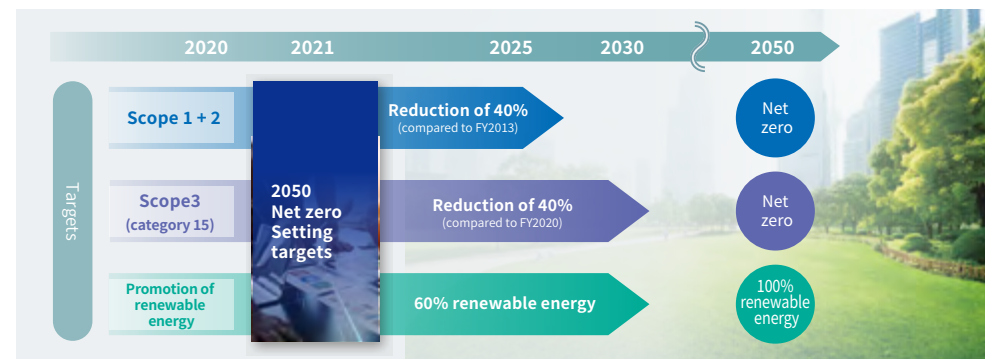
Metrics and targets

The Group establishes its environmental protection-related targets and is working on initiatives to achieve them in its daily business activities. The four targets are “to reduce CO₂ emissions,” “to reduce electricity consumption,” “to reduce office paper consumption,” and “to improve the green purchasing ratio.” Progress toward the achievement of these targets is measured annually, and disclosed in various reports and websites.

As for CO₂ emissions, Scope 1 (direct emissions from the Company), Scope 2 (indirect emissions via the purchase of energy including electric power), and Scope 3 (indirect emissions via other corporate activities including procurement of materials, transport, and disposal) are measured and disclosed on a continuous basis.

We have set reduction targets for our own emissions (Scope 1 and 2) and for our investees and borrowers (Scope 3: Category 15), aiming to achieve net zero emissions by 2050.

● Roadmap to achieving net zero



● CO₂ emissions reduction target

Subject	Targets
Own emissions (Scope 1 and 2)	FY2025: 40% reduction (compared to FY2013) FY2050: Net zero
Investees and borrowers (Scope 3: category 15)	FY2030: 40% reduction (compared to FY2020) *Subjects are stocks, corporate bonds, and financing of domestic listed companies. FY2050: Net zero

● Promotion of renewable energy introduction

We are a member of RE100, a global initiative that aims to use renewable energy sources to cover all electricity consumed in business activities.

We have set an interim goal of sourcing 60% of our electricity from renewable energy by fiscal 2030, and are actively promoting the use of renewable energy.



Priority Theme (4)

Priority Theme (4) Invest to Help Build a Sustainable Society

Main related SDG targets



As a responsible institutional investor, we will secure stable long-term investment income and contribute to the realization of a sustainable society through investment activities undertaken in consideration of the environment, society, and corporate governance, with the aim of growing sustainably in partnership with society.

Our Target

- Reduce the CO₂ emissions of investees and borrowers by 40% by fiscal 2030
- Reduce the CO₂ emissions of investees and borrowers to net zero by fiscal 2050

Basic Concept

With the main business of the Group being life insurance business, contributing to realizing a sustainable society through investment is one of the most fundamental roles of the Group. As an institutional investor managing long-term funds, we acknowledge the importance of securing stable earnings, contributing to the realization of a sustainable society, and growing sustainably together with society.

ESG Investment Policy

In accordance with our basic concept, we have established the T&D Insurance Group ESG Investment Policy, which expresses our stance on ESG investment.

T&D Insurance Group ESG Investment Policy (overview)

By conducting asset management with consideration to ESG issues, we will aim to secure stable earnings, contribute to the realization of a sustainable society, and grow sustainably together with society.

- | | |
|--|---|
| 1. Conducting investments and financing with consideration to ESG issues | 3. Collaboration on ESG investment and financing and support for sound market development |
| 2. Implementing constructive dialogue on ESG issues with investees | 4. Enriching information disclosure related to ESG investment and financing initiatives |

Signing of the Principles for Responsible Investment (PRI)

Taiyo Life, Daido Life, and T&D Asset Management have endorsed and signed the United Nations-backed Principles for Responsible Investment (PRI).

Signatory of:



The six principles outlined by the PRI (overview)

- | | |
|---|--|
| Principle 1 We will incorporate ESG issues into investment analysis and decision-making processes | Principle 4 We will promote acceptance and implementation of the Principles within the investment industry |
| Principle 2 We will be active owners and incorporate ESG issues into our ownership policies and practices | Principle 5 We will work together to enhance our effectiveness in implementing the Principles |
| Principle 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest | Principle 6 We will each report on our activities and progress towards implementing the Principles |

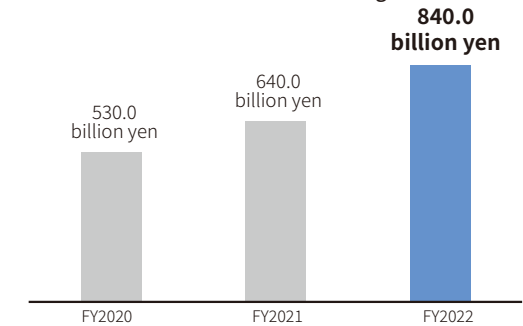
Priority Theme (4)

Various ESG investment initiatives

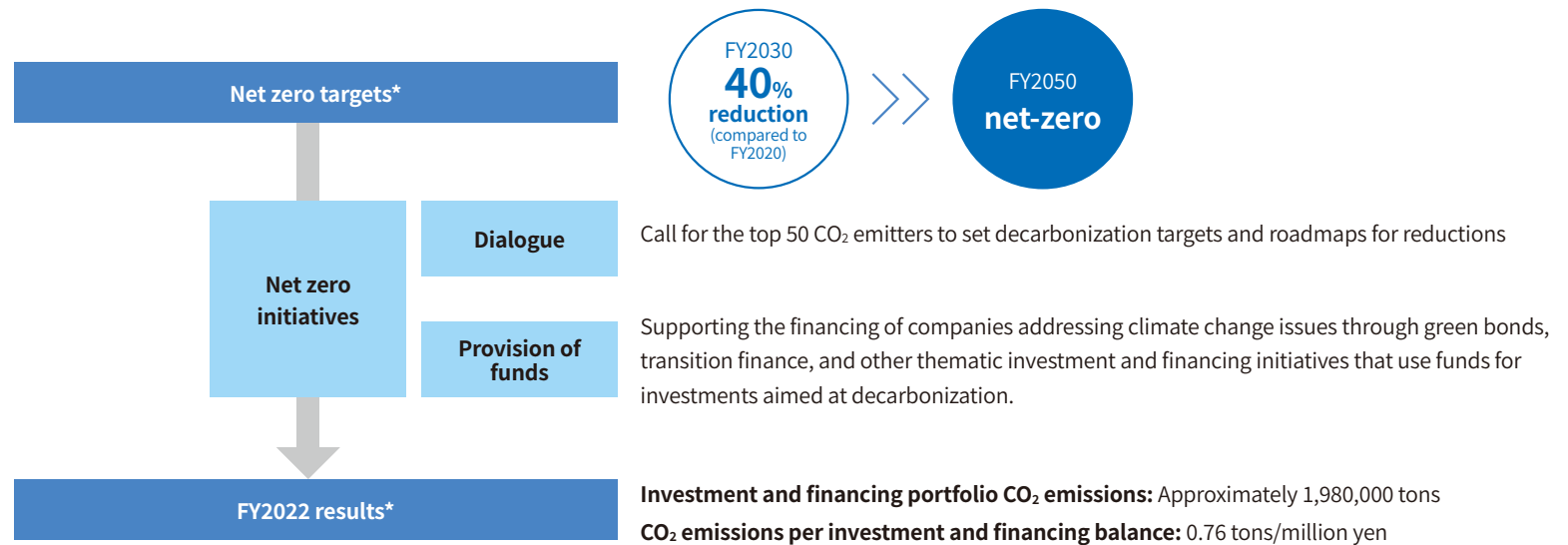
In order to promote asset management that considers ESG issues, the Group has introduced various investment methods according to the characteristics of the assets under management.

Integration	Incorporate the analysis and evaluation of non-financial information, such as ESG, in addition to financial information when investing and financing securities such as stocks and bonds, and real estate, etc.
Negative Screening	Prohibit investments and financing to companies that manufacture inhumane weapons, etc., and new investments and financing to coal-fired power generation projects, coal mining projects, etc.
Thematic investment and financing	Build up investments and financing in assets with themes that can contribute to the realization of a sustainable society to 840 billion yen as of the end of FY2022.
Dialogue with investment and financing recipients	Conduct dialogue on ESG issues such as decarbonization, diversity, and biodiversity in order to enhance corporate value and promote sustainable growth of investment and financing recipients

ESG-themed investment and financing



Initiatives toward net zero CO₂ emissions for investment and financing companies



* Taiyo Life and Daido Life's holdings include stocks, bonds, and loans issued by domestic listed companies