



T&D Holdings Integrated Report 2024

(Year ended March 31, 2024)

T&D Insurance Group

Try & Discover
20th
ANNIVERSARY

T&D Insurance Group's Corporate Philosophy

— T&D Insurance Group's reason for existence —

With our “Try & Discover” motto for creating value, we aim to be a group that contributes to all people and societies.

T&D Insurance Group's Management Vision

— Group's aspiration and direction for medium- to long-term —

Sow happiness,
make change
with boldness

Financial KPIs

- Group adjusted profit
- Adjusted ROE
- Value of new business
- ROEV

Nonfinancial KPIs

- Customer satisfaction
- Employee engagement score
- CO₂ emission

Group KPIs

— Quantitative goals to achieve the management vision —

Group Growth Strategy

— Strategies for achieving Group KPIs —

Strengthening of core business
Diversification and optimization of business portfolio
Upgrading capital management
Promoting integrated Group management
SDGs management and creation of value

Group Long-Term Vision →P.40

“Try & Discover 2025”

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To Be a Group That Moves as One...

Over the past 20 years, T&D Holdings has successfully navigated its course because it has been led in the right direction by these “signposts” showing the way.

Moving forward, we will continue to create new value through a combination of flexibility (keeping our finger on the pulse of current trends and reflecting them in our management, products and services) and our unshakeable philosophy.

T&D Insurance Group's Corporate Philosophy

— T&D Insurance Group's reason for existence —

With our “Try & Discover” motto for creating value, we aim to be a group that contributes to all people and societies.

Try & Discover” means always trying to reach the next stage or higher level as well as discovering even further stages and higher levels to tackle without being satisfied with the status quo. Continuing to grow through the repetition of this cycle is the spirit of the T&D Insurance Group.

With this spirit, we aim to be a group that broadly contributes to people and society by creating value that sincerely satisfies all those who support us, including by providing the best products and services to our customers and enhancing corporate value for our shareholders.

T&D Insurance Group's Management Vision

— Group's aspiration and direction for medium- to long-term —

Sow happiness, make change with boldness

Unpacking the vision through a story

Pride of T&D

We have always protected the happiness of people. By facing each and every customer with care, Together, we have supported their livelihoods as one.

T&D's challenge

Now, society is changing at an unprecedented pace and people's lifestyles are diversifying. There is no standard anymore for the way families are, the way we work, As well as the shapes our happiness might take. Can we really say that today's insurance answers such turbulent change?

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

One by one, by carefully stacking the trust we have gained from our customers, The strength that only our Group has nurtured becomes visible. The possibility it withholds expands widely, going beyond all prevailing boundaries.

Take the “one” in front of us as a starting point, and Let's recognize the world changing quicker than anyone else. Let's adapt to our changing society more flexibly than anyone else, Taking steps with initiative, with boldness. Let's go beyond the boundaries of organizations, Involve people who resonate with our beliefs, and Become a comprehensive insurance group that can create happiness For each and every person in the world.

The society T&D aspires for

Our origin is to face each “one” in front of us with care. To recognize change and take on challenges with boldness. This accumulation is what creates happiness in the world. This is what we believe to be true.

Origins of T&D -History of “Try & Discover” Motto of Taiyo Life and Daido Life

T&D Insurance Group has its origins in the over 100 year histories of Taiyo Life and Daido Life. In face of a dramatically changing social environment, both companies have provided value to customers through implementation of the “Try & Discover” cycle.

The spirit of “Try & Discover” of T&D has been developed through the business journeys of the two companies and their histories.



TAIYO-LIFE

Establishment of Taiyo Life

Taiyo Life was founded in Nagoya, Aichi Prefecture in 1893 as Nagoya Life Insurance Co., Ltd. by ten business leaders from the Chukyo region. Since then, it has further strengthened its foundations through extremely

solid sales activities. The company moved its headquarters to Tokyo in 1908, and changed its name to Taiyo Life Insurance Company.

Development in Japan's high-growth postwar period

After World War II, Taiyo Life established a business model in which female in-house sales representatives, mostly housewives, visited homes in pairs. The company also introduced monthly premiums for life insurance at a time when annual premiums were the norm and pioneered the development and sale of savings insurance.

In 1968, it launched *Himawari Hoken*, which became a best selling product. This product was developed based on the original idea of savings insurance that provides coverage for death or disasters, in order to avoid

excessive competition with other insurance companies.

Full-scale shift to protection-type products

In 2003, Taiyo Life achieved listing as a stock company. This not only heralded a third fresh start for the company but also marked a major turning point in terms of sales, with the launch of Taiyo Life's *Hoken Kumikyoku* whole life insurance. Taiyo Life had already been gradually shifting towards protection products; however, the launch of this product marked its full-scale entry to the protection product market. Then, in 2008, the company launched *Hoken Kumikyoku Best*, a pioneering insurance that allows customers to freely customize the coverage they need. It has since continued striving to expand and enhance its product lineup. Furthermore, in 2018, Taiyo Life launched *Himawari Dementia Prevention Insurance*, another pioneering insurance product to help people face the social

Pioneering insurance that allows customers to freely customize the coverage they need: *Hoken Kumikyoku Best*



challenge of dementia in a positive way and live out their retirement years with peace of mind. In this way, Taiyo Life has continued evolving to ensure it can offer insurance cover that meets society's needs and is in line with the times.

Transformation of business model

In response to the COVID-19 pandemic and other dramatic change in social environment, Taiyo Life has changed its business model, for example, in addition to its traditional sales activities where sales representatives visit homes in pairs, the company is deploying a “hybrid sales” approach that combines face-to-face and non-face-to-face sales using digital technologies. The promotion of hybrid sales has not only led to an increase in the number of new contracts and improvement in productivity but also to an increase in the number of sales representatives.

In this way, Taiyo Life has provided products and services that are ahead of the curve by repeatedly innovating while continuing to value tradition.

- **1893**
Taiyo Life founded as Nagoya Life Insurance Co., Ltd.
- **1902**
Daido Life Insurance Company founded.
- **1948**
Taiyo Life reestablished as a mutual company.
- **1947**
Daido Life reestablished as a mutual company.
- **1968**
Himawari Hoken launched.
- **1971**
“Keieisha Ogata Sogo Hosho Seido,” provided by the National Federation of Corporate Taxpayers Associations and the Tax Payment Associations started being handled.
- **1974**
Business partnership between Daido Life and TKC National Federation formed.
- **1999**
Broad business alliance between Taiyo Life and Daido Life announced
- **2002**
Daido Life demutualized to a joint stock company, with shares listed on the Tokyo Stock Exchange and the Osaka Securities Exchange.
- **2003**
Taiyo Life demutualized to a joint stock company, with its shares listed on the Tokyo Stock Exchange. Taiyo Life's *Hoken Kumikyoku* launched.
- **2004**
T&D Holdings, Inc. established
- **2008**
Hoken Kumikyoku Best launched.
- **2010**
J-type critical illness insurance launched.



DAIDO LIFE INSURANCE COMPANY

Origins of Daido Life

Daido Life traces its origins back to Kajimaya, one of Osaka's largest family businesses said to have been founded in 1625. Kajimaya faced a management crisis due to the Meiji Restoration; however, businesswoman

Asako Hirooka played a central role in transforming Kajimaya into a modern corporate group and founding Daido Life in 1902, based on the principles of providing relief to society and bringing stability to people's lives.

Reinvention as provider of individual term life insurance for SMEs

In the 1970s, Daido Life reinvented itself, pivoting towards individual term life insurance for SMEs; however, here, too, the company faced major challenges. Gripped by a growing sense of crisis at the decline in its market share, Daido Life focused on the potential of term life insurance, which was still not very widespread in Japan, and sprung into action, with “strengthen sales of term life insurance” as its sales policy.

Despite opposition internally to the effect that there was no way non-refundable insurance would sell, Daido Life wanted to do something about

the situation where SME owners were forced out of business due to illness or injury. It consequently launched a product that provided SME owners with large amounts of coverage for small contributions. This led to its business tie-up with the National Federation of Corporate Taxpayers Associations (NFCTA, known as Hojinkai), a national organization representing corporate taxpayers associations which are made up of SMEs from all over Japan.

The business tie-up with NFCTA, which had around 360,000 members at the time, provided strong momentum for the switch to term life insurance and also served as the template for partner-specific products, which are a feature of Daido Life's current business.

Then, in 1974, Daido Life formed a partnership with TKC National Federation, which is the national federation of certified public tax accountants (CPTA) and certified public accountants (CPA), and through partner-specific products for SME-related organizations and CPTA organizations, Daido Life has developed a business model that makes it the undisputed leader in life insurance business in the SME market.

Development and cultivation of disability benefit sector

Having developed the SME market through its term life insurance products, in the 2000s, with business owners getting older due to advances in healthcare technology, Daido Life pioneered the development of critical illness cover for SME owners to address the risk of them being diagnosed with a critical illness and to provide adequate cover for SMEs to continue operating. This spurred the company to further develop and cultivate not only the market for term life insurance (death benefit) but also the market for disability benefit insurance.

In this way, Daido Life has leveraged the DNA that it inherited from Asako Hirooka and its other founding members and that makes its rise to challenges to refine the new value it provides to SMEs to drive their sustainable growth.



Asako Hirooka, one of Daido Life's founders

T&D's Trajectory of Value Creation

T&D Holdings is an insurance holding company with three life insurance companies Taiyo Life, Daido Life and T&D Financial Life under its umbrella.

In 1999, Taiyo Life and Daido Life, each with histories of some 100 years, formed a broad business alliance and, in April 2004, T&D Holdings, Japan's first listed life insurance holding company, was established. T&D Holdings celebrated its 20th anniversary in 2024.

1893
Taiyo Life was founded.



1902
Daido Life was founded.



1999
T&D Insurance Group was established.

Taiyo Life and Daido Life formed a broad business alliance and decided on T&D Insurance Group as the Group name.

2001
T&D Financial Life joined T&D Insurance Group.
Taiyo Life and Daido Life jointly acquired shares of T&D Financial Life (former Tokyo Life Insurance Company), which started operations as a member of the T&D Insurance Group.



2002
Daido Life became a stock company and listed its shares.

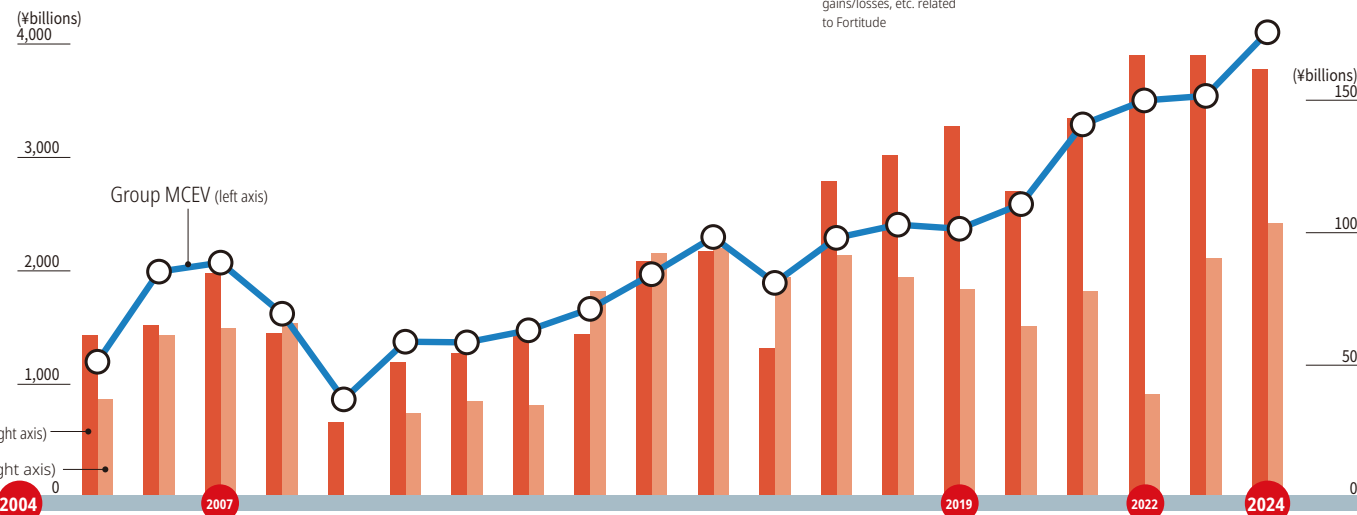
First Japanese life insurance company to demutualize into a stock company and go public name.

The Group's asset management companies were concentrated within T&D Asset Management Co., Ltd.



2003
Taiyo Life became a stock company and listed its shares.

Value of new business (right axis)
Group adjusted profit (right axis)



Fiscal 2023
Group MCEV*
¥4,103.2 billion

Fiscal 2023
Value of New Business
¥161.7 billion

Fiscal 2023
Group Adjusted Profit
¥103.5 billion

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

• Group MCEV, Value of new business: values up to fiscal 2005 are based on TEV, those between fiscal 2006 and fiscal 2011 on EEV, and those from fiscal 2012 on MCEV. Ultimate Forward Rate (UFR) is applied from fiscal 2019 for the MCEV calculation.
• Group adjusted profit: Adjusted net income up to fiscal 2018. Group adjusted profit from fiscal 2019. • The years on the graph represent the period ending in March of the indicated year. • For further information about Group MCEV, Value of new business and Group adjusted profit, please see the Glossary on pages 97 and 98.

Change in management

2004
T&D Holdings, Inc. was established.
Japan's first life insurance holding company was established and listed on the Tokyo Stock Exchange and Osaka Securities Exchange (now Osaka Exchange)

T&D Holdings, Inc.

2007
Pet & Family Insurance Co., Ltd. was made a subsidiary.
Pet & Family Insurance

2019
T&D United Capital Co., Ltd. was established.
T&D United Capital

2022
All Right Co., Ltd. was established.
All Right

Products and services of T&D Insurance Group that address social issues and needs



Providing comprehensive coverage that meets customer needs for death protection as well as medical and nursing care insurance to households



Providing products for the SME market that take into consideration changes in the environment faced by SMEs



Providing asset formation products, mainly for elderly customers, through independent insurance agents

2008
■ Taiyo Life
Launch of *Hoken Kumikyoku Best*, a pioneering insurance that allows customers to freely customize the coverage they need, and overturned the conventional wisdom of the industry

2010
■ T&D Financial Life
Launch of *Shogai Premium*, the industry's first cash flow-type single-premium whole life insurance

■ Daido Life
Launch of the *J-type* product, a new insurance for covering the risk of critical illnesses, aimed at business owners to ensure business continuity

2012
■ T&D Financial Life
Start of level premium protection-type product sales
Expansion into insurance shop agent channels

2014
■ Daido Life
Launch of the *T-type* disability protection insurance

2016
■ Taiyo Life
Launch of the industry-first *Himawari Dementia Treatment Insurance*
Start of the *Kaketsuke-Tai Service* in which office workers with specialized knowledge visit customers directly to help them with the procedures for claiming benefits

■ Daido Life
Start of the *DAIDO KENCO ACTION* initiatives to disseminate *Kenkoikei*®** (Health and Productivity Management)

2018
■ Taiyo Life
Launch of *Himawari Dementia Prevention Insurance*, the first in a series of prevention insurance plans

2019
■ Daido Life
Launch of the industry's first made-to-order insurance products known as *L-type a*, *J-type a*, and *T-type a*

■ Taiyo Life
Launch of *Sma-Hoken*, which enables customers to apply for insurance over the Internet

2020
■ Daido Life
Launch of *Tsunagaru Tetsuzuki*, non-face-to-face insurance procedures

2021
■ Taiyo Life
Launch of *Cancer and Critical Illness Prevention Insurance*, the second in a series of prevention insurance plans

■ T&D Financial Life
Launch of *Hybrid Asset Life*, a variable insurance product that combines the features of an investment trust with life insurance

2022
■ Daido Life
Launch of *Kaisha Minnade KENCO+*, a health-promotion type insurance product
Launch of *Dodai*, a web community platform for business owners

■ Taiyo Life
Launch of *Simplified Death Insurance*

2023
■ Taiyo Life
Launch of *Simplified Cancer Diagnosis Insurance* and *Simplified Cancer Treatment Insurance*

■ Daido Life
Launch of the *Lump-sum payment M-type* product, a medical insurance product for SMEs
Launch of *Kenko Yell Wari* (excellent health discount rider)

2024
■ T&D Financial Life
Launch of *AI Fund Prediction Service* for variable insurance products

* Kenkoikei® (Health and Productivity Management) refers to a corporate management style of paying additional attention to employees' health and strategically implementing policies aimed at employees' health management and maintenance.
* Kenkoikei® is a registered trademark of Nonprofit Organization Kenkoikei.

Top Message



Aiming for Maximization of the Group's Corporate Value

My name is Masahiko Moriyama. I became Representative Director and President of T&D Holdings in April 2024. Taking over this heavy responsibility when T&D Holdings has reached the milestone of the 20th anniversary of its establishment and listing is both a great honor and a sobering prospect.

My most important responsibility as the leader of the Group is to maximize the Group's corporate value. The Group's corporate value is the total value of the Group created through all Group companies acting as one single entity. It is a reflection not only of current corporate value but also expectations for the future and growth potential. T&D Holdings aims to maximize the Group's corporate value through management that values "people" as the greatest driving force for realizing its corporate philosophy, defined as "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies."

To achieve this goal, we will constantly practice the "Try & Discover" cycle through various initiatives including expanding the customer base, improving brand strength, diversifying sources of revenue, fostering a sound corporate culture and fulfilling our social responsibility and we will steadily expand the track record (policy results, profits, etc.) built up to date. We will also increase the Group's resilience from a long-term perspective by strengthening "integrated Group management." Through these efforts, we will become a Group that grows in a sustainable manner.

Masahiko Moriyama

Representative Director and President

After joining Daido Life in 1989, I worked in sales for around 10 years. I later worked in a wide range of departments gaining experience in HR, underwriting, corporate planning, marketing planning, product planning and information systems, before taking up a post at T&D Holdings in 2022 and becoming involved in work related to the whole Group. As a listed company, T&D Holdings strives to actively communicate with investors in order to be properly evaluated in capital markets. We sometimes receive fairly harsh feedback but, personally, this feedback really spurs me on. I can learn a lot from it and, most of all, I have been able to use all this valuable information as a reference when enhancing the Group's corporate value.

Valuing people and creating value that is greater than the sum of the parts

In my practice of management, I attach particular importance to "valuing people." All business activities and outcomes cannot be attained without an underlying attitude of valuing people and, also within the T&D Insurance Group, we consider the "human resources" working alongside us as the most valuable, greatest driving force for realization of the Group's management philosophy. Accordingly, we invest broadly in human resources and focus on creating an environment that promotes the active participation of diverse human resources. Respect for others engenders communication, which in turn gives rise to relationships based on mutual trust. Such cooperation and interconnection strengthens organizations, leading to the creation of value that is greater than the sum of the parts. This theory has also been corroborated by past work experiences whereby, in many of the situations I have faced, the relationships of trust between individuals have provided strong impetus to overcome difficulties. One experience that made a particularly deep impression on me is the so-called Valentine's shock* that occurred in the life insurance industry in February 2019, when I was in charge of

marketing planning and product planning at Daido Life. Due to changes in tax treatments on corporate-owned life insurance, we decided to stop selling various products, including core products, and faced a huge crisis in terms of sales, causing our stock price to plunge temporarily. However, less than six months later, we succeeded in developing a pioneering order-made protection-type product adapted for the revamping of the tax treatments. As a highly competitive product with unique features, this product is now one of Daido Life's leading insurance products. By developing a new product in a short space of time, we were able to provide cover without any interruption and received a great deal of appreciative feedback from customers, agency staff and employees.

In the limited amount of time available, everyone rallied round and, though not always agreeing, trusted each other and worked together towards the same goal. As a result, we were able to quickly produce results in difficult circumstances. This product was developed not solely by the product department in charge. The shortness of the development period and the complexity of the product design meant that the cooperation of many relevant departments was required. I think this was truly a project in which many individuals joined into a single entity on the basis of trust and created value that was more than the sum of the parts. In such situations, I am reminded of the huge potential of people and the power of organizations, and deeply impressed by the outcomes achieved through cooperation in the face of adversity. This is why, as leader of the Group, I am determined to value people above all else both inside and outside the company.

In fact, there is one more belief that is fundamental to my working life. This belief stems from my high school experience of being a member of a strict baseball club that placed importance on the quality of drills. It is the idea that the right kind of effort is needed to produce results and the idea of staying positive when things get tough. I think that making an effort is noble. That said, the wrong kind of effort will not produce results. If we look back at the

process and results, we see that it is precisely steady repetition of basic drills and efforts based on a clear understanding of the point and aim of each drill that leads to results. And staying calm even when things get tough creates a positive atmosphere and motivates others. This is something I came to understand more tangibly as I gained more experience at work.

* In February 2019, all Japanese life insurance companies stopped selling corporate life insurance products following notification from the National Tax Agency of a review of amendments to the Corporate Tax Basic Notice. (The amended notice was released at the end of June 2019.)

T&D Insurance Group's value creation

Fulfilling the responsibilities entrusted to us by constantly referring back to our corporate philosophy

I believe that a corporate philosophy is the final point of reference for day-to-day actions and business activities and should always be referred back to. The Group's corporate philosophy defined by T&D Holdings is "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." The first part "With our 'Try & Discover' motto for creating value" shows our spirit. The second part "we aim to be a group that contributes to all people and societies" shows the nature of the company as a public institution of society. Nowadays, these values would surely be interpreted as connected to contributing to the realization of a sustainable society. It is truly amazing that these values have existed within our Group as universal values since the establishment of T&D Holdings 20 years ago.

Since we believe that expanding profit in a healthy manner through the realization of this corporate philosophy is in itself fulfilment of the responsibilities entrusted to us by our stakeholders, we will share this philosophy across the Group and sincerely commit to it.

To Be a Group That Moves as One →P3

Creating value by resolving social issues

The insurance business we are involved in is highly public

in nature, and we have divided the insurance market into segments and created value by resolving social issues in specialized markets.

For example, Taiyo Life is working to resolve issues in the seniors market such as extending healthy life expectancy and supplementing social security. Daido Life provides the business owners of SMEs, who are now working longer due to the aging of society, with disease and disability income protection products and helps them prepare to transfer the business through the use of life insurance products, and it also promotes health and productivity management at SMEs through health promotion-type insurance products. Meanwhile, T&D Financial Life provides asset formation products to meet the increasingly diverse needs of the senior population, including preparing for post-retirement expenditures and protecting bereaved families. These are just some examples, but the scope for value creation in the insurance business is huge, and we intend to resolve social issues through our core business activities and provide value to society.

We are also tackling social issues in business domains related to insurance. For instance, Taiyo Life offers a service that supports the prevention of dementia. In 2020, Taiyo Life also founded the Taiyo Life Aging Society Institute. The Institute conducts research in collaboration with academic institutions to resolve social issues including tackling the falling birthrate and extending healthy life expectancy. Its research findings are used to inform the development of insurance products and services. Similarly, in conjunction with insurance, Daido Life provides an app for SMEs that supports employees' health maintenance and healthy behaviors to help SMEs implement health and productivity management. In addition to such services, it also provides a business owner community for business succession issues and has built an ecosystem (*Dodai?*) where business owners can solve their issues together. Through such initiatives, the Group is mitigating the economic and social risks faced by customers and promoting health. By continuing to provide value that helps resolve a wide range of

social issues, not only in the insurance business but also in related business domains, we will help each company expand its customer base and enhance its brand value.

T&D's Trajectory of Value Creation →P5 Aiming to Enhance Intellectual Capital →P23

Provision of Products and Services →P30

Issues to be addressed for achievement of the Group Long-Term Vision and further growth

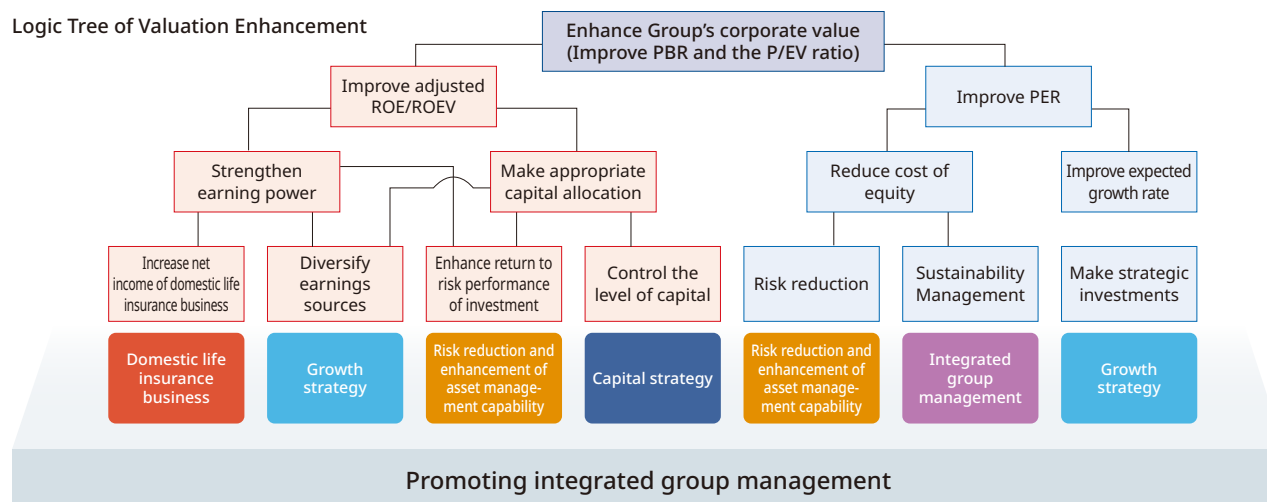
The Group Long-Term Vision "Try & Discover 2025" has less than 2 years left to run, and I believe we must definitely achieve the Group adjusted profit target of 130 billion yen and put ourselves on track for profit growth under the next long-term vision. Looking first at policy results, which are the source of profit, recently, new policy sales results have increased thanks to our highly competitive strong business models in the life insurance business. The steady build-up of in-force policies will lead to expansion in insurance earnings that are less likely to be affected by economic conditions, which will, in turn, help stabilize profit in the medium and long term.

We are also taking action on the asset management front.

These past few years, in our overseas investments, foreign currency hedging costs have increased due to the widening differential between domestic and foreign interest rates, especially sharply rising U.S. interest rates, putting much stronger downward pressure on earnings. We have, therefore, sought to reduce hedged foreign bonds and shift the focus towards yen-denominated bonds. This action can be expected to pay off in the form of higher positive spread. In addition, we seek to improve our asset management portfolio as well as return on risk by upgrading management through Groupwide collaboration as the T&D asset management platform, strengthening cooperation with external asset management companies, and reducing equity from the perspective of decreasing market risk. Given that we can expect to record capital gains to some extent in the process of reducing market risk, I believe we have an even better chance of achieving the Group adjusted profit target of 130 billion yen.

Our most important task under the Group Long-Term Vision is improvement of capital efficiency and I believe that, together with expansion of profit, the reduction of risk and effective utilization of capital through this are crucial.

Logic Tree of Valuation Enhancement



Over the coming two years, we plan to reduce market risks, specifically equity risk and interest rate risk, but at the same time we will strive to improve capital efficiency by allocating the released capital to growth investment and shareholder returns. Moreover, by increasing the stability of profit through the reduction of market risks, we will limit stock price synchronicity and try to reduce our cost of shareholders' capital. We estimate that our cost of shareholders' capital is in the range 6-10% and recognize that it is roughly around 8%. Against this, our ROE has improved to the 8% level, which means that to achieve further expansion in the equity spread, we need to realize further improvement in ROE and reduction in our cost of shareholders' capital.

As for our stock price, our PBR is also improving as a result of initiatives under the current Long-Term Vision; however, we also consider economic value as an insurance company to be an important indicator. Now, embedded value (EV) is gradually expanding, and a very large component of the EV of T&D Holdings is the value of in-force business. The expansion of EV shows that policies in force are expanding because our top line is steadily growing. It is value that will be realized as profit from such policies in force in the long run, which means that profit can be expected to be stable in the future. That said, our P/EV ratio is around 0.3x, far below the 0.5x target for FY2025 set out in the Group Long-Term Vision. This fills me with a sense of crisis and, as the leader of a listed Group, I feel the need to increase the sense of urgency in our management. At the IR Meeting in May 2024, I presented a logic tree for enhancing corporate value. By speedily and steadily implementing measures to realize each element of the logic tree, we will address the issues of improving capital efficiency and reducing cost of shareholders' capital and achieve improvement in the Group's corporate value.

Message from the Head of Finance →P13 Asset Management Business →P53

Diversifying revenue sources

I recognize that, in addition to the stable growth of the domestic life insurance business, further growth strategies

to drive growth are necessary to achieve the next level of profit required for the next Long-Term Vision. Also from the viewpoint of improving capital efficiency and generating expectations for growth, making investment in growth, including diversifying revenue sources, is important. In the domestic life insurance market, which is our main focus, new policy sales results are growing and we expect there will still be room for growth in the future. However, when we think about 10 or 20 years from now, we have to start taking firm action now in response to the megatrends in Japan, specifically the falling birth rate and the aging and shrinking population. Moreover, with the changes in the external environment such as digitalization, mounting geopolitical risk and climate change also accelerating, various issues are expected to arise in the future.

We must, therefore, use capital effectively and move beyond the domestic life insurance industry to make growth investments in new business areas and overseas markets. One such initiative is the implementation of global investments in growth areas, focusing on the closed book business. In the closed book business, we will continue to pursue investment opportunities that contribute to the expansion of our investment portfolio and the diversification of risks in terms of business models, regions and other factors. Going forward, we will broaden the scope of our investments to include investment aimed at creating value by resolving new issues. The measures adopted to achieve this goal include efforts in the non-insurance business domains. In 2022, we established All Right, a company which uses digital tools to gain an understanding of the needs and problems of more specific customers in more specific markets and develops and provides trial products and services to resolve such problems. We intend to create a new market by solidifying this business as much as possible. Through these investments in new domains and overseas territories, we will become a Group that grows in a sustainable manner over the medium to long term.

Closed Book Business →P52 New Sector →P55

Maximizing group synergy

Another thing we have to do from a longer term perspective is to use AI to make up for labor force shortages caused by population decline and to increase the resilience of platforms to enable this. We currently have seven direct subsidiaries and we draw up strategies to ensure that each company will grow in its specialized market whilst at the same time respecting each company's independence. However, there is still a great deal of scope for synergy between Group companies. One of the biggest jobs I want to do whilst in post is to standardize administrative processes and information systems. Investors and analysts have often pointed out that, since the management integration of the Group's various companies under a holding company system, each company is still very independent and not much synergy has been generated. In other words, there is concern over how we will optimize people, assets and capital as a group and how this will be realized under the leadership of T&D Holdings. However, I think that, regarding capital, the strengthening of capital management has gone quite well over the past three years of the Group Long-Term Vision.

Meanwhile, on the "people" front, I think the fact that the Group's 20,000 employees do not have the opportunity to work across all the Group's business fields is the biggest issue we need to address and this is something we need to change. In terms of "assets," one of the main reasons Group companies use different information systems and platforms is that their administrative processes are completely different, and if we could standardize these processes, we could rationalize and increase the efficiency of both system development costs and organizations. This would also increase the flexibility of assignments and transfers of "people" within the Group and allow us to broaden career opportunities for Group employees. Over the coming year, I plan to conduct a detailed review in preparation for realizing such standardization. I believe that, with population decline accelerating, this is something we have to do now in order to increase the resilience of the Group and build an

efficient, highly productive organization/group.

The logic tree I mentioned earlier shows that the promotion of sustainability management is necessary to reduce the cost of shareholders' capital. This includes people-related initiatives such as developing human resources more efficiently and changing skill sets in response to major changes in the external environment. We created the logic tree out of a desire to live up to stakeholders' expectations in the long-term and with the intention of being the kind of group that will be able to continue growing 10, 20 years from now. At the base of the tree is "Integrated Group management." This is the foundation for everything.

Human Capital →P25 Sustainability Management →P 42

Strengthening communication through the "Group IR" initiative

In 2022, we launched the "Group IR" initiative. Our management team, including myself and then President Uehara, travelled around Japan holding small meetings with around 10 participants each time, talking with around 1,000 employees over the course of a year. What struck me at the time was the difference between generations in terms of attitudes towards the standardization of the Group's administrative processes and information systems. While younger employees recognized standardization as achievable, more senior employees said, based on previous bitter experiences of working hard on projects which ultimately failed, that it would be "extremely difficult." However, there were some

senior employees who had listened with interest to the young employees saying "it might be achievable with a different approach." As I witnessed this, I once again felt the importance of opportunities for candid communication between management and Group employees.

Ultimately, we will not be able to proceed with the difficult business we are trying to implement unless we have the full backing of all employees. This is another reason why I intend to continue communicating and having a frank exchange of views with people with different standpoints going forward.

Strengthening IR Activities within the Group →P 80

Introduction of stock compensation plan

In June 2024, we introduced a stock compensation plan for all employees. When I myself worked as an employee at an operating company, I was not really aware of the stock price of T&D Holdings. However, when employees themselves become shareholders and get a more tangible sense of improvement in corporate value, then the interests of employees are aligned with those of shareholders and investors. The psychology of human beings is such that an incentive is more motivating if it is tangible and so both awareness raising and mechanisms are necessary. We have held internal briefings to clarify the purpose of introduction and are working to increase the motivation of all employees.

Accelerating integrated Group management →P 27

In conclusion

In April 2024, we carried out major restructuring to promote integrated Group management. With respect to personnel matters and information systems, which hold the key to integrated Group management, we established the Group Human Capital Improvement Committee and the Group System and DX Promotion Committee under the Group Strategy Board, to discuss integrated strategies as part of the Group's overall strategy. At the same time, we reorganized the General Affairs Department of T&D

Holdings into the Human Resources & General Affairs Department in order to implement measures and operate in an integrated manner, and also established the System Management Department. In addition, we consolidated the internal audit function within T&D Holdings to conduct audit operations in a unified manner across the Group. We also upgraded our IR business unit into an Investor Relations Department in light of the importance of dialogue with the market and IR that is aligned with management strategy. These initiatives clearly convey through restructuring the intentions of the new management team. To promote Group unity, we must convey management's intentions and aims in such a way that employees "get" them and, for this, communication will, of course, be key.

My most important responsibility as the leader of the Group is to maximize the Group's corporate value; however, I am also aware of the importance of dialogue with investors and other stakeholders, and I intend to take advantage of various opportunities to do this.

T&D Holdings tends to be regarded as conservative, partly because we have insurance companies with long histories. However, throughout our history of more than 100 years, we have continued to grow by constantly practicing the Try & Discover cycle, for example, developing various pioneering insurance products, specializing in the corporate insurance market, and being the first Japanese life insurance company to become a stock company and list our stock.

By passing on this Try & Discover DNA, we will gain a firmer foothold, and when we are ready, we will advance boldly and bravely forward with determination toward a new phase. I am often told that we are too serious and sober as a group but only the right kind of efforts bear fruit. I want everyone in the Group to work together and make the right kind of efforts that will lead to growth.



Value Creation Process

With our “Try & Discover” motto for creating value, we aim to be a group that contributes to all people and societies.

Input

Financial capital

- Equity
- MCEV

Intellectual capital

- Knowhow used in business model →P.23

Human capital

- Number of Group employees: 20,408
- Diverse human resources

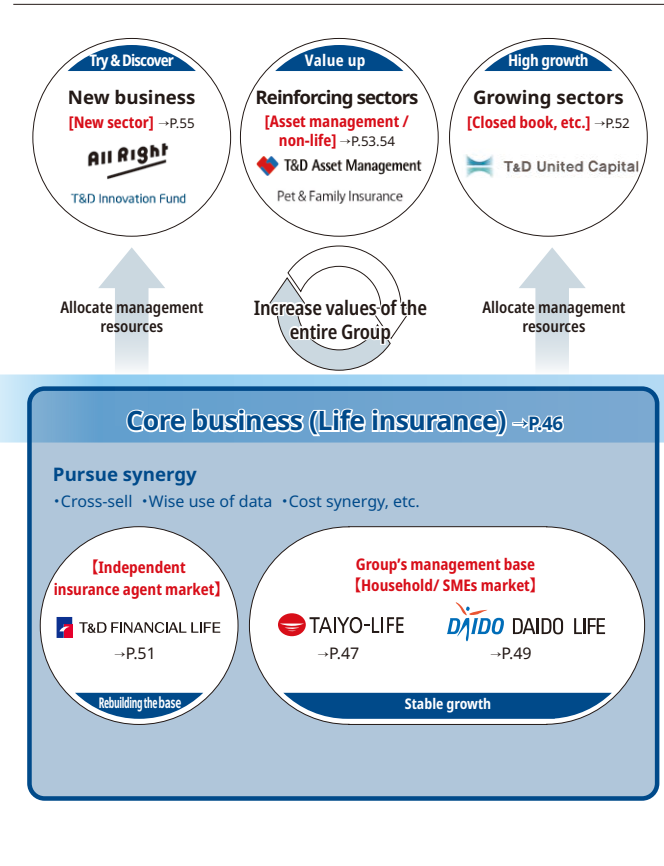
Social and relationship capital

- Taiyo Life
Number of policies in force: Approximately 7,799,000
- Daido Life
Number of enrolled companies: Approximately 364,000
- TDF
Number of policies in force: Approximately 541,000
- Number of agents:
Daido Life: 15,679 sales agents

TDF: 192 partner agents

* As of March 31, 2024

Business Portfolio



Output

Business investment

- Closed book business

Insurance product

- Life insurance (mainly third sector insurance such as medical and nursing care products)

TAIYO-LIFE

- Insurance for business owners (term life insurance, disability benefit insurance, etc.)

DAIDO DAIDO LIFE

- Asset formation products

T&D FINANCIAL LIFE

- Pet insurance

Pet & Family Insurance

Outcome

Financial capital →P.13

- TSR

Intellectual capital →P.23

- Innovative products
- Track record of business investment
- Asset management knowhow and track record

Human capital →P.25

- Employee engagement score: 3.81
- Total amount spent on development and training of human resources: 601 million yen
- Training hours per employee: 146.0 hours
- Ratio of female managers: 23.1%

Social and relationship capital →P.30

- Customer satisfaction level
- Number of cases using *Kaketsuke Tai* service: Approximately 26,000
- Number of *Dodai?* members: Approximately 64,000
- Amount of claims and benefits paid: Approximately 804.7 billion yen
- Amount of CVC investment: Approximately 1.8 billion yen
- Amount of ESG investment and financing: Approximately 960 billion yen

Natural capital →P.35

- CO₂ emission (Scope 1+2) reduction rate 41.2% (Compared to FY2013)
- CO₂ emission reduction rate of investees and borrowers 49.2% (Compared to FY2020)
- Renewable energy introduction rate: 21.3%

Impact

Customers

- Mitigation of economic and social risks of customers
- Promotion of health of customers
- Mutual growth of agents/ business partners and T&D

Employees

- Well-being of employees
- Diversity and Inclusion

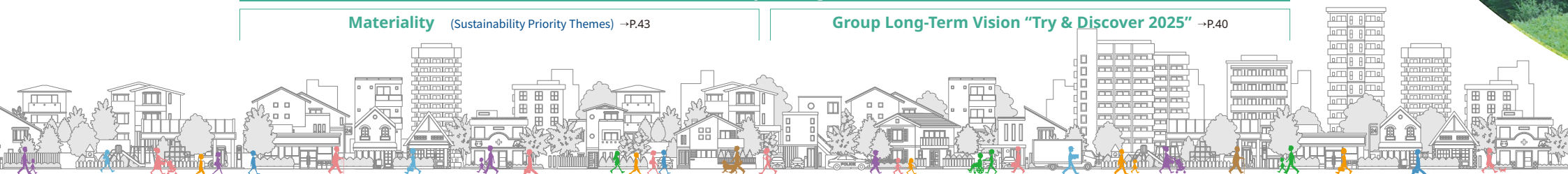
Environment

- Biodiversity conservation
- Improvement of sustainability of natural capital
- Sustainable growth of investees and borrowers

Sustainability management

Materiality (Sustainability Priority Themes) →P.43

Group Long-Term Vision “Try & Discover 2025” →P.40



Business Portfolio

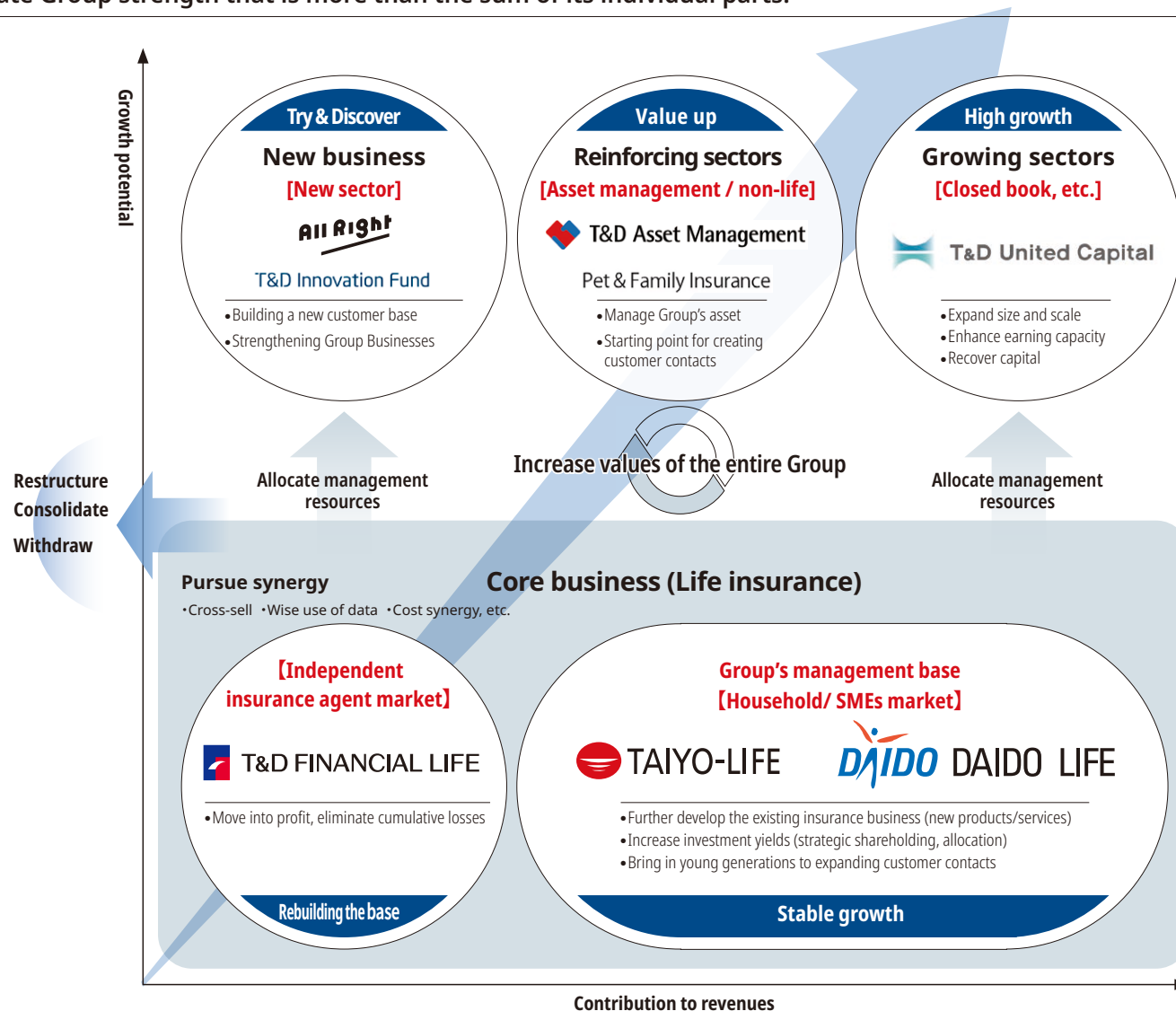
While each operating company performs to its full potential as a unique and specialized business unit, T&D Holdings pursues overall optimization and conducts Group management to demonstrate Group strength that is more than the sum of its individual parts.

The Group is a life insurance group with the domestic life insurance business as its core business.

In addition to strengthening our core business for sustainable growth, we are allocating capital to growing sectors, such as closed book business, in order to build a foundation for growth and profitability outside of the domestic life insurance business.

The asset management and non-life insurance businesses will contribute to the enhancement of the Group's corporate value by not only acquiring revenue, but also by serving as a starting point for the Group's collaborative asset management and the expansion of customer contact points.

In addition, in the new sector's area, All Right, which was established in 2022, is working on the creation of new customer contact points using digital tools.



Financial Capital

Message from the Head of Finance

Strive for balance between growth investment and shareholder returns

— To promote the Group's long-term vision and improve capital efficiency.—

Director and Senior
Managing Executive Officer

Hotaka Nagai



Outcomes of Financial Capital

• TSR

Review

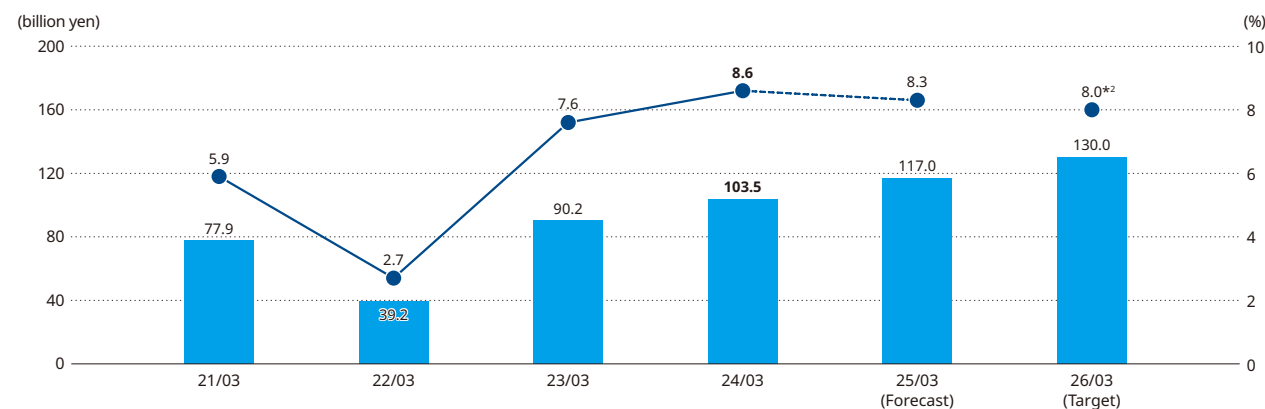
Three years have passed since we formulated the Group Long-Term Vision in 2021. Looking back on measures taken during that time, first, we invested an additional 64 billion yen approximately in U.S. reinsurance company Fortitude as a growth investment. We also reduced risk by around 100 billion yen by promoting use of reinsurance, reduction of interest rate risk through the purchase of super long-term bonds, reduction of foreign currency denominated bonds, and reduction of strategic shareholdings as measures to reduce risk and improve capital efficiency. In addition, our total shareholder returns for

the three-year period exceeded 250 billion yen and our total payout ratio was over 100%.

Adjusted ROE rose from 5.9% to 8.6%, exceeding the 8.0% target under the Group Long-Term Vision.

In FY2023, Group adjusted profit amounted to 103.5 billion yen, mainly due to enhancement of asset management capabilities through improvement of the asset management portfolio, which offset headwinds such as a sharp increase in currency hedging costs due to the widening differential between domestic and overseas interest rates. This represents an increase of more than 30% in the space of three years, from

Trend in Group adjusted profit and adjusted ROE



■ Group adjusted profit (left axis) ● Adjusted ROE*1 (right axis)

*1 Adjusted ROE for FY2024 is calculated using net assets as of March 31, 2024 as the denominator.

*2 Figures as of the announcement of the Group Long-Term Vision (May 2021)

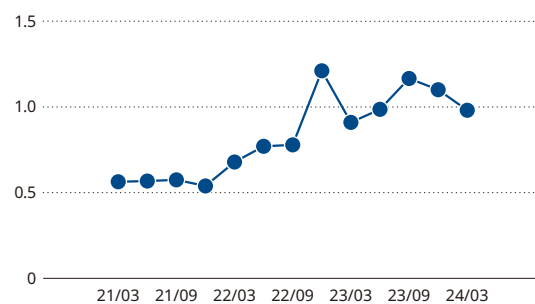
Financial Capital

Message from the Head of Finance

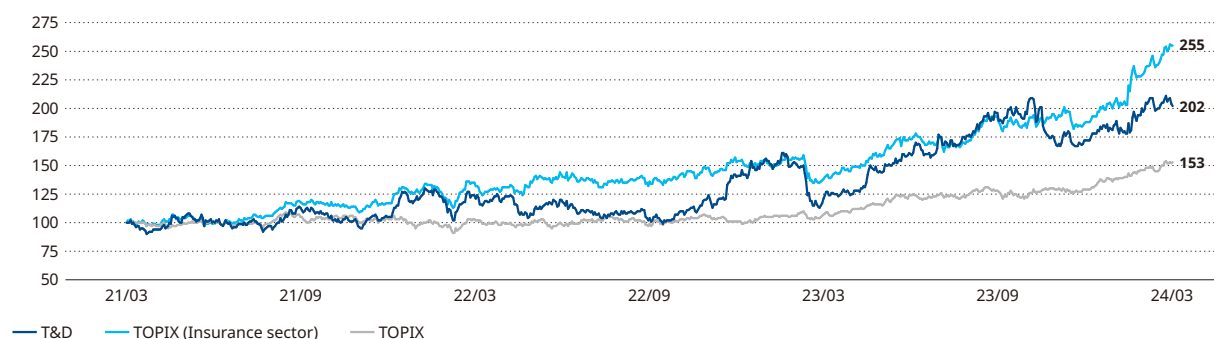
77.9 billion yen in FY2020 before formulation of the Group Long-Term Vision, as well as steady progress towards the final fiscal year target for Group adjusted profit under the Group Long-Term Vision of 130 billion yen.

Our share price has also remained firm on the back of enhanced capital efficiency, and our PBR has also recovered to around 1x. However, if we look at valuation on an economic value basis, which is important for us, our P/EV ratio is only about 0.3x and is still far away from our current target of 0.5x.

Trend in PBR

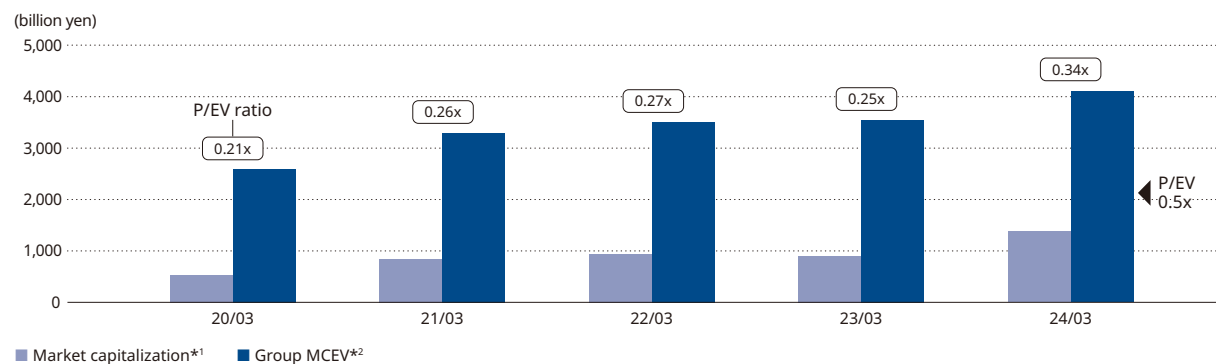


Trend in TSR



* Total Shareholder Return (TSR): (Profitability calculated pre tax and assumes that all dividends are reinvested.) End of March 2021 set as 100.
(Source) Bloomberg

Trend in P/EV ratio



*1 Excluding treasury shares

*2 Excluding valuation gains/losses, etc. related to Fortitude

Financial Capital

Message from the Head of Finance

■ Reduction of risk and reduction of cost of shareholder's capital

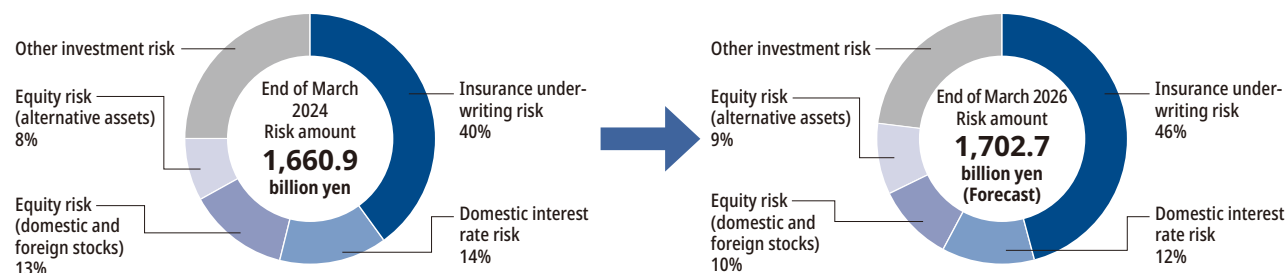
To increase the P/EV ratio, we need to implement initiatives to reduce the cost of shareholder's capital, in addition to improving adjusted ROE and ROEV, which are indicators of capital efficiency.

Based on CAPM and earnings yield, we estimate our cost of shareholder's capital to be in the 6-10% range and recognize that the cost of shareholder's capital is currently approximately 8%; however, over the period of the Group Long-Term Vision, we aim to reduce this to 7%.

To lower the cost of shareholder's capital to 7%, reduction of the volatility of financial accounting profit is essential. To do this, we need to further reduce asset management risk, which is greatly impacted by market factors.

Our plan over the coming two years is to reduce domestic and foreign stock risk by around 20% and to reduce domestic

Breakdown of risk



* Total risk amount includes variance effect. Ratios are calculated excluding other risks such as operational risk.

interest rate risk by around 15%.

Through this, we will increase profit stability and seek to further reduce the cost of shareholder's capital.

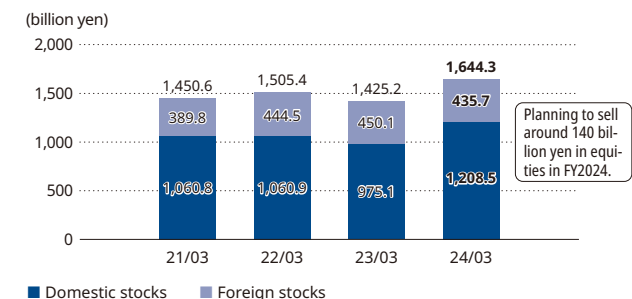
■ Reduction of equity risk

With a view to reducing equity risk, we have sold around 350 billion yen of domestic and foreign stocks over the past three years and, in FY2024, we plan to sell around a further 140 billion yen of stocks, including strategic shareholdings.

As of March 31, 2021, our strategic shareholdings amounted to around 500 billion yen and accounted for around 34% of net assets; however, as of March 31, 2024, the balance was reduced to around 240 billion yen and the ratio of strategic shareholdings to net assets was also down to 17%.

Our policy is to continue reducing our strategic shareholdings, aiming to unwind them completely by March 31, 2031, with the exception of business partnerships and collaborations that are important for management strategies.

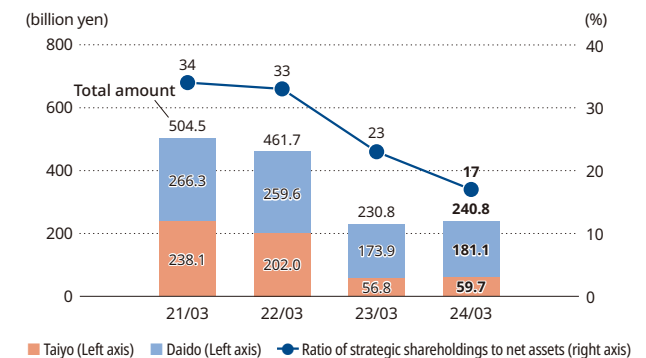
Trend in balances of domestic and foreign stocks



Factors for increase/decrease (March 31, 2021 to March 31, 2024)

- Reduction due to sale: Decrease of around 350 billion yen
- Market fluctuation: Increase of around 540 billion yen

Trend in balance of strategic shareholdings



* Figures for FY2020 are reflected of retrospective accounting treatments in connection with the group restructuring in Fortitude announced on October 1, 2021.

Financial Capital

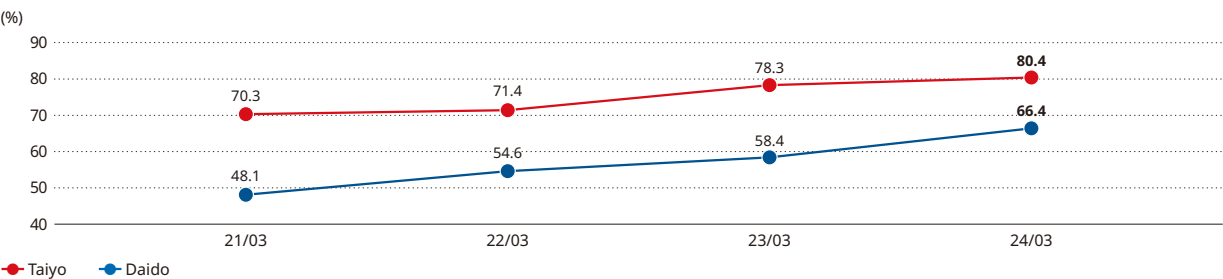
Message from the Head of Finance

Reduction of domestic interest rate risk

The Group Long-Term Vision sets out a policy of systematically reducing interest rate risk through measures such as the purchase of super long-term bonds, and lowering Daido Life's interest rate matching ratio to the 60-70% range. As of March 31, 2024, Daido Life's interest rate matching ratio had risen to 66.4%, and we are making good progress with the reduction of domestic interest rate risk. (Interest matching ratio is a monitoring indicator used within the Group to manage how asset/liability duration matches considering the amount. Interest matching ratio = (Asset duration × Asset present value) ÷ (Liability duration × Liability present value)).

In addition, we are promoting cash flow matching for assets and liabilities through the replacement of bonds during periods of rising interest rates to reduce yield curve risk. Through the promotion of ALM, we will reduce interest rate risk and strive to reduce the cost of shareholder's capital by ensuring stable returns.

Trends of interest matching ratio

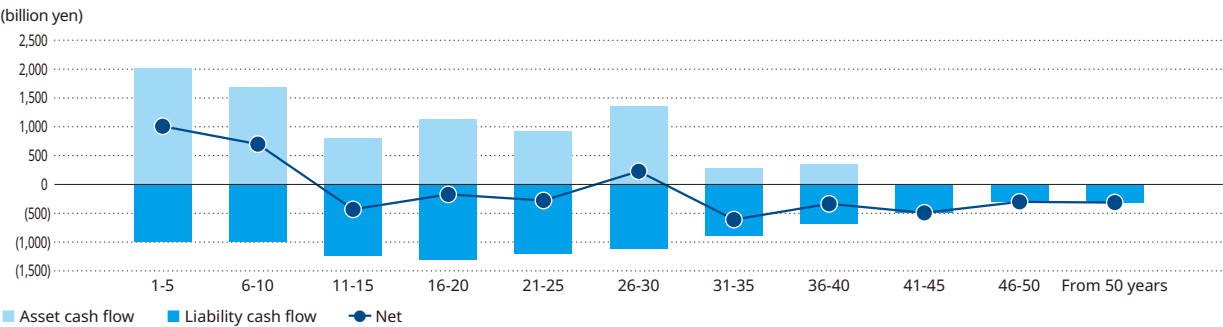


[Reference] Duration of assets and liabilities (as of March 31, 2024)

	Assets	Liabilities
Taiyo	10.5 years	11.3 years
Daido	14.7 years	26.1 years

* UFR was changed from March 31, 2023 (3.8% to 2.9% for UFR, 31 years to 41 years for extrapolation year).

Asset and liability cash flows (The figures are total of Taiyo Life and Daido Life.)



* As of March 31, 2024

Financial Capital

Message from the Head of Finance

■ Growth investment and shareholder returns

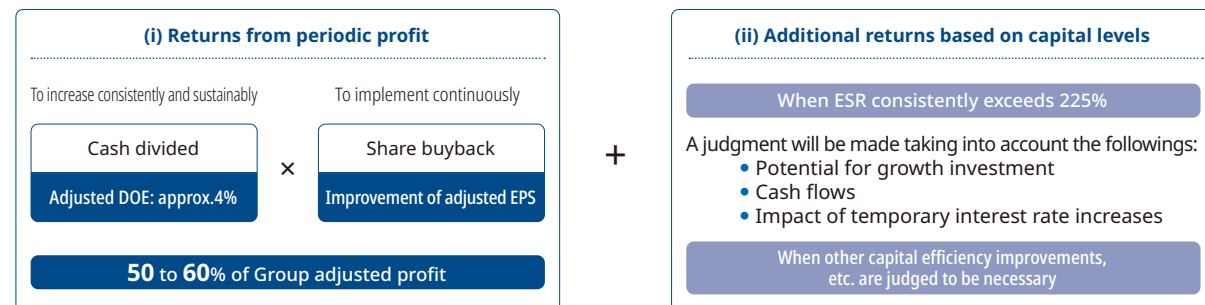
We aim to increase earnings and improve capital efficiency through aggressive growth investments, taking advantage of our financial soundness. In addition to the closed book business, which is positioned as a growing sector, we are considering investments that will help strengthen the insurance business, and investments in businesses that have an affinity with the insurance business and new sectors.

We have adopted (i) returns from periodic profit and (ii) additional returns based on capital levels as our shareholder returns policy.

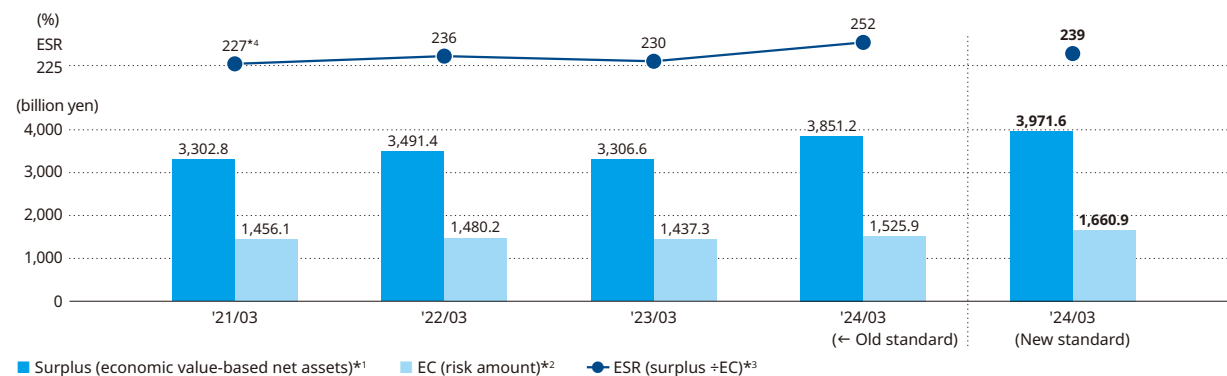
Our policy on (i) returns from periodic profit is to increase cash dividends consistently and sustainably and to implement share buybacks continuously to return 50 to 60% of Group adjusted profit. Our policy on (ii) additional returns based on capital levels is that we will make additional returns when ESR* exceeds 225%, taking into account factors such as potential for growth investment and cash flows.

* For details of ESR, see page 96.

Shareholder returns policy



Trend in ESR



*1 The cost of capital rate used for risk margin is 5% (old standard) (new standard is 3%).

*2 Risk amount is based on an internal model (99.5% VaR, 1 year) after variance effect

*3 From March 31, 2023, the extrapolation method for domestic interest rates was changed.

(UFR: 3.8% to 2.9%, extrapolation year: 31 years to 41 years, convergence year: 60 years to 70 years)

*4 Figures shown here are reflected of retrospective accounting treatments in connection with the group restructuring in Fortitude announced on October 1, 2021.

Financial Capital

Message from the Head of Finance

In accordance with our shareholder returns policy, we have increased our cash dividends for nine consecutive fiscal years and have conducted share buybacks of between 40 billion yen and 60 billion yen every year since FY2021. Our total payout ratio for last three years is over 100%. Going forward, we will continue actively returning profits to shareholders on the back of profit growth and financial soundness.

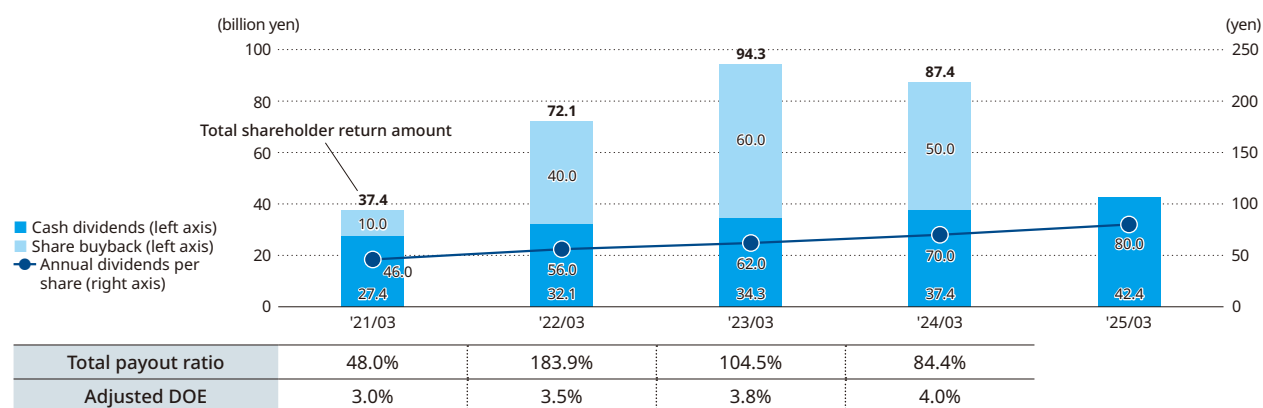
In closing

The BOJ has ended its negative interest rate policy and Japan is returning to “a world with interest rates.” We believe that rising interest rates are positive for the life insurance business, with potential for expansion in asset management earnings through rising reinvestment yields as well as the provision of attractive products especially saving products with higher assumed investment yields.

However, there are also more risks to consider than before, for example, increased risk of unrealized losses on bonds and surrenders for certain products.

By responding in a timely and appropriate manner to market fluctuations and changes in the environment, we will continue working to lower the cost of shareholder's capital and improve capital efficiency and achieve enhancement of our corporate value. We hope that we can rely on your continued support going forward.

Trend in shareholder returns



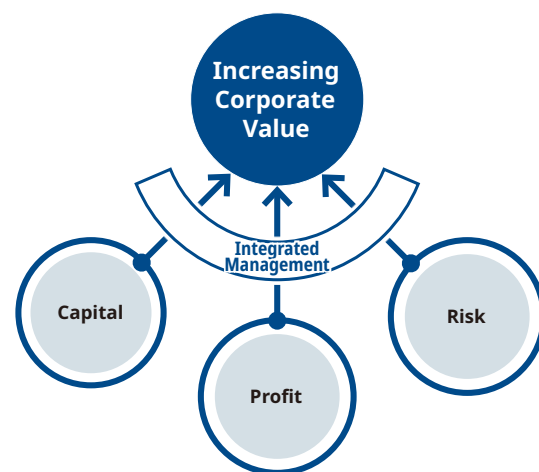
* The amount of cash dividends for FY2024 is calculated using the number of shares as of March 31, 2024.

Financial Capital

ERM

Enterprise risk management (ERM) is 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.

It quantifies capital, profit, and risk on an economic value basis to make them “visible,” and by integrally managing them and making management decisions, it enables us to pursue profit by controlling soundness through a comparison between capital levels and risks.



Promotion of ERM

Expanding return on risk

To improve capital efficiency, the T&D Insurance Group monitors ROR (Return on Risk) by risk category and reflects these monitoring results in its risk-taking policy and other measures. Our policy is to expand categories with high ROR such as insurance underwriting and business investment while at the same time promoting reduction of risks such as interest rate risk and strategic shareholdings, aiming to increase the ROR of the Group as a whole and improve capital efficiency.

Group Risk Appetite

Soundness	Required level of ESR	At least 133%
	Adjusted ROE	At least 8.0% in the medium- to long-term
	ROEV	At least 7.5% in the medium- to long-term
	Core ROEV	At least 5.0% in the medium- to long-term

* ESR = Surplus (capital) ÷ EC (risk)

* Adjusted ROE = Group adjusted profit / Average net asset balance

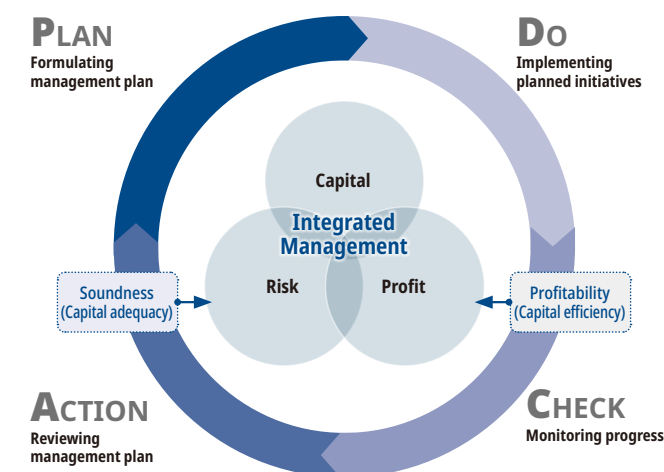
* ROEV = Amount of EV increase (excluding increases or decreases in capital, etc.) ÷ Average EV balance (Group basis)

* Core ROEV = (Value of new business + Expected earnings on the risk free rate) ÷ Average EV balance (Total of three life insurance companies)

PDCA Cycle

Under ERM, the process of realizing the growth of corporate value is the PDCA cycle. It leads the management toward achieving goals, while repeating the cycle of Plan (formulating the management plan), Do (implementing planned initiatives), Check (monitoring progress), and Action (reviewing the management plan).

The Group evaluates capital, profit, and risk on an economic value basis and sets standards for soundness and profitability as the Group risk appetite. Then, it promotes the advancement of ERM through the above PDCA cycle in order to meet the Group risk appetite.



Financial Capital

Organizational systems

In order to conduct ERM on a Groupwide basis, the Group has established the Group ERM Committee as a subordinate body under the direct control of the Board of Directors.

The Committee will take the lead in promoting the Group's ERM to achieve stable and sustainable growth in corporate value.

■ Risk Management

Integrated risk management (ERM)

The T&D Insurance Group has established the ERM structure to integrally manage capital, profit, and risk in order to boost stable revenues while grasping the status of its risks and ensuring management soundness.

For risk management in the Group, we have formulated a Group Risk Management Policy that sets forth the Group's

basic approach to risk management and, based on this policy, its directly owned subsidiaries have developed risk management systems that cover their affiliates as well.

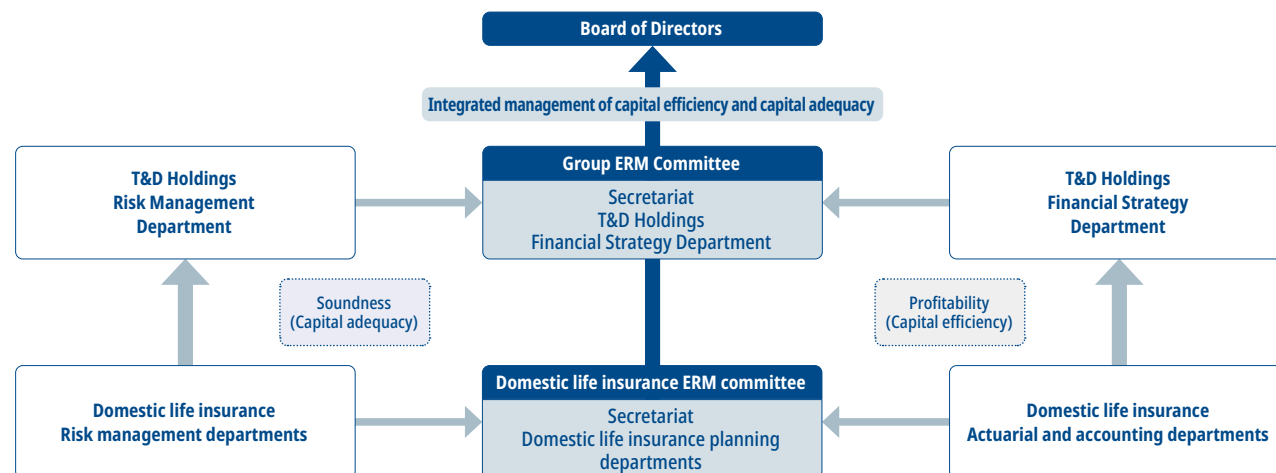
T&D Holdings has established a Group Risk Management Committee and manages risks within the Group. The Committee receives reports, regularly and as required, on risks assessed using uniform economic value-based risk management indicators, from the directly owned subsidiaries, in order to identify and manage the various types of risks faced by the Group companies. T&D Holdings reports on these risks to the Board of Directors and provides guidance and advice to the directly owned subsidiaries as necessary, thereby ensuring that proper risk control is implemented at each company and strengthening the risk management system for the entire Group.

Risk awareness and assessment (risk profiles)

The T&D Insurance Group uses risk profiles* to comprehensively categorize risks surrounding the Group in order to respond to increasingly diverse and complex risks. We comprehensively identify risks, ascertain and assess them, and use them to prioritize initiatives in light of comprehensive factors that include severity, impact, and the degree to which they are under control. The risks are reflected in management planning as necessary. As a rule, we review our risk profiles twice a year in order to accurately recognize and ascertain emerging severe risks as well as major changes to previously recognized risks and the gap between in-house/ the industry's customs and the world. We report our findings to the Group Risk Management Committee and the Board of Directors.

* Risk profiles are a general risk management tool to characterize risks in terms of various factors, such as their nature and magnitude.

* The T&D Insurance Group's risk profile includes responding to issues surrounding sustainability, including the environment (climate change risk), society (human rights, labor practices and corruption prevention) and governance.



Financial Capital

Risk classification and responses

The T&D Insurance Group classifies various management risks as shown below, including disruption in financial markets, large-scale disasters, pandemics, climate change, and cyber attacks. Risk management policies have been established for each of these risks, and efforts are made to prevent these risks from occurring or to confine them within certain acceptable levels.

The risks we see as important in connection with our Group's business are as follows:

Risks as a holding company

- Risk related to reliance on the performance of the life insurance business
- Risk related to dividend income
- Risk related to our expanding scope of operations
- Risk related to regulatory changes

Examples of efforts

■ Risk related to reliance on the performance of the life insurance business

The Group is heavily reliant on the performance of its three life insurance companies. Therefore, if the business circumstances, roles, or positions of any of the three life insurance companies change, the Group's performance and financial condition could be adversely affected.

■ Responses

- The Board of Directors gives the necessary advice and support related to the performance of the three companies, together with monitoring budget variance management and the progress of the management plan.
- The diversification and optimization of the business portfolio is promoted as a pillar of the growth strategy in the Group Long-Term Vision.

Business risks

	Risk taking policies	Risk management policies
(1) Insurance underwriting risk	Based on an awareness of the major impact that the life insurance underwriting of a life insurance company has on business over the long term, the Group fully analyzes and checks risk profiles as well as risk and return characteristics, both of which differ depending on products, thereby formulating product strategies.	Based on an awareness of the major impact that life insurance underwriting has on business over the long term, the Group determines, analyzes, and assesses the insurance underwriting risk and carries out appropriate controls.
(2) Investment risk	To make sure to pay insurance claims in the future, the Group sufficiently secures assets with optimal characteristics (current maturity, liquidity, and others) and develops asset management strategies by fully considering liability characteristics and risk tolerance. • Interest rate risks have a significant impact on the change of surplus due to the long-term nature of insurance liabilities; therefore, the Group strives to reduce such risks given their financial accounting-based and economic value-based effects.	Investment risks are classified as market risks (fluctuations in interest rates, share prices, and exchange rates), credit risks (deterioration of the financial conditions of an entity to which credit is provided), and real estate investment risks (decreases in profits and price related to real estate). Optimal risk controls are taken in accordance with the characteristics of each asset.
(3) Operational risk	The Group strives to prevent risks from occurring and reduce them so as not to harm its corporate value.	A system to control operational risks, such as administrative and system risks, is established.
(4) Affiliate and other entity risk	The Group analyzes and checks the soundness, profitability, and risk and return characteristics of the business while also assessing the appropriateness and reasonableness of investment. Then, the Group develops business investment strategies by considering their financial accounting-based and economic value-based effects.	Risks are properly controlled by assessing the income/expenditure situation as well as the potential for the occurrence of various risks at subsidiaries, affiliates, and business investment targets.
(5) Liquidity risk	The Group secures a certain level of liquidity and establishes a structure that enables a smooth securitization of assets in order to respond to liquidity risks.	The status of financing is categorized depending on its severity level. By determining a controlling method according to each category, the Group secures a certain level of liquidity and establishes a structure that enables the smooth securitization of assets for fund preparation.
(6) Reputational risk	The Group strives to prevent risks from occurring and reduce them so as not to harm its corporate value.	Information related to reputational risks is collected, and responses to reputational risks and a reporting system are clarified.

Financial Capital

Integrated risk management activities

The T&D Insurance Group promotes the integrated risk management approach to achieve the management objectives by quantifying the risks affecting the Group by type of risks and assessing the impacts when making losses, and also by controlling all the risks associated with its operations, including unquantifiable risks.

1. Risk quantification

The Group employs internal models to gauge investment risks, insurance risks, and operational risks. Specifically, we use “value at risk” as an indicator for these risks, and, with a measurement period of one year and a confidence level of 99.5%, we calculate the loss value, which is considered as the risk volume.

2. Risk control

The Economic Solvency Ratio (ESR*), a risk indicator based on economic value, is calculated by dividing the net assets (surplus) found by subtracting liabilities from economic value-based assets by the quantified risks (economic capital, or EC) as follows. We ensure financial soundness and capital adequacy by controlling the EC within a certain range of the surplus, while also applying the current finance supervision

system concerning soundness. The ESR is managed monthly and reported to the Group Risk Management Committee and the Board of Directors along with other risk reviews.

* For details of trend in ESR, see page 17.

3. Stress test implementation

We strive to keep track of a wide range of risks to make sure we can also handle risks not fully grasped by quantification while also controlling quantified risks. We run stress tests to check the impacts of widely identified risks and of severe shocks that exceed expectations, such as major worsening of financial markets or large-scale disasters. We analyze the results of stress tests and check our countermeasures, etc. in advance, and we build a framework that can maintain our soundness in all kinds of situations.

Cyber security initiatives

The Group recognizes that one of the important tasks of management is properly protecting and managing information assets in compliance with laws and regulations. This specifically involves protecting information assets from increasingly sophisticated cyber threats. To fulfill our social responsibilities

as a company engaged in life insurance business and other businesses, we have formulated our Group Information Security Policy and Rules on the Group's Cyber Security Management and made engagement in cyber security mandatory for all executives and employees. Cyber attacks, etc. have the potential to stop systems and impede our operations and to cause leakage of important information.

In particular, in order to provide even safer services to customers, we utilize security tools to conduct round-the-clock monitoring of cyber threats that target financial institutions, as these threats have become more frequent and increasingly sophisticated in recent years. We have also established the cross-organizational Group Computer Security Incident Response Team (CSIRT) along with company-level CSIRT teams, which collect information, conduct analysis, and implement measures in connection with cyber attacks. In addition, we conduct Group- and company-level drills and participate in industry-wide drills and training. Issues identified through these drills are reflected in our response procedures and manuals (Information Security Management Regulations and Information Security Handbook) to strengthen our practical responsiveness.

Along with conducting multi-layered security measures (entrance, exit, and internal), we regularly receive diagnostic security evaluations from independent institutions and promptly implement the necessary measures. In addition, we bring in outside experts to educate group management on the latest trends in cyber security, and we are working to raise awareness of cyber security risks. Executives and employees also receive training (including group training and e-learning) on information security and cyber security, and drills are continually conducted on handling suspicious email in order to further raise security literacy. The Internal Auditing Department verifies whether these systems are functioning effectively and reports the results to the Board of Directors.

(billion yen)				New standard*3
	As of March 31, 2023	As of March 31, 2024	Change	As of March 31, 2024
Insurance risk (domestic)	911.9	1,005.5	+93.6	1,102.7
Counterparty risk	8.4	5.2	(3.1)	5.2
Investment risk	1,421.7	1,493.2	+71.5	1,628.5
Operational risk	99.8	98.0	(1.8)	98.0
Insurance risk (overseas) *1	11.5	11.3	(0.1)	11.3
Subsidiaries and affiliates risk	29.0	28.9	(0.1)	29.3
Investment/insurance diversification effect, etc.	(468.2)	(504.4)	(36.2)	(551.7)
Tax effect, etc.	(576.8)	(611.8)	(35.0)	(662.7)
Total risk amount*2	1,437.3	1,525.9	+88.6	(1,660.9)

*1 Business investment risk (including insurance risk) of business investment in overseas insurance companies (recorded as subsidiaries and affiliates risk for internal purposes).

*2 Economic value based risk amount (variance effect included) calculated on internal model (99.5% VaR, 1 year).

*3 Estimate based on ESR calculation method applied from April 2024

Intellectual Capital

Through the ownership and utilization of extensive knowledge and data accumulated to date, the T&D Insurance Group develops valuable products and services and builds competitive advantage.

Aiming to Enhance Intellectual Capital

Outcomes of Intellectual Capital

• Innovative products

Taiyo Life

- Simplified cancer diagnosis insurance
- Simplified cancer treatment insurance

Daido Life

- Lump-sum payment M-type products
- Kenko Yell discount rider

T&D Financial Life

- Hybrid Omakase Life

(products launched from 2023)

• Business investment track record

• Asset management knowhow and track record

Knowhow built up by life insurance companies in their respective specialized markets

Taiyo Life, Daido Life and T&D Financial Life have all gained knowhow in their respective business models and developed and launched valuable products and services.



Taiyo Life has a strong base in the household market, where it has continued to develop new business through household visits by sales representatives in pairs and the proposal and provision of the coverage that each household needs.

Innovative products

- *Hoken Kumikyoku Best*, a pioneering insurance that allows customers to freely customize the coverage they need
- Cancer/critical illness prevention insurance to facilitate the early prevention and detection of cancer and critical illnesses, and help customers lead long and healthy lives



Daido Life has established a unique business model for providing the coverage SMEs need through two strong sales channels (tax accountant agent channel and in-house sales representative channel) thanks to solid relationships with tie-up organizations.

Innovative products

- L-type α, J-type α, and T-type α products, the industry's first made-to-order insurance products to cater for the diverse needs of SME owners
- *Kaisha Minnade KENCO+*, a health-promotion type insurance product that integrates prevention and preparedness functions



T&D Financial Life specializes in providing products through independent insurance agents that handle the products of multiple insurance companies and has launched differentiated, competitive products.

Innovative products

- Variable insurance products (Hybrid series) which support asset formation through the integration of investment trusts and life insurance

Implementation of Daido Life Survey

Since October 2015, Daido Life has been conducting the Daido Life Survey, a monthly survey that collects the opinions of SME owners on such matters as business confidence and management issues, in the hope of contributing to the development of SMEs.

The “unfiltered opinions” of approximately 10,000 SME owners across the country are summarized in a report, which is made available to SMEs nationwide as useful management tips and also made available to the general public. The data accumulated in the survey is also used in the development of new products and services.



Activities of Taiyo Life Aging Society Institute

Taiyo Life established the Taiyo Life Aging Society Institute in April 2020 to further develop measures that help solve social issues such as extension of healthy life expectancy. The institute aims to contribute to society by conducting surveys and research with a medium-to-long-term perspective from the viewpoint of tackling the declining birthrate and extending healthy life expectancy, and by broadly publishing its research findings.

To date, the institute has conducted a survey on dementia, a fact-finding survey on local governments' postpartum care programs, and a survey on assets and information left by parents as part of research and surveys for the development of necessary services in an aging society. The research findings as well

Intellectual Capital

as newly identified technologies and services will be harnessed in the development of insurance products and services.

■ DX initiatives

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. For the analysis and utilization of data, we are also taking steps to develop systems and platforms, secure and develop DX human resources, and strengthen sales activities and improve operational efficiency through the use of AI.

In terms of the structure for implementing DX initiatives, T&D Holdings established a System Management Department in charge of system management and promotion of DX across the Group. We also reorganized the Group DX Promotion Committee into the Group System and DX Promotion Committee, to generate further synergy and strengthen governance.

We have also begun considering standardizing the

Introduction of next-generation sales device (Taiyo Life)

From August 2024, Taiyo Life introduced *T-AI-Face*, next-generation sales devices featuring five AI functions and the latest digital technologies, which will help expand the market, increase the sophistication of sales and manage sales activities. Through this device, Taiyo Life will improve sales efficiency and strive for evolution of its business model.

Five AI functions

- AI model plan generator
- AI role playing
- AI voice tool
- AI customer list generator
- AI presentation maker

Digital technologies

- Online interviews
- Digital proposals
- Activity management function



administrative processes and systems of the three life insurance companies, with a view to building a flexible administrative structure that makes effective use of the Group's business domains, and optimizing our information systems.

Going forward, we will continue striving for evolution of the value we provide to customers by harnessing data and digital technologies to achieve bold transformation that will drive the Group's further growth.

■ Private equity investment (Daido Life)

Daido Life first became involved in private equity investment (investment in stock that is not publicly traded) in 1999, when private equity investment was still not that common in Japan, and it has now been making private equity investments for more than 20 years. At the end of March 2024, the balance of private equity investments stood at almost 300 billion yen, accounting for around 4% of general account assets.

Private equity investments have low liquidity but promise high returns and, partly due to Daido Life's comparatively early entry to the market, together with its long-standing relationships with capable asset management companies, its accumulation of knowhow and development of human resources, private equity is now one of the types of investment assets underpinning Daido Life's asset management earnings.

Daido Life has also taken advantage of the resources of Alternative Investment Capital Limited (AIC), an equity-method affiliate of Daido Life involved in private equity investment, and gained knowhow by sending human resources to AIC.

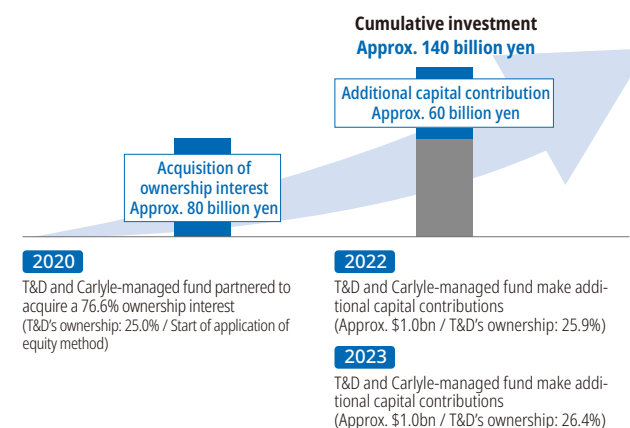
■ Business investment (T&D Holdings/T&D United Capital)

With the life insurance business as its core business, the T&D

Insurance Group is making investments in growing business domains that have a strong affinity with life insurance, to put the life insurance knowledge and knowhow it has accumulated to date to good use. In June 2020, we acquired an ownership interest in Fortitude, an insurance company specializing in the closed book business, and participated in its business. In 2023, we established T&D Risk Solutions, a reinsurance brokerage subsidiary through the utilization of the knowledge and knowhow of the closed book business gained by investing in and sending human resources to Fortitude. Through initiatives such as this, we are working to develop new sources of revenue.

Through continued investment in businesses that have a strong affinity with the life insurance business going forward, we will develop our next earnings pillar after the life insurance business and contribute to enhancement of the Group's corporate value in the medium and long term.

Investments in Fortitude



Human Capital



Priority Theme (2)

Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively →P.43

Message from executive officer in charge of human resources

“Provide Workplace Environments that Enable All People to Participate Actively”

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

Executive Officer

Toshikatsu Imai

Outcomes of
Human Capital• Employee engagement
score (FY2023)

*5-point evaluation

3.81

• Total human resource
development and training
costs (FY2023)

601 million yen

• Training hours per person
(FY2023)

146.0 hours

• Ratio of female managers
(as of April 1, 2024)

23.1 %

*The figure including junior managers is calculated with a view to systematic and stepwise development of female management executives.
[Companies covered] HD, Taiyo Life, Daido Life, TDF, TDAM, P&F

■ 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* and have established the Basic Group Policy on Human Resources as the basic policy for human resources management in the Group. The Group's core business is the domestic life insurance business, where we pursue market specialization strategies. Human resources active in a wide range of fields with strong affinities with the life insurance business, such as the closed book business, asset management business, and pet insurance business, collaborate to create new value. The Group will secure and develop human resources with advanced expertise, knowledge, and skills in these wide ranging fields, and create opportunities for them to play an active role, which will in turn lead to the sustainable growth of the Group.

* “With our ‘Try & Discover’ motto for creating value, we aim to be a group that contributes to all people and societies.”

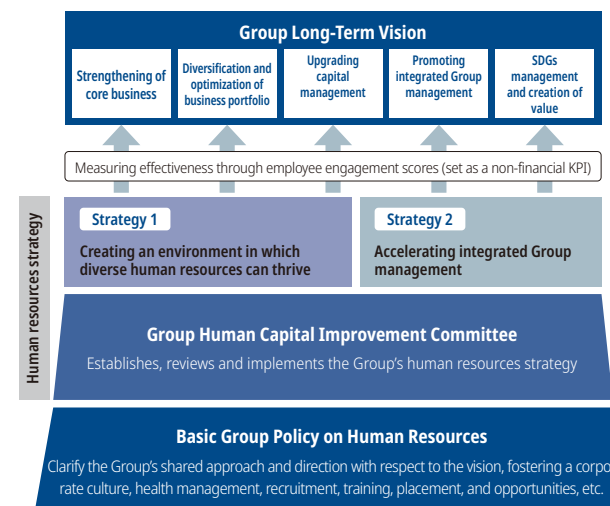
■ Relevancy to the Group Long-Term Vision

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. Aiming to strengthen implementation of human resources strategy linked to management strategy, we established the Group Human Capital Improvement Committee, which is made up of officers in charge of corporate planning and officers in charge of HR from T&D Holdings and Group life insurance companies, from

April 2024, and have been accelerating integrated Group management from a human capital perspective. In addition, 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.”

Each initiative will be measured annually for effectiveness using the Employee Engagement Score*, and through the efforts of each Group company to remedy issues identified in the survey, we will realize improvement in the wellbeing of employees and aim to be a Group which each and every employee can be proud to be a part of.

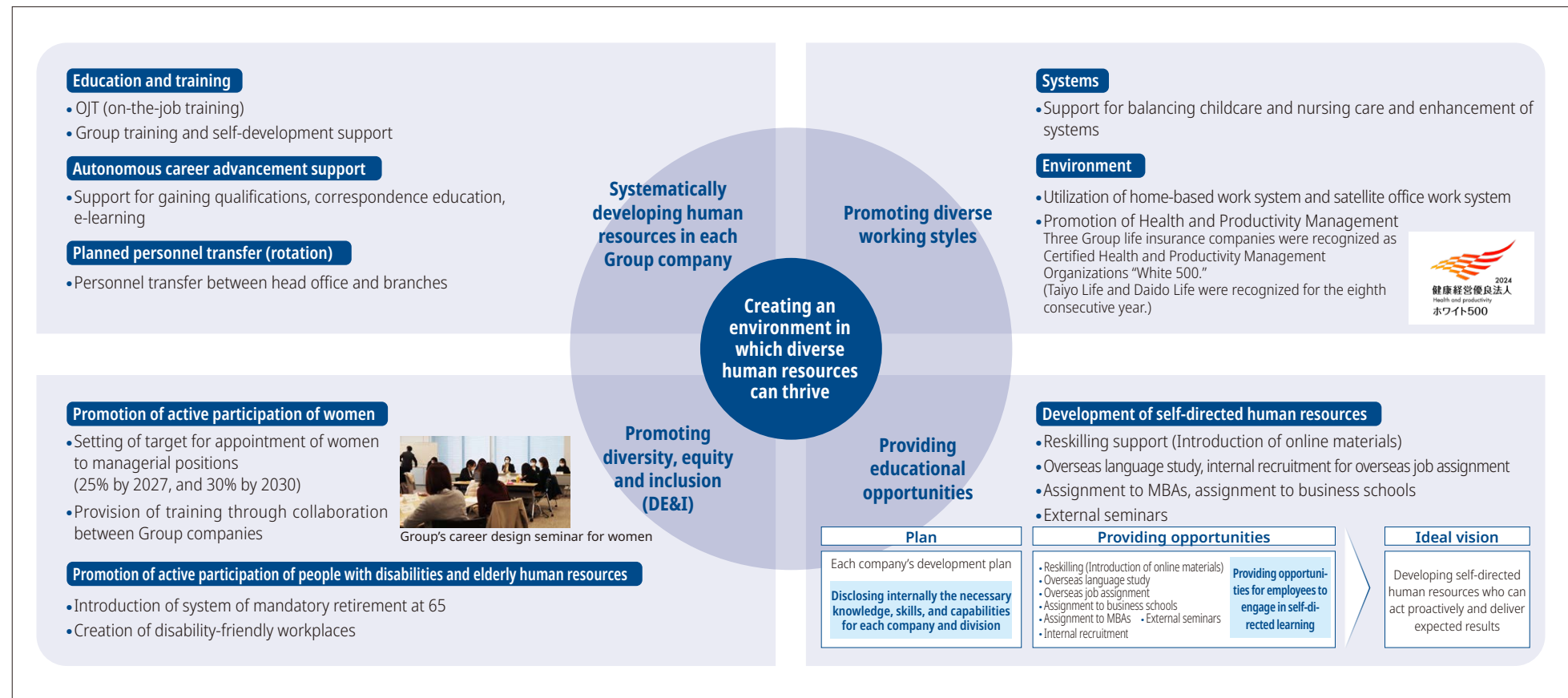
* We also analyze the survey results in collaboration with Professor Nobuyuki Isagawa and Associate Professor Kazuo Yamada from the Graduate School of Management, Kyoto University.



Human Capital

■ Strategy 1 Creating an environment in which diverse human resources can thrive

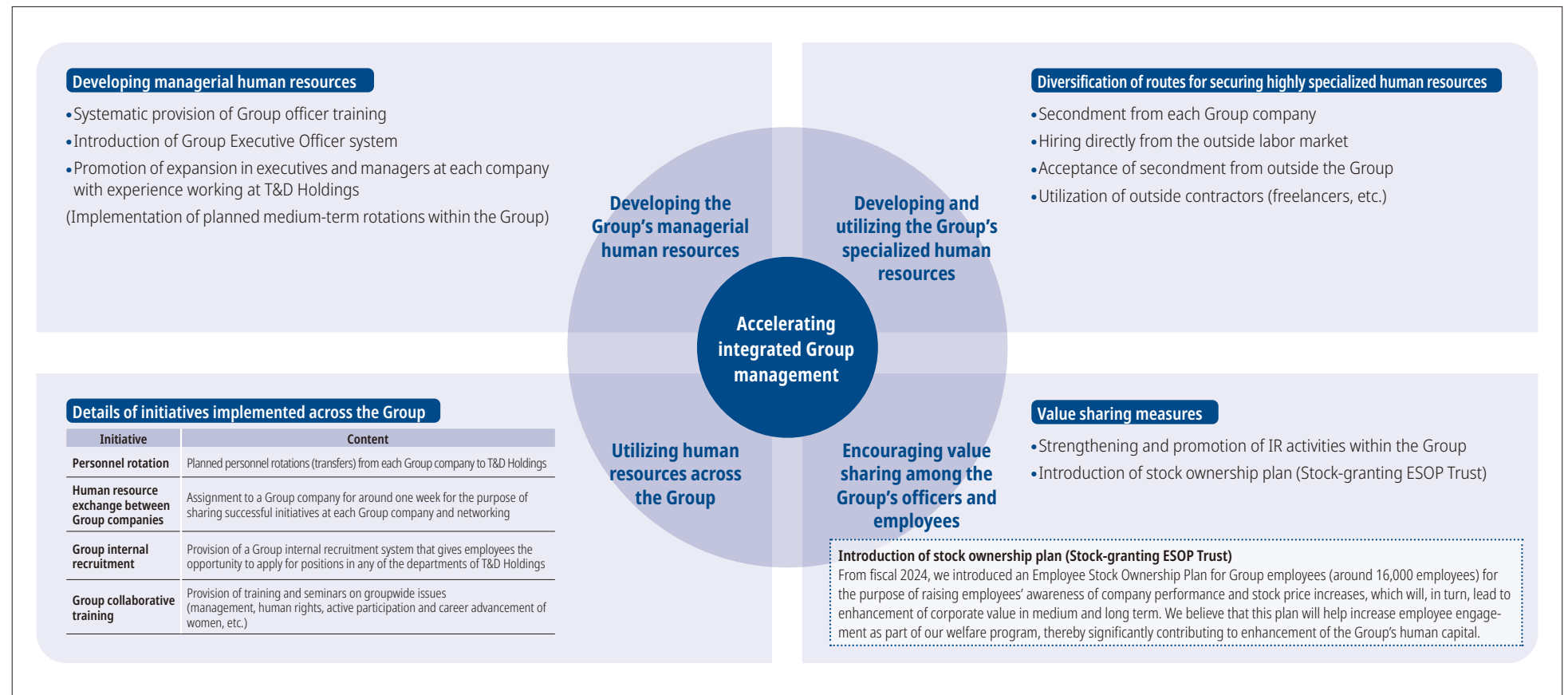
We believe that the human resources who work with us are the most important driving force to realize the T&D Insurance Group's Corporate Philosophy, and we are achieving our strategy of creating an environment in which diverse human resources can thrive by "systematically developing human resources in each Group company," "promoting diverse work styles," "providing educational opportunities" and "promoting diversity, equity and inclusion."



Human Capital

■ Strategy 2 Accelerating integrated Group management

Recognizing that the Group needs to make full use of its management resources in order to respond to a highly uncertain operating environment, we are pursuing the generation of business synergies between Group companies. To further increase Group awareness among employees, which will provide the basis for realizing such synergies, we are implementing a range of initiatives.



Human Capital

Related indicators

Strategies	Related indicators	Results	
		2022	2023
Strategy 1	Ratio of female managers ^{*1}	21.4%	23.1%
	Gender pay gap	42.1%	42.0%
	Ratio of employees with disabilities	2.48%	2.58%
	Percentage of male employees taking childcare leave	100.0%	100.0%
	Average number of days of child care leave taken by male employees	12.4days	19.3days
	Average number of days of paid leave taken	17.8days	18.4days
	Total human resource development and training costs	376 million yen	601 million yen
	Training hours per person	131.4hours	146.0hours
	Group adjusted profit to personnel costs ^{*2}	77.4%	87.7%

[Companies covered] T&D Holdings and its direct subsidiaries (Taiyo Life, Daido Life, TDF, TDAM, and P&F)

*1 The figure including junior managers is calculated with a view to systematic and stepwise development of female management executives.

*2 Group adjusted profit / Personnel expenses

*3 Value of new business / Number of employees working at the three life insurance companies (administrative personnel as well as sales representatives, etc.)

*4 5-point evaluation

Strategies	Related indicators	Results	
		2022	2023
Strategy 1	Value of new business per employee ^{*3}	8.9 million yen	8.5 million yen
	Employee engagement score (overall) ^{*4}	3.75	3.81
	Employee engagement score (self-initiative) ^{*4}	3.92	3.96
	Employee engagement score (challenge) ^{*4}	3.50	3.54
Strategy 2	Number of people experiencing work at T&D Holdings	429	462
	Number of Group personnel exchange	40	92
	Number of participants in Group collaborative training	982	1083
	Number of participants in "Group IR" initiative	986	670
	Employee engagement score (philosophy/vision) ^{*4}	3.99	4.00

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. The difference between the proportions of men and women in managerial

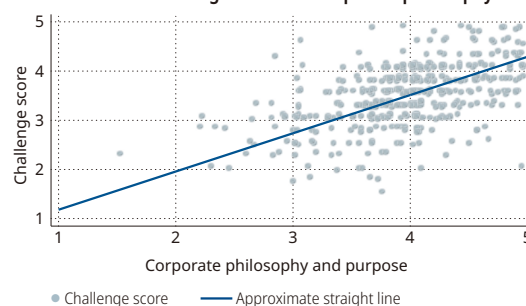
positions is also a major factor in the gender pay gap, and the pay gap between main career track employees (generalists) in managerial and non-managerial positions is shrinking. In addition to creating an environment in which women can play an active role, the Group is working together to provide training for female Group employees, and the three Group life

insurance companies are setting targets for the appointment of women to managerial employees (increasing ratio of female managers to 25% by 2027 and 30% by 2030) to systematically develop human resources for managerial appointments.

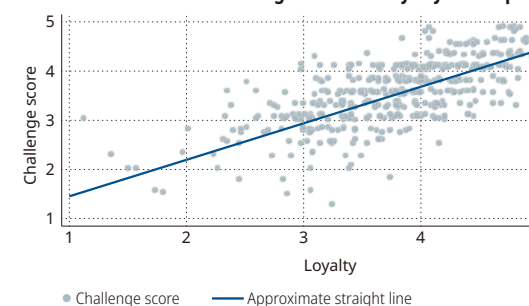
Employee engagement score survey (analyzed in collaboration with Professor Nobuyuki Isagawa and Associate Professor Kazuo Yamada from the Graduate School of Management, Kyoto University)

Based on the assumption that greater willingness to take on challenges on the part of individual employees will have a positive effect on improving company performance, we analyzed sensitivity between the challenge score (survey items related to "Try") and the human capital keyword score for different employee attributes. Results showed that the greater the understanding of corporate philosophy and purpose and the stronger corporate loyalty, the greater the willingness to take on challenges (there is a correlation between the two). We plan to carry out further analysis for the formulation of effective human resources strategies in the future.

Correlation between challenge score and corporate philosophy and purpose



Correlation between challenge score and loyalty to company



Human Capital

■ Respect for human rights

T&D Insurance Group Human Rights Policy

We mention “respect for human rights” in the T&D Insurance Group CSR Charter, and we promote business activities that respect the human rights of the Group’s officers and employees as well as all stakeholders.

As a concrete action, we have established the “T&D Insurance Group Human Rights Policy,” which sets out our stance on respect for human rights in line with the Guiding Principles on Business and Human Rights, a set of principles that apply to both states and companies, endorsed by the UN Human Rights Council.

Please refer to the Company’s website for further details.
<https://www.td-holdings.co.jp/en/csr/csr-policy/human-right-policy.php>

Human rights due diligence

In accordance with the T&D Insurance Group Human Rights Policy, we conduct human rights due diligence to identify, prevent, and mitigate any negative impact on human rights that the Group’s business activities may have.

Implementation of human rights due diligence and confirmation of human rights due diligence results

The Group implemented human rights due diligence at T&D Holdings and its consolidated subsidiaries, with March 31, 2024 as the data reference date.

During our due diligence, we carried out a comprehensive human rights assessment covering aspects such as the development of systems for raising awareness of human rights, actions taken at work places to prevent discrimination against workers, and assessment of human rights issues that need taking into consideration in supply chains and at investees. In our assessment, we focused on our own risks in relation to “harassment” and “long working hours,” which are particularly important human rights risks for us.

The results of our human rights due diligence confirmed that there have been no serious human rights violations that require corrective action in the course of our business activities. We also confirmed that there have been no major problems with respect to “consideration for human rights in business activities in Myanmar.”

Going forward, we will continue implementing due diligence on an ongoing basis to verify actions taken by the Group to address human rights violations and assess whether any human rights violations have occurred, and we will report the results of due diligence to the Group Sustainability Promotion Committee annually. The details of the report to the committee will be reported to the Board of Directors of T&D Holdings and will also be relayed to the Group Compliance Committee. We will take action to resolve any human rights issues identified in the human rights due diligence process.

Training for increasing human rights awareness

The T&D Insurance Group holds “Human Rights Seminars for Group Managers” with outside lecturers, and also conducts human rights awareness training on various human rights-related issues, such as various types of harassment and diversity, at each Group company to deepen understanding of human rights.

Response to harassment

The Group deals with whistleblowing reports and consultations about harassment (sexual harassment, power harassment and other forms of harassment) through the T&D Insurance Group Helpline established as an internal whistleblowing system and harassment consultation desks established at the three life insurance companies, etc.

The Group Helpline also deals with whistleblowing reports and consultations from employees about human rights related issues including harassment and works to provide remedy to victims and prevent recurrence. If our investigations uncover violations of laws and regulations or internal rules, we take measures to provide remedy to victims, including reshuffling personnel, and we also take disciplinary action in accordance with the work rules.

Initiatives for respecting human rights: Overall Process

STEP 1	Commitment <ul style="list-style-type: none"> Formulation of T&D Group Human Rights Policy, clearly specifying that the Group will respect internationally recognized human rights standards and will implement human rights due diligence
STEP 2	Establishment of process <ul style="list-style-type: none"> Determination of assessment criteria for human rights due diligence Determination of especially significant human rights risks as key areas for human rights due diligence
STEP 3	Human rights assessment <ul style="list-style-type: none"> Evaluation of impact in relation to assessment criteria for significant human rights risks Investigation of occurrence of human rights violations within the Group
STEP 4	Implementation of human rights risk mitigation measures and countermeasures <ul style="list-style-type: none"> Formulation and implementation of human rights risk prevention and/or mitigation measures and corrective measures to address any human rights violations identified through due diligence

* In the recent due diligence process, with March 31, 2024 as the data reference date, we implemented STEP 2 - Establishment of process and STEP 3 - Human rights assessment.

Social and Relationship Capital



Priority Theme (1)

Promote Healthy and Abundant Lives for All People →P.43

The T&D Insurance Group is working on the creation of shared value by providing customers with valuable information, services, and products as well as by cooperating with sales agents and cooperating organizations.

Provision of Products and Services

Outcomes of Social and Relationship Capital

- Customer satisfaction level

- Number of cases using *Kaketsuke-Tai Service* (FY2023):

Approximately **26,000**

- Number of *Dodai?* members:

Approximately **64,000**

- Amount of claims and benefits paid (FY2023):

Approximately **804.7 billion yen**

- Amount of CVC investment:

Approximately **1.8 billion yen**

- Amount of ESG investment and financing:

Approximately **960 billion yen**

■ The Initiatives of Taiyo Life

Providing products and services which preempt the changes of the times

To help everyone live long and healthy lives in the era of the 100-year life, Taiyo Life offers *Himawari Dementia Prevention Insurance* and *Cancer and Critical Illness Prevention Insurance* as products in its *Preventive Insurance Series* that supports customers' prevention efforts through insurance. In May 2023, Taiyo Life launched *Simplified Cancer Diagnosis Insurance* and *Simplified Cancer Treatment Insurance*, which can be applied for even by persons for whom it is generally difficult to apply for cancer coverage, such as individuals who had cancer in the past. This means that it is now possible to provide cancer coverage even to customers worried about their health.

On the service front, we offer services such as our *Kaketsuke-Tai Service*, where in-house staff with expert knowledge help customers

Taiyo Life My Page, a dedicated web portal for customers

- Users can confirm policy details, complete various procedures, and view web insurance certificates - digital certificates -.
- Portal can be accessed not only by policyholders but also insured members and registered family members.
- Electronic barcode payments for premiums, etc. can also be made on My Page.

Opening of official LINE account

- Customers can access Taiyo Life's Internet services, including various insurance-related procedures, via the LINE app.

Visiting services

■ Kaketsuke-Tai Service

At the customer's request, our office workers visit the customer's home to assist with benefit claim procedures.

■ Senior Visit Service

Our office workers visit senior customers at least once a year to confirm contract details and check that customers claim all relevant benefits, etc.

■ Senior Benefit Anshin Support

Taiyo Life provides follow-up support to customers who did not meet the payment criteria when claiming benefits in connection with dementia.

with benefit claim procedures directly, and we also propose screening that is useful for dementia prevention (*MCI Screening Plus*) and disease prevention (*AminoIndex® Risk Screening*).

Taiyo Life provides customers with even greater peace of mind by proposing its products and services in an integrated manner.

■ The Initiatives of Daido Life

Initiatives to promote Kenkokeiei® (Health and Productivity Management) by SMEs

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 December 2023, Daido Life launched *Kenko Yell Wari* (an excellent health discount rider) in the hope that it would encourage business owners to undergo regular health checks and manage their day-to-day health.

Initiatives to support the management of SMEs

In March 2022, we launched the web service *Dodai?* for the owners of SMEs to meet and tackle the resolution of social issues together. As of the end of March 2024, the service had more than 60,000 users. Daido

Life has hitherto supported SMEs through insurance coverage and *Dodai?* embodies their ambition to work with SMEs to create the future.



Image character
Dodai-kun



Social and Relationship Capital

Furthermore, from February 2024, Daido Life began providing the *Sustainability Management Practice Guide* to encourage SMEs to practice sustainability management. This Guide includes basic knowledge and key points of sustainability management. It also clearly summarizes case studies of SMEs that practice sustainability management as well as useful support and assistance available to SMEs that are getting to grips with sustainability management. Through this initiative, Daido Life is helping SMEs generate long-lasting growth and contributing to the realization of a sustainable society.

■ The Initiatives of T&D Financial Life Providing asset formation products that consider social and environmental changes

T&D Financial Life offers yen denominated and foreign currency denominated whole life insurance and individual annuity insurance, yen-denominated variable insurance and other asset formation products that anticipate the era of the 100-year life through independent insurance agents such as financial institutions and insurance shops.

In April 2023, we launched *Fiveten World 3*, individual annuity insurance offering both a yen currency plan and a foreign currency plan. Then, in March 2024, as a new product in the hybrid series of variable life insurance products for the era of the 100-year life, we launched *Hybrid Omakase Life*, a product that allows customers to leave asset management up to T&D Financial Life, which will manage assets based on the individual customers' desires and needs.

Gokazoku Anshin Service (Family Member Registration Service)

The *Family Member Registration Service* is a service that allows policyholders to register information about their family members in advance so that registered family members can check policy details

and carry out required procedures. In March 2024, we adopted *Gokazoku Anshin Service* as the informal name for the service and expanded the service to enable policy change procedures as well as the designation of accounts in the names of registered family members as payee accounts for insurance payouts and benefits.

AI Fund Prediction Service

In February 2024, T&D Financial Life launched the *AI Fund Prediction Service* for the *Hybrid series* of variable life insurance. This service predicts unit price movement for separate accounts based on economic indicators and other data.



■ 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 "cus-

tomor-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.

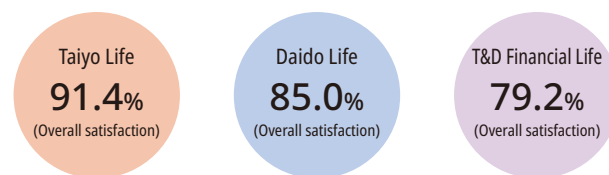
Customer feedback collected through daily sales activities

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 built 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.

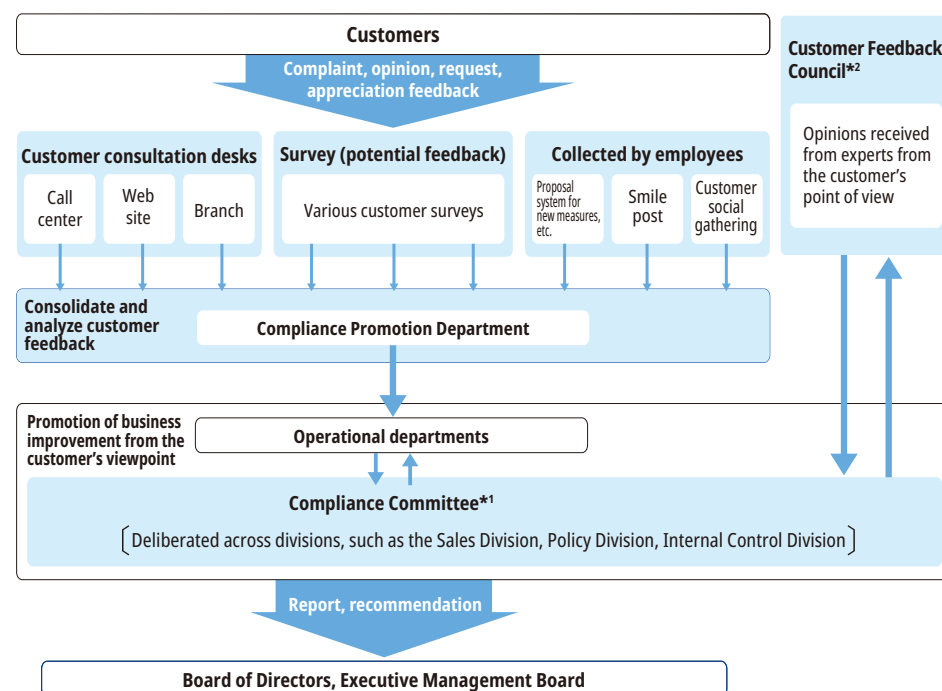
Evaluation of the three life insurance companies' customer-oriented business operations policy (FY2023)



* Each company uses a different survey method.

Social and Relationship Capital

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.

Number of complaints received at each company

Taiyo Life

Customer complaints* by type

(Units: no. of complaints received; proportion: %)

Details	FY2020		FY2021		FY2022		FY2023	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	1,907	31.7	2,170	32.6	1,919	20.8	1,854	26.5
Payment of premiums	355	5.9	381	5.7	375	4.0	431	6.1
Conservation work	1,203	20.0	1,246	18.7	1,067	11.6	1,280	18.3
Insurance claims and benefits	1,060	17.6	1,508	22.6	3,947	42.8	1,646	23.5
Others	1,498	24.9	1,355	20.3	1,918	20.8	1,791	25.6
Total	6,023	100.0	6,660	100.0	9,226	100.0	7,002	100.0

* "Complaints" refers to an expression of dissatisfaction by customers.

For details on examples of improvements Taiyo Life has made by utilizing customer feedback, please see Taiyo Life's website.

(Japanese)

https://www.taiyo-seimei.co.jp/company/activity/voice/voice_casestudy.html

Daido Life

Customer complaints by type

(Units: no. of complaints received; proportion: %)

Details	FY2020		FY2021		FY2022		FY2023	
	No. received	%	No. received	%	No. received	%	No. received	%
Purchase of life insurance policy	809	13.1	802	13.4	774	12.3	638	12.9
Payment of premiums	429	6.9	454	7.6	355	5.6	315	6.4
Procedures after making a contract	2,200	35.6	2,015	33.8	1,815	28.9	1,550	31.3
Payment of insurance claims and benefits	980	15.9	1,087	18.2	1,556	24.8	936	18.9
Others	1,763	28.5	1,607	26.9	1,785	28.4	1,517	30.6
Total	6,181	100.0	5,965	100.0	6,285	100.0	4,956	100.0

* As percentages are rounded to the second decimal place, totals will not necessarily add to 100.

For details on initiatives pursued by Daido Life to make business improvements based on customer feedback, please see Daido Life's website. (Japanese)

<https://www.daido-life.co.jp/company/satisfied/voice.html>

T&D Financial Life

Customer complaints* by type

(Units: no. of complaints received; proportion: %)

Details	FY2020		FY2021		FY2022		FY2023	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	209	23.6	284	32.8	315	36.5	207	33.0
Payment of premiums	60	6.8	69	8.0	45	5.2	52	8.3
Procedures after making a contract	371	41.9	310	35.8	328	38.0	201	32.0
Insurance claims and benefits	146	16.5	118	13.6	105	12.2	85	13.6
Others	100	11.3	86	9.9	70	8.1	82	13.1
Total	886	100.0	867	100.0	863	100.0	627	100.0

* "Complaints" refers to customers' complaints and dissatisfaction about products and services, and expressions of dissatisfaction.

For details on major initiatives pursued by T&D Financial Life in fiscal 2023 to make improvements based on customer feedback, please see T&D Financial Life's website. (Japanese)

<https://www.tdf-life.co.jp/company/solvency/2023.html>

Social and Relationship Capital

■ Examples of Reflecting Customer Feedback in Operations

Taiyo Life

Taiyo Life began handling children's education insurance and individual annuity insurance in response to feedback from customers who wanted a wider range of fully online (*Sma-Hoken*) insurance products. Furthermore, in response to feedback from customers who wanted more flexible premium payment methods on enrolment, Taiyo Life launched an "electronic bar-code payment" service for the first premium payment when enrolment procedures are carried out by sales representatives.

Daido Life

In September 2020, Daido Life introduced *Tsunagaru Tetsuzuki* that allows customers to carry out enrolment procedures on their smartphones any time, anywhere, at a time that suits them, in response to feedback from customers wanting non-face-to-face procedures. The scope of this initiative has now been expanded to include claims for insurance payouts and benefits, policy cancellations, and policyholder loans. In addition, registered users of the *Family Member Registration System* were previously able to inquire about policy details, ask to be sent claim forms, change their own address details, etc. In addition, in response to customer feedback, Daido Life has now expanded the scope of matters handled by the system to enable registered users to carry out procedures to change the policyholder's address and phone number.

T&D Financial Life

In response to feedback from customers wanting to carry out claim procedures in the evenings and at the weekend, which are outside of call center operating hours, in May 2023, T&D Financial Life introduced an AI Voice Response System (Voicebot), which

enables customers to request forms over the phone 24 hours a day every day of the year, including weekends and all public and bank holidays. This, combined with our existing Internet Service and Inquiry Form, means that we are now able to deal with telephone inquiries around the clock. Customers can also now use the Internet Service to carry out the procedure for changing the regular premium increases of variable life insurance products.

■ Cooperation with Sales Agents and Cooperating Organizations

Sales agent support

At Daido Life, the head office and branches work together closely to provide high-quality support for sales agents by assisting them in responding to customers' diversified needs. As a part of these efforts, the Company develops programs to offer practical training by using its own e-learning materials, etc. to help sales agents acquire broad knowledge on the compliance and insurance business.

Building a sales structure through collaboration with partner organizations

Daido Life has formed partnerships with SME industry associations as well as the professional organizations of tax accountants, and has built a sales structure aimed at offering applicable life insurance products tailored to the needs of various member companies and the clients of those member tax accountants. Because these partner organizations, tax accountants, and other agents are key stakeholders of Daido Life, the Company holds regular business meetings with its partners to report the latest business developments and to hear their views on Daido Life's business operations.

Wholesaler activities

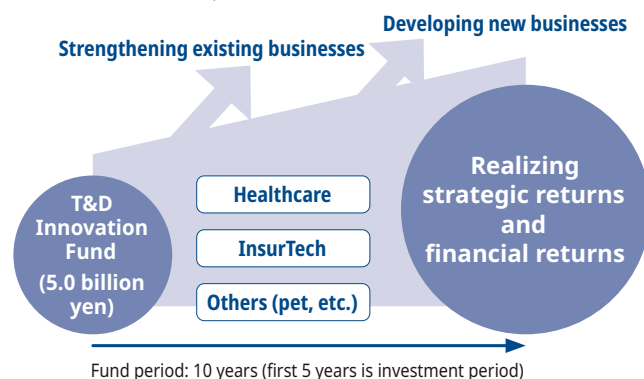
T&D Financial Life carries out elaborate support activities for its sales

agents, such as financial institutions and insurance shops, through its sales staff assigned to assist sales agents (wholesalers) in order to enable them to make the best proposals to customers. In addition, to win the trust of customers and sales agents, T&D Financial Life works to strengthen support activities by providing practical training to wholesalers. This includes sales skills enhancement training to deepen knowledge about insurance and other financial products and overall asset management, related laws and regulations and systems, and presentation skills training to enable them to accurately explain features of our products to customers and sales agents.

■ Corporate Venture Capital

In 2022, we established the T&D Innovation Fund, for the purpose of forming partnerships with startups that have innovative technologies and business models. Focusing on the healthcare, insurance tech and pet domains, the fund has so far made 14 investments totaling approximately 1.8 billion yen. (Examples: company that will be instrumental to the digital transformation of nursing care and company that provides health management devices for pets)

Through open innovation and other initiatives with investees, we will strengthen the Group's existing businesses and develop new business domains.



Social and Relationship Capital

Invest to Help Build a Sustainable Society

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.

T&D Insurance Group ESG Investment Policy (overview)

By conducting asset management with consideration to ESG issues, we will aim to secure stable earnings over the long term, 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

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 specific weapons (companies that manufacture inhumane weapons such as cluster bombs, biological and chemical weapons, antipersonnel mines and nuclear weapons) and to palm oil companies, as well as new investments and financing to coal-fired power generation projects, coal mining projects, oil sand projects and other projects that impact climate change.

ESG-themed investment and financing

Carry out investment and financing activities that contribute to the creation of a sustainable society in consideration of ESG issues. Steadily build up thematic investments and financing based on an assessment of the profitability and risks of individual investment projects.

Examples of main initiatives



Investments in “green bonds,” which help resolve environmental issues
We provide funds for renewable energy generation projects and energy efficiency projects undertaken by local governments and operating companies.

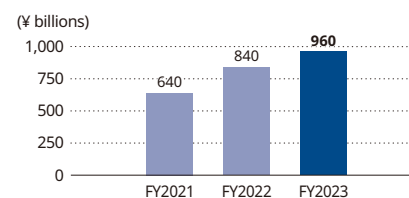


Investments in “sustainability bonds” issued by university corporations
We provide funds for infrastructure and campus development projects for realization of the visions of national university corporations.



Investments in “social bonds,” which provide support to developing countries, etc.
We provide funds to support the education and employment in developing countries and solve global social issues such as gender equality.

ESG-themed investment and financing



Dialogue (engagement) with investees and borrowers

We engage in dialogue with investees and borrowers about ESG issues such as decarbonization, diversity and biodiversity to help them improve their corporate value and achieve sustainable growth.

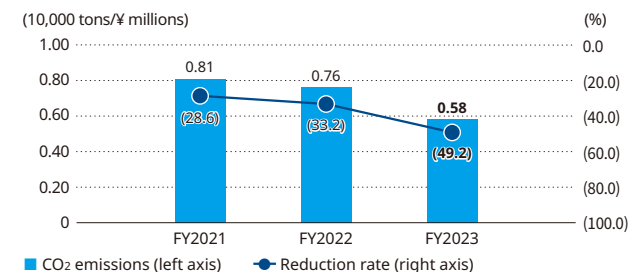
Initiatives to Reduce the CO₂ Emissions of Investees and Borrowers to Net Zero

With the aim of helping reduce the CO₂ emissions of society as a whole, we have set targets of reducing the CO₂ emissions of investees and borrowers by 50% (from FY2020 levels) by FY2030 and to net zero by FY2050.

At the end of March 2024, CO₂ emissions based on our investee and borrower portfolio (covering stocks, bonds, and loans held by Taiyo Life and Daido Life that were issued by listed companies in Japan) amounted to 1,587,000 tons. On a per-unit basis, which is how our interim targets toward net zero are defined, emissions were 5,800 tons per million yen, a 49.2% reduction from FY2020.

While encouraging investees and borrowers to decarbonize through dialogue, we will also continue to invest in green bonds and provide financial support through transition finance initiatives.

CO₂ emissions and reduction rate of investees and borrowers (Compared to FY2020)



Natural Capital



Priority Theme (3)

Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation →P.43

The T&D Insurance Group formulated the T&D Insurance Group Environmental Policy to clarify the Group's stance on the environment and will achieve sustainable growth along with society while fulfilling the public mission of life insurance and other businesses, and undertaking its corporate social responsibilities.

Response to the TCFD Recommendations

Outcomes of Natural Capital

- CO₂ emissions (Scope 1 + 2)
Reduction rate
(Compared to FY2013)
(FY2023)

41.2%

- CO₂ emissions of investees*
Reduction rate
(Compared to FY2020)
(FY2023)

49.2%

- Introduction rate of renewable energy
(FY2023)

21.3%

* This covers stocks, bonds, and loans issued by domestic listed companies held by Taiyo Life and Daido Life.

Our approach

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.

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 understand 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. 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 on the T&D Insurance Group Environmental Policy, please see our website.
<https://www.td-holdings.co.jp/en/csr/csr-policy/environment.php>

Governance

The Board of Directors has established the Group Sustainability Promotion Committee as its subsidiary body, with the task of reviewing and deliberating its policies related to sustainability and CSR, along with measures concerning the global environment and social issues. Chaired by the President and Representative Director who chairs the Board of Directors and made up of officers and general managers responsible for each Group company's departments in charge of sustainability and CSR, the committee sets out basic policies on the environment and social issues, including the SDGs, targets for action on climate change, and measures for achieving them. Under the supervision of the Board of Directors, the committee monitors the status of initiatives and reports to the Board of Directors every half year.

Furthermore, the Sustainability Promotion Subcommittee is established as a subordinate body of this committee, to drive initiatives.

* For more information, please see our website.
<https://www.td-holdings.co.jp/en/csr/csr-policy/tcfd.php>

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)

Natural Capital

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.

■ Risk management

Process for identifying and assessing risks

The T&D Insurance Group uses a risk profile to comprehensively categorize risks surrounding the Group, in order to respond to increasingly diverse and complex risks. We comprehensively identify risks by category, ascertain and assess them, and use them to prioritize initiatives in light of comprehensive factors including severity, impact, and the degree to which they are under control. The risks are reflected in management planning as necessary. The Group registers climate change-related risks on the risk profile as critical risks to be managed, and scrutinizes, identifies, and assesses these risks. Climate change-related risks are identified and assessed as insurance underwriting risk, asset management risk, operational risk, reputational risk, and risks that may have broad-based impacts on overall management.

Risk management process

In order to identify and grasp newly emerging risks, as well as changes in risks that have already been identified, a review of the risk profile is carried out twice per year, and reported to the Group Risk Management Committee and the Board of Directors. In the process of identifying and assessing risks on a company-wide basis through a risk profile, the climate change-related risks are managed using the perspectives shown below.

Management of climate change-related risks

(i) Physical risks

- 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.

(ii) Transition risks

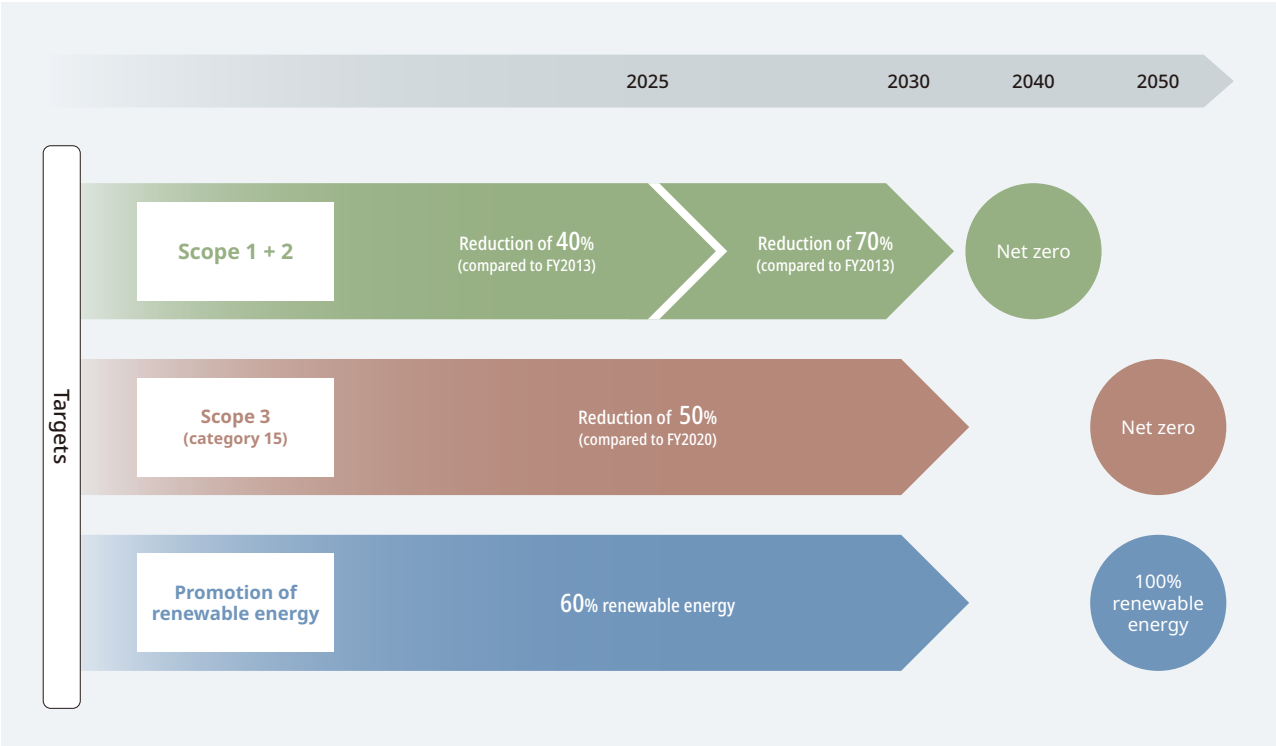
- The Group engages in investments and borrowings, taking into account climate change-related risks based on the Principles for Responsible Investment (PRI).
- Through engagement, the Group encourages investees and borrowers to take action for decarbonization.
- The Group monitors trends in economic policies, laws, and regulations, and shares the information across the Group, through the Group Sustainability Promotion Committee and the Group Management Promotion Committee. Measures are taken to ensure that the Group responds to such trends in a sufficiently effective manner at the level expected of a listed company.

■ 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.

Natural Capital

Roadmap to achieving net zero



CO2 emissions reduction target

Subject	Targets
Own emissions (Scope1 and 2)	FY2025: 40% reduction (compared to FY2013) FY2030: 70% reduction (compared to FY2013) FY2040: Net zero
Investees and borrowers (Scope 3: category 15)	FY2030: 50% 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.



Natural Capital

T O P I C

■ Nature-related risk analysis

The T&D Insurance Group formulated the T&D Insurance Group Environmental Policy and has been working to protect the environment in areas such as forest conservation activities. The Taskforce on Nature-related Financial Disclosures (TNFD) published its final recommendations in September 2023 and, the importance of natural capital disclosure is increasing. In this regard, we are also promoting compliance with TNFD framework and registered as a TNFD Adopter in September 2024.

Our system of governance for natural capital-related organizations is the same as that shown on page 35. The Group recently also conducted an analysis of the nature-related risks of investees according to the LEAP approach*.

* The LEAP approach is an integrated approach to assessing nature-related issues, including interactions with nature, dependencies on nature, the impact of each issue, risks and opportunities. It is a process for preparing for TNFD disclosure that involves scoping and then going through the phases of Locate, Evaluate, Assess, and Prepare.

Analysis methods

In the analysis, we quantified the extent of dependencies and impacts of each type of industry in accordance with the dependencies and impacts models of the ENCORE*, a tool for assessing natural capital-related risks.

* ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is an analysis tool for assessing the dependence and impact of investees on natural capital that was jointly developed by international organizations such as the Natural Capital Finance Alliance and United Nations Environment Programme.

Analysis results

Dependencies Analysis results showed that the most dependent natural capital was “habitat” and “water.”

Impacts Analysis results showed that “GHG emissions,” “soil pollution,” “solid waste,” and “water pollution” had the greatest impact.

Dependencies heat map

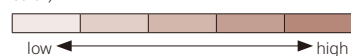
	Atmosphere	Habitats	Land geomorphology	Minerals	Ocean geomorphology	Soils and sediments	Species	Water
Energy								
Materials								
Capital goods and services								
Industrials								
Consumer Staples								
Health Care								
Financials								
Information Technology								
Telecommunication Services								
Utilities								
Real estate								

Impacts heat map

	Disturbances	Freshwater ecosystem use	GHG emissions	Marine ecosystem use	Non-GHG air pollutants	Other resource use	Soil pollutants	Solid waste	Terrestrial ecosystem use	Water pollutants	Water use
Energy											
Materials											
Capital goods and services											
Industrials											
Consumer Staples											
Health Care											
Financials											
Information Technology											
Telecommunication Services											
Utilities											
Real estate											

* Analysis based on file downloaded from the ENCORE website updated November 18, 2023.

* Dependencies and impacts are classified into five levels, and the darker the color the greater the dependency and impact. (Areas with zero dependency or influence are without color)





Value Creation Strategy and Performance

- | | | | |
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| 40 | Group Long-Term Vision "Try & Discover 2025" | 52 | Closed Book Business |
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| 43 | Materiality (Sustainability Priority Themes) | 54 | Non-life Insurance Business |
| 44 | Sustainability Advisory Committee | 55 | New Sector |
| 46 | Business Strategies (Life Insurance Business) | 56 | Closed Book Business Dialogue |
| 47 | Life Insurance Business | | |

Group Long-Term Vision “Try & Discover 2025”

Overall picture

In 2021, the T&D Insurance Group formulated the Group Long-Term Vision Try & Discover 2025, clarifying the Group's vision from a medium-to-long-term perspective and strategic policies for its achievement.

This Long-Term Vision defines “Sow happiness, make change with boldness” as the Group's management vision and sets out Group KPIs as quantitative targets as well as five primary issues to be addressed for achieving the KPIs. Steady implementation of measures based on the Long-Term Vision will help us create shared value.

(▶Please see page 1 and 3 for details.)

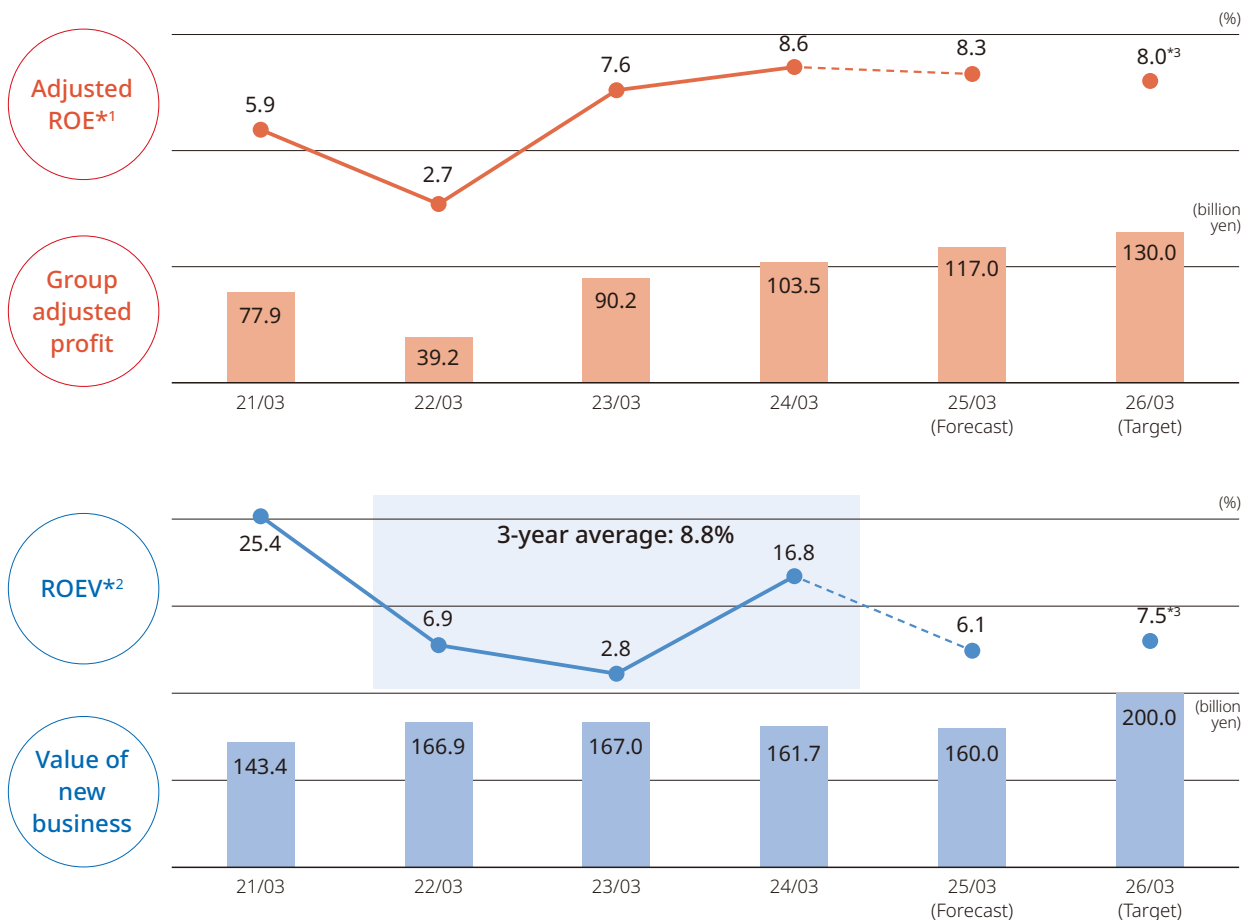
Progress of Group KPIs –Financial KPIs–

We will return profits to shareholders by efficiently utilizing capital from markets and maximizing profit through providing value to as many customers as possible. The continuation of this cycle will enhance the Group's corporate value sustainably.

[Group adjusted profit] [Adjusted ROE] By steadily implementing initiatives aimed at improving capital efficiency, we have made good progress in line with our FY2025 targets. We expect to achieve the FY2025 Group adjusted profit target of 130.0 billion yen, supported by increased positive spread attributable to improvement of investment portfolio, insurance bottom line, and capital gains arising from reduction of stockholdings.

[Value of new business] Value of new business has remained at a level of 160.0 billion yen, partly affected by changes in UFR and assumption changes due to an increase in surrenders.

[ROEV] Although ROEV has fluctuated due to changes in the economic environment, average ROEV over the three-year period of the Long-Term Vision is 8.8%, exceeding the 7.5% target.



*1 Adjusted ROE for FY2024 is calculated using net assets as of March 31, 2024 as the denominator.

*2 ROEV excludes valuation gains/losses, etc. related to Fortitude.

*3 Target at time of Group Long-Term Vision announcement (May 2021)

Group Long-Term Vision “Try & Discover 2025”

■ Progress of Group KPIs –Non-Financial KPIs–

We identified “SDGs management and creation of value” as a primary issue for Group Growth Strategy under the Long-Term Vision and, for the first time, we set non-financial KPIs for quantifying the creation of social value.

[Customer satisfaction] The Group attaches importance to ease of understanding for customers and strives to provide services customers can trust.

Taking into account factors such as the results of the customer satisfaction survey and adaptation to changes in the social environment, the Group works tirelessly to provide highly convenient services and improve its business processes, aiming to be a Group that provides customers with peace of mind and earns their trust.

[Employee engagement score] Once a year, we conduct an employee engagement score survey to identify issues within organizations and measure the effects of various personnel measures.

[CO₂ emissions] We have made steady progress towards achieving our target of reducing our CO₂ emissions by 40% (from FY2013 levels) by FY2025, with a reduction of 41.2%. We will continue working to reduce our CO₂ emissions by setting reduction targets for electricity usage to reduce our use of energy and encouraging the introduction of renewable energy.

■ Future direction

To achieve our Long-Term Vision, we believe we need to continue steadily implementing measures based on the following five primary issues set out in the Group Growth Strategy. (1) Strengthening of core business, (2) Diversification and optimization of business portfolio, (3) Upgrading capital management, (4) Promoting integrated Group management, and (5) SDGs management and creation of value

Non-financial KPIs

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Forecast for FY2025
Customer satisfaction^{*1}	Base year Taiyo Life: 91.8% Daido Life: 82.3% TDF Life: 72.8%	Over target level Taiyo Life: 91.9% Daido Life: 81.1% TDF Life: 75.8%	Over target level Taiyo Life: 91.6% Daido Life: 79.0% TDF Life: 76.7%	Over target level Taiyo Life: 91.4% Daido Life: 85.0% TDF Life: 79.2%	Above or equal to FY2020 level * Qualitative factors such as the opinions of external ESG assessment organiza- tions are also taken into account
Employee engagement score^{*2}	Base year T&D Holdings: 3.84 Taiyo Life: 3.61 Daido Life: 3.75 TDF Life: 3.55	Over target level T&D Holdings: 4.08 Taiyo Life: 3.63 Daido Life: 3.85 TDF Life: 3.70	Over target level T&D Holdings: 4.03 Taiyo Life: 3.57 Daido Life: 3.84 TDF Life: 3.80	Over target level T&D Holdings: 4.06 Taiyo Life: 3.58 Daido Life: 3.94 TDF Life: 3.82	
CO₂ emission^{*3}	Reduction of 30.1% from FY2013 levels	Reduction of 31.0% from FY2013 levels	Reduction of 35.4% from FY2013 levels	Achieve target Reduction of 41.2% from FY2013 levels	Reduction of 40% from FY2013 levels

^{*1} 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.”

^{*2} 5-step assessment. Renamed “Employee engagement score” from FY2023.

^{*3} Scope 1 and Scope 2, CO₂ emissions per floor area

We recognize that although the domestic life insurance business has performed strongly recently, expansion of the customer base, growth of insurance earnings as stable profit that is less impacted by financial conditions, and reduction of asset management risk through further promotion of ALM are issues that need to be addressed.

In terms of business portfolio management, we will

allocate the stable earnings generated in the life insurance business to growing businesses that offer high return on risk such as the closed book business, aiming to realize capital efficiency that exceeds the cost of shareholder's capital.

Sustainability Management

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

With life insurance as its core business, T&D Insurance Group puts sustainability at the heart of its business, providing products and services that deliver safety and security to customers. In addition, as an institutional investor, the Group is engaged in asset management, which is highly public in nature and closely linked to economic development and sustainable society building. The Group believes that it has a responsibility to contribute to society through these businesses.





In May 2021, the 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, the T&D Insurance Group, will take steady steps to become a sustainable insurance group that grows along with society.



Materiality (Sustainability Priority Themes)

For the process for selecting the priority themes, see the following webpage:
<https://www.td-holdings.co.jp/en/csr/effort/casestudy.php>

	Related capital and stakeholders to be considered	Social issues	Risks and opportunities	Initiatives	KPI	FY2023 results
Priority theme 1 Promote Healthy and Abundant Lives for People	 Social and relationship capital Companies in Japan and individual customers	<ul style="list-style-type: none"> Reduce economic and social risks in an aging society Help people maintain good health Encourage the use of insurance and financial services Support the resolution of SME management issues Support the spread of SME health and productivity management 	<div> <div>Risks</div> <ul style="list-style-type: none"> Risk of a weakening customer base due to the aging of the population and the declining birthrate Decrease in the number of SMEs due to closure and other reasons Risk of lagging behind the competition in development of new insurance products and services Risk of financial results and other aspects of business being impacted by future changes in regulations </div> <div> <div>Opportunities</div> <ul style="list-style-type: none"> Increase in the need for insurance coverage and for asset building with an eye toward post-retirement life Emergence of new methods of offering products and services reflecting digitalization Use of insurance policies at business succession of SMEs Provision of health-promoting insurance and services to solve social issues and earn profits </div>	<ul style="list-style-type: none"> Offer insurance that supports dementia prevention and insurance that widely covers conditions that require nursing care Help SMEs adopt and implement KenkoKeiei® and enrich their welfare programs Invest in funds that support businesses that aid people's improvement of their health Integrate online applications for insurance and services provided by human staff Deliver asset building products providing senior customers with a comfortable post-retirement life 	<ul style="list-style-type: none"> Customer satisfaction: Above or equal to the FY2020 level (by FY2025) 	⇒P.30
Priority theme 2 Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively	 Human capital Employees	<ul style="list-style-type: none"> Support personnel training and capability development Respect the personalities and diversity of workers Promote the active participation of women Create an environment where workers can work in good health and safety 	<div> <div>Risks</div> <ul style="list-style-type: none"> Risk of personnel outflow or difficulty in securing workers due to the workplace environment failing to adapt to the diversification of values or to changes in the social structure Business stagnation or slowdown resulting from a lack of necessary specialists </div> <div> <div>Opportunities</div> <ul style="list-style-type: none"> Creation of new value after supporting the active participation of diverse personnel Effective deployment of personnel and improvement of productivity by allowing flexible work styles Improvement of management capabilities and the business foundation by cultivating diverse human resources </div>	<ul style="list-style-type: none"> Provide education and training centered on on-the-job training (OJT), group training, self-development support, reskilling and re-learning Promote employment for persons with disabilities, provide training on LGBT (sexual minority) issues, and set up helplines for different kinds of harassment and abuse to respect and foster diversity Formulate an action plan for promoting the advancement of women and set targets regarding the promotion of women to management positions and carry out the actions Develop a system for returning from childcare to workplace, such as when employees return after childcare leave 	<ul style="list-style-type: none"> Employee engagement score: Above or equal to the FY2020 level (by FY2025) Ratio of female managers: 25% or more (by 2027), 30% or more (by 2030) Percentage of male employees taking childcare leave: 100% 	⇒P.25
Priority theme 3 Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation	 Natural capital Global environment and biodiversity	<ul style="list-style-type: none"> Expand the use of renewable energy Increase resilience to climate change Improve efficiency of energy use Conserve marine resources and prevent marine pollution Conserve biodiversity on land Forest conservation 	<div> <div>Risks</div> <ul style="list-style-type: none"> Impact of the increase of deaths and injuries due to the increase in the average temperature and the increase in extreme weather on the insurance balance Increase in risk of infectious diseases due to the expansion of the habitats of disease vectors Reputational damage due to delays in compliance with regulations and insufficient information disclosure </div> <div> <div>Opportunities</div> <ul style="list-style-type: none"> Provision of products and services that meet the needs for coverage against new risks arising from climate change, etc. Cultivation of and entry into new business domains related to the mitigation of and adaptation to climate change </div>	<ul style="list-style-type: none"> Set Group-wide targets for reducing CO₂ emissions, electricity consumption and office paper consumption Conserve energy through different initiatives for reducing electricity consumption, the use of a demand monitoring system and the introduction of no-overtime days Expand green procurement for environmental protection, waste reduction and recycling Accelerate the shift to electricity generated from renewable sources of energy 	<ul style="list-style-type: none"> Our CO₂ emissions (Compared to the FY2013 level): 40% reduction (by FY2025), 70% reduction (by FY2030) Achievement of our net zero emissions: By FY2040 Introduction rate of renewable energy: 60% (by FY2030) 	⇒P.35
Priority theme 4 Invest to help build a sustainable society	 Natural capital and social and relationship capital Global environment, investees and borrowers, and related projects	<ul style="list-style-type: none"> Accelerate investments in sustainable development Accelerate investments in clean energy Step up actions to address sustainability issues faced by investees and borrowers 	<div> <div>Risks</div> <ul style="list-style-type: none"> Decrease in the value of the assets of the Group after the deterioration of the financial results of investees failing to address sustainability issues Contraction of opportunities to invest in and finance companies failing to address sustainability issues </div> <div> <div>Opportunities</div> <ul style="list-style-type: none"> Increase in investment and financing to accelerate efforts to address sustainability issues and long-term and stable growth in gains on investments Growth of investees and borrowers through engagement in them Long-term and stable growth of gains on investments in and the financing of clean energy businesses and the like that aid the establishment of a decarbonized society </div>	<ul style="list-style-type: none"> Make various ESG investments in accordance with the Principles for Responsible Investment (PRI) and engage in dialogue with investees and borrowers and exercise voting rights properly in line with the Principles for Responsible Institutional Investors Carry out investment and financing activities that contribute to the creation of a sustainable society in consideration of ESG issues Implement initiatives to reduce the CO₂ emissions of investment and financing recipients and enable them to achieve net zero emissions 	<ul style="list-style-type: none"> CO₂ emissions of investees and borrowers: (Compared to the FY2020 level): 50% reduction (by FY2030) Achievement of net zero emissions for investees and borrowers: By FY2050 	⇒P.34, 35

Sustainability Advisory Committee

The Sustainability Advisory Committee, which was established in FY2021, receives commentary from outside experts on the latest domestic and 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 promotes SDGs management and the creation of value outlined in the Group Long-term Vision.

Sustainability Advisory Committee members



Takejiro Sueyoshi
Special Advisor
UNEP Finance Initiative



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



Kenji Fuma
CEO, Neural, Inc. / Specially Appointed Professor, Shinshu University / Outside Director, T&D Holdings, Inc.

Sustainability Advisory Committee meetings held in FY2023: 4 times

<Major Themes>

- Trends regarding the climate crisis and COP28
- Green business trends
- ESG investment trends
- Regional revitalization and sustainability
- Human capital management trends and current status
- Trends in innovation aimed at achieving net zero emissions
- Biodiversity and TNFD-related trends
- Sustainable finance-related trends

Toward decarbonization

Efforts to address the recommendations made up to FY2022

Committee members pointed out the lack of references to net zero emissions and the absence of net zero GHG emission targets or interim targets for investees and borrowers despite the world aiming for net-zero emissions by the year 2050.

Accordingly, we set interim targets and 2050 net zero targets for our own emissions and those of investees and borrowers.

FY2023 Initiatives

Recommendations from committee members

According to the IPCC's* Sixth Assessment Report, climate change is worsening at an accelerating rate, and there is a need to accelerate and develop more advanced countermeasures. Unless action is taken at a stricter level than ever before, it will not be possible to halt the worsening of climate change.

* Intergovernmental Panel on Climate Change

Response

The CO₂ emission reduction targets of the T&D Insurance Group were revised.

Subject	Before revision	After revision
Own emissions (Scope 1 and 2)	<ul style="list-style-type: none"> • FY2025: 40% reduction (compared to FY2013) • FY2050: Net zero 	<ul style="list-style-type: none"> • FY2025: 40% reduction (compared to FY2013) • FY2030: 70% reduction (compared to FY2013) • FY2040: Net zero
Investees and borrowers (Scope 3, category 15)	<ul style="list-style-type: none"> • FY2030: 40% reduction (compared to FY2020) • FY2050: Net zero 	<ul style="list-style-type: none"> • FY2030: 50% reduction (compared to FY2020) • FY2050: Net zero

*Scope: Stocks, bonds, and loans issued by domestic listed companies

Support to small to medium enterprises

Efforts to address the recommendations made up to FY2022

Committee members expressed the view that SMEs also need to ascertain global trends and respond accordingly, and that this will become one of the material issues to be addressed in

the future by the T&D Insurance Group, whose subsidiary Daido Life has access to SMEs, to support the industry. Daido Life has formulated a Sustainability Promoting Plan aiming to become a company that contributes to a society where the wellbeing of SME workers and their families is realized.

FY2023 Initiatives

■ Sustainability management

Recommendations from committee members

While global sustainability issues may appear to have little relevance from the perspective in the field, considering that the impact of climate change and other sustainability issues extend to the general public, they have become increasingly relevant to the management of SMEs.

Considering how our customers of SMEs will be impacted by sustainability risks and what kinds of risks they are exposed to, and taking appropriate action in response, will broaden the scope of insurance and services in the future.

Response

Daido Life has published a Sustainability Management Implementation Guide to encourage the implementation of sustainability management at SMEs, and is pursuing initiatives to solve SME management and sustainability issues. Daido Life also provides a “place of learning” for SME workers, as a part of which it conducts SME Decarbonization Management seminars that explain the latest policy trends in decarbonization management that SMEs will be expected to address in the future, specific approaches to initiatives, the public support available to SMEs, and so on.

Sustainability Advisory Committee

■ Addressing biodiversity

Recommendations from committee members

Financial institutions, companies and NGOs took the lead in advancing action on the preservation of biodiversity and in June 2021 established the Task Force on Nature-related Financial Disclosures (TNFD). In September 2023 the TNFD released its final recommendations. In the World Economic Forum's Global Risk Report, biodiversity loss has been identified as a significant risk, and companies are expected to respond in line with the TNFD framework and implement initiatives aimed at becoming nature positive.

Response

The T&D Insurance Group has also begun to take action in line with the TNFD framework. The Group participates as a TNFD Adopter, the framework for companies making disclosures based on the TNFD recommendations, and conducts analyses of the nature-related risks at investee and borrower companies as a responsible institutional investor. Based on recent analysis results, we will strengthen and

enhance our engagement with those investees and borrowers closely related to natural capital and biodiversity, contributing to the promotion of nature-positive initiatives through our investment and financing activities.

* The analysis results are listed on page 38.

■ ESG investment

Recommendations from committee members

The roles to be played by financial institutions through investments and financing to realize a decarbonized society are wide-ranging, and developments related to sustainable finance have picked up speed. To help investee and borrower companies achieve net zero emissions, ESG investment needs to be further enhanced by delving into specifically how this goal should be tackled, and how the resultant impacts should be measured and disclosed.

Response

The T&D Insurance Group will consider the impact its past investment activities as an institutional investor have had

on the realization of a sustainable society, and engage in investments that take the environment, society and governance into account. In response to the committee's recommendations, in FY2023 we set areas of focus for ESG investments and financing in light of the Group's business characteristics, the thinking behind our Sustainability Statement and other factors. We aim to better contribute to solving social issues and will strengthen our investment, financing and engagement activities to this end. Moreover, to provide stakeholders with a deeper understanding of our stance and initiatives related to responsible investment, Taiyo Life and Daido Life each publish a responsible investment report, and quantitatively measure and disclose CO₂ emission reductions as part of the social impact of their investment and financing activities. Going forward, we will aim to improve the level of contributions our investment and financing activities make to sustainability issues, and further enhance our information disclosures and related activities.



Front page of the Taiyo Life Responsible Investment Report (Japanese)






Front Page of the Daido Life Responsible Investment Report (Japanese)

Business Strategies (Life Insurance Business)

Market Strategy Integrating Markets, Channels, and Products –Overview of Life Insurance Business–

The Group has three domestic life insurance companies under its umbrella: Taiyo Life, which specializes in the household market; Daido Life, which specializes in the SMEs market; and T&D Financial Life, which specializes in the independent insurance agent market. The Group's business model excels in that each of the three domestic life insurance companies specializes in a different market and brings its own uniqueness and expertise to the table.

Going forward, we will strengthen our business model and continue to build the top brand in each specialized market by providing optimal products and services that meet customer needs and through the transformation of our sales activities.

	Specialized market	Main channel	Main product	Basic policy
 ⇒P.47	Household market	In-house sales representatives	Comprehensive coverage (mainly third sector insurance such as medical and nursing care products)	To be a company that supports healthy long lives of many customers <ul style="list-style-type: none"> • Development of products based on social values • Provision of service integrated products
 ⇒P.49	SMEs market	In-house sales representatives/ Agents (tax accountants, etc.)	Term life insurance/ Disability benefit insurance, etc.	To be a trusted partner for SMEs <ul style="list-style-type: none"> • Strong ties with tie-up organizations • Specialized channels in SME market • Support for SMEs in promoting health-oriented management and solving social issues
 ⇒P.51	Independent insurance agent market	Independent insurance agents (financial institutions, insurance shop agents, etc.)	Asset building insurance products	To increase presence in the independent insurance agents market <ul style="list-style-type: none"> • Solid network of agents including banks • Agile development of differentiated products

Life Insurance Business

Household Market — Taiyo Life

To be a company that supports healthy long lives of many customers

With the social environment changing at dizzying speed, Taiyo Life has overhauled the nature of its sales, including reviewing its business model. Going forward, the company will continue delivering peace of mind as a life insurance company that can adapt to the changing times by embracing DX. We also aim to provide the very best insurance products and services for the realization of a brighter, longer-living society where everyone can live healthy long lives, by implementing initiatives to support disease prevention and helping customers improve their health.



Naoki Soejima

Director of T&D Holdings (part-time)
Representative Director and President of Taiyo Life Insurance Company

Joined Taiyo Life in 1981. Became Representative Director and President of Taiyo Life in April 2019 (current) and Director of T&D Holdings in June 2019 (current).

Strategies

Business model transformation

Taiyo Life has drastically changed its business model in response to the changes in the social environment caused by the COVID-19 pandemic. Conventionally, in-house sales representatives visited households in the suburbs of branch offices in pairs to conduct face-to-face approaches. In addition to this, we are promoting a “hybrid-style sales” that integrates face-to-face and non-face-to-face sales by utilizing information obtained via promotions such as TV commercials and internet advertisements, such as *Sma-Hoken* (internet channel) and infomercials.

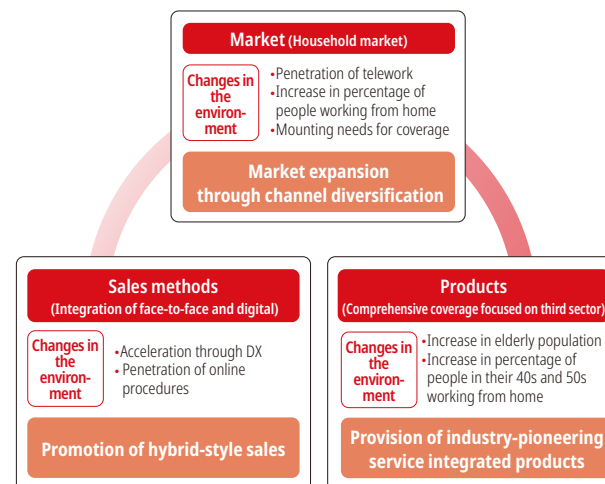
Provision of industry-pioneering new coverage

Taiyo Life is constantly taking up the challenge of providing new products and services to respond to social changes and

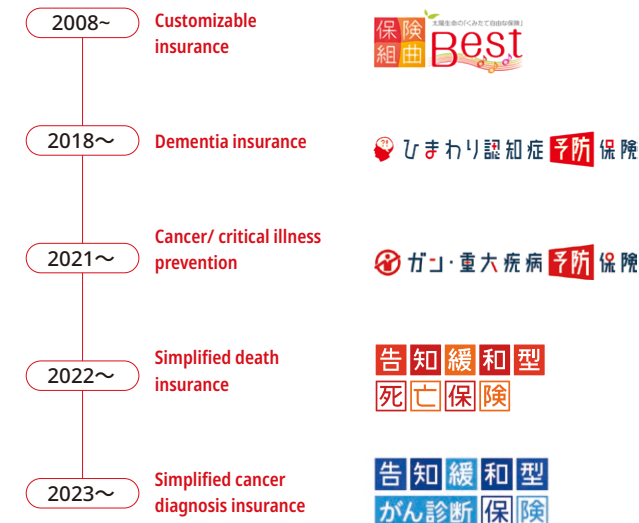
shifts in customer needs. To date, the company has unveiled many industry-pioneering products and services, such as *Hoken Kumikyoku Best*, a system that responds to diversifying customer needs by freely combining coverages, and *Himawari Dementia Prevention Insurance* to help people deal with dementia positively and live out their retirement years with peace of mind.

On the service front, we offer services such as *Kaketsuke-Tai* service, where in-house staff with expert knowledge help customers with benefit claim procedures directly, and dementia and disease prevention services such as *MCI Screening Plus* and *AminoIndex® Risk Screening*. Taiyo Life provides industry-pioneering coverage by proposing service integrated products to customers.

Business model



Development of products that are ahead of the curve



Life Insurance Business

Household Market — Taiyo Life

Review and Future Outlook

Promotion of hybrid-style sales

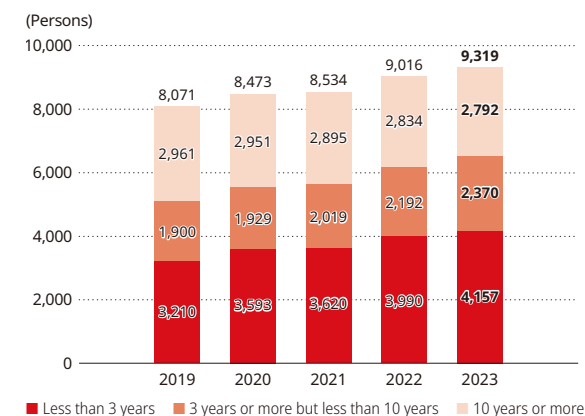
Taiyo Life is currently focusing its efforts on the promotion of hybrid-style sales. The company's approach of obtaining information directly via infomercials and *Sma-Hoken* (internet channel) and relaying this information to sales representatives, which then leads to new contracts is working well. Through marketing activities such as making efficient investment in advertising and periodically changing commercials, the company has increased the number of information shared with branches. The number of new contracts has also increased as a result of sales representative training in areas such as

making proposals to family members of existing policyholders. Going forward, Taiyo Life will continue increasing the quality and quantity of branch office-cooperated sales and increase the number of new contracts through an efficient and effective advertising strategy.

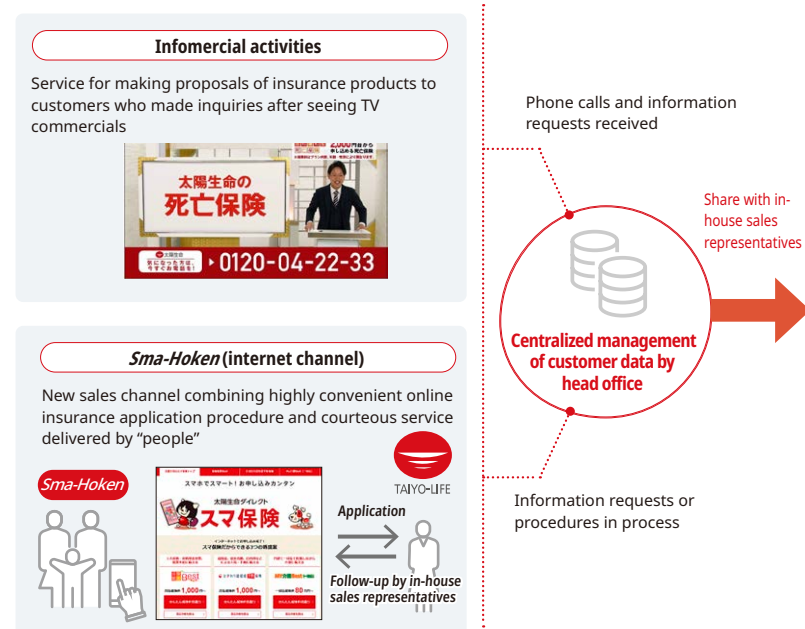
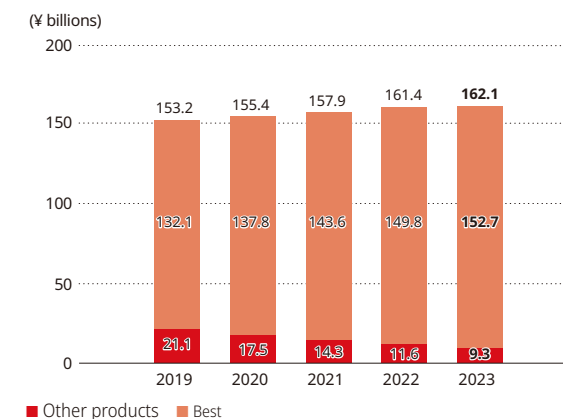
Hybrid-style sales has increased the productivity of sales representatives through the development of customer groups that activities via the conventional sales representative channel could not reach. The increase in productivity of sales representatives has led to a positive cycle in which the retention rate of sales representatives has also improved and the number of sales representative has increased. In FY2023, protection type annualized premiums of new policies reached the highest level since listing mainly due to strong sales of new products, although surrender and lapse increased temporarily due to the

reclassification of COVID-19 under the Infectious Disease Act. Going forward, the company will continue seeking to promote hybrid-style sales through direct information and diversify sales methods including remote sales, and by creating new customer contact points and striving for market expansion, we will increase business in force and expand underwriting profitability.

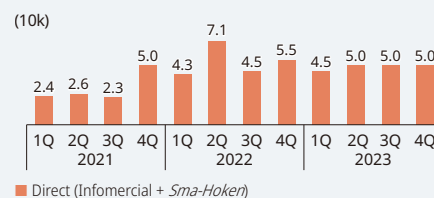
Expansion in number of sales representatives



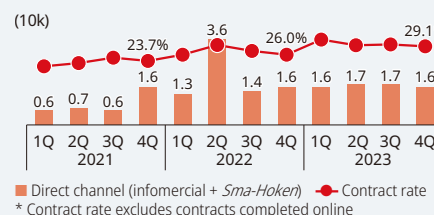
Trend in ANP of protection-type policies in force



Trend in number of cases of direct information sharing



Trends in number of new contracts and contract rate*



Life Insurance Business

SMEs Market — Daido Life

“A Trusted Partner for SMEs” that delivers value beyond expectations

As the environment surrounding small and medium-sized enterprises (SMEs) changes and their needs diversify, Daido Life is working on evolving the provision of coverage to protect SMEs, as well as providing support for solving various issues faced by SMEs, accompanying them to solve their problems. By continuing to refine our products and services as a trusted partner for SMEs, we will further contribute to their business continuation, growth and development.



Mutsurou Kitahara
Director of T&D Holdings (part-time)
Representative Director and President of Daido Life

Joined Daido Life in 1982. Became Managing Executive Officer of T&D Holdings in 2015, Representative Director and President of Daido Life in April 2021 (current), and Director of T&D Holdings in June 2021 (current).

Strategies

Unique business model

Daido Life is a life insurance company that specializes in the SMEs market. By building a unique business model that provides the coverage SMEs need for business continuity through SMEs-related organizations, it has built a win-win relationship for customers and tie-up organizations, establishing an efficient and solid marketing base.

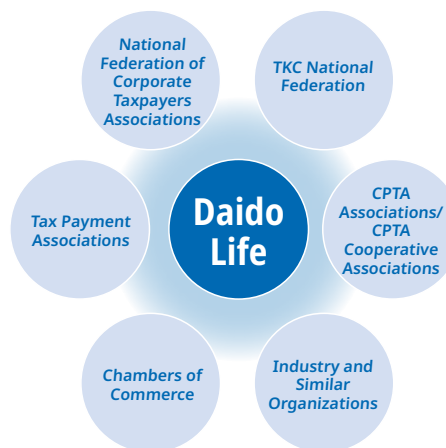
Daido Life's strength lies in leveraging its expertise in calculating “standard coverage*”, which it accumulated through the provision of business owner insurance for more than half a century, in order to make “total protection proposals” that deliver death coverage and disability benefit insurance as a set.

* “Standard coverage” means the funds a business owner is likely to need in an emergency or if unable to work.

Need for business owner insurance

There are many cases in which SMEs rely on the reputation and technical capabilities of the business owners themselves for their viability. For this reason, continuation of the business sometimes becomes difficult in the case that the business owner dies or becomes unable to work due to a major illness or injury, etc. and there is pressure from business partners or financial institutions to review business terms and conditions or the payment of wages to employees becomes difficult. Risk control using life insurance is needed to ensure that the company and its employees and their families are protected even in such circumstances.

Unique business model



Market	SMEs market
Channel	Sales reps, Agents (CPTAs)
Product	Term life insurance, Disability benefit, etc.

Promotion of welfare systems
[Sales reps/agents]

Corporate clients
(customers)

Win-win relationships of business model

Corporate clients (customers)	<ul style="list-style-type: none"> Recommendation from credible organizations and consulting tax accounts. Discounted premium rates for groups
Tie up organizations	<ul style="list-style-type: none"> Enhancement of trust relationships with member corporates and partners. Commission fees for agents.
Daido Life	<ul style="list-style-type: none"> Establishment of the effective and solid sales base.

Life Insurance Business

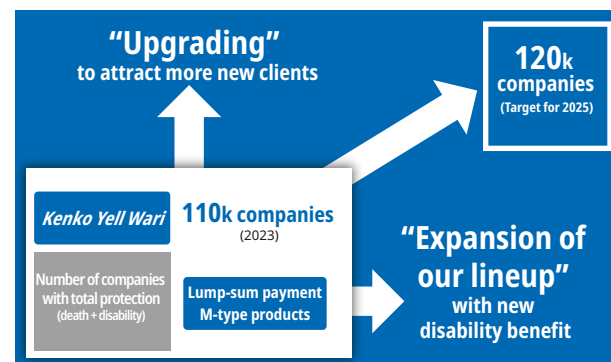
SMEs Market — Daido Life

Review and Future Outlook

Advancing the coverage provided

Total protection proposals based on standard coverage, which are Daido Life's strength, are steadily gaining traction, and the number of companies with total protection has expanded further to over 110,000.

In FY2023, from the viewpoint of further strengthening this total protection, Daido Life started selling lump-sum payment *M-type*, corporate medical insurance products to combat the risk of managers being temporarily absent as well as *Kenko Yell Wari*, a premium discount rider to make it easier for all business owners to get the cover they need regardless of their age. We will continue our efforts to expand our product lineup by developing new products and upgrade our offerings to encourage more people to enroll in our products.



Evolution of sales channels

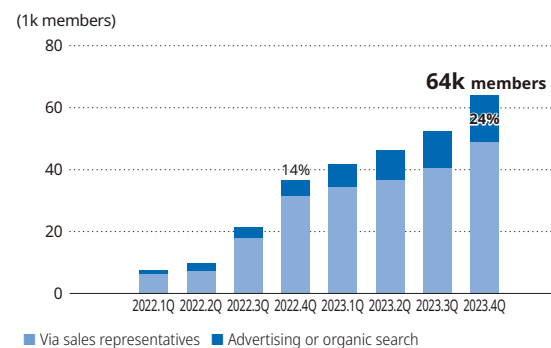
Daido Life is also working to develop new sales channels to protect as many companies as possible. Financial institution agents, which have excellent access to medium-sized enterprises, FP and inheritance consultants, which meet the inheritance and business succession needs of business owners, and channel mixing, which combines the strengths of in-house sales representatives and tax accountants, allow us to make proposals to companies with which we previously had no points of contact, and have been new growth drivers.

Provision of value that goes beyond insurance

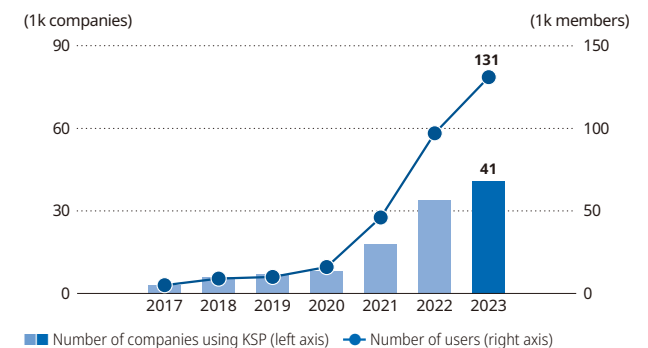
Through the provision of services that help SMEs resolve the social issues they face, Daido Life will increase companies to which Daido will newly contribute and create new markets as a result. The company's web community for business owners

Dodai? now has more than 60,000 members, and new customer groups we were unable to reach previously are steadily increasing. The number of companies using KENCO SUPPORT PROGRAM (KSP), Daido Life's unique program that supports health and productivity management, which is an important management issue for SMEs, has also exceeded 40,000, giving us more points of contact with SMEs and their employees.

Trend in number of *Dodai?* member



Trends in number of companies using KSP and number of users



Life Insurance Business

Independent Insurance Agent Market — T&D Financial Life

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

Through independent insurance agent channels, T&D Financial Life offers asset-building products that meet the needs of each individual customer. Driven by our management vision, we will continue to work on management that brings satisfaction to customers and establish a firm position in the independent insurance agent market. Furthermore, through improvement in human capital, promotion of DX and other initiatives, we will strengthen our business model and contribute to enhancing the Group's corporate value.



Kanaya Morinaka

Group Executive Officer of T&D Holdings
Representative Director and President of T&D Financial Life







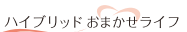
Joined Daido Life in 1984. Became Representative Director and Executive Vice President of T&D Holdings in June 2020, Representative Director and President of T&D Financial Life in June 2023 (current), and Group Executive Officer of T&D Holdings in April 2024 (current).

Strategies

Product lineup that meets diverse customer needs in the age of 100-year lives

T&D Financial Life expands sales primarily in the three product categories of yen-denominated fixed amount insurance, foreign currency denominated fixed amount insurance and variable insurance, based on customer-oriented business operations perspectives, to further strengthen its business model, which specializes in the independent insurance agent market.

As interest rises in self-help asset formation and health care in the age of 100-year lives, we are building a well-balanced product portfolio that will allow us to adapt to diverse customer needs and a volatile financial environment.

Category	Main product	Characteristics
Individual annuity	 ファイブテン・ワールド3  ねんきん	<ul style="list-style-type: none"> Single premium individual annuity that meets various needs including nursing care and dementia coverage and utilization of overseas interest rates
Foreign currency linked whole life insurance	 生涯プレミアム PREMIUM WORLD 5	<ul style="list-style-type: none"> Single premium whole life insurance for taking advantage of overseas interest rates when setting aside money to spend and money to leave behind
Variable insurance	 ハイブリッド アセットライフ Hybrid Asset Life  ハイブリッド つみたてライフ  ハイブリッド あんしんライフ  ハイブリッド おまかせライフ	<ul style="list-style-type: none"> Meets the need for extension of asset life and asset succession and also addresses longevity risk through nursing care and dementia coverage Follow-up through AI financial forecasting service and function for leaving asset management to professionals

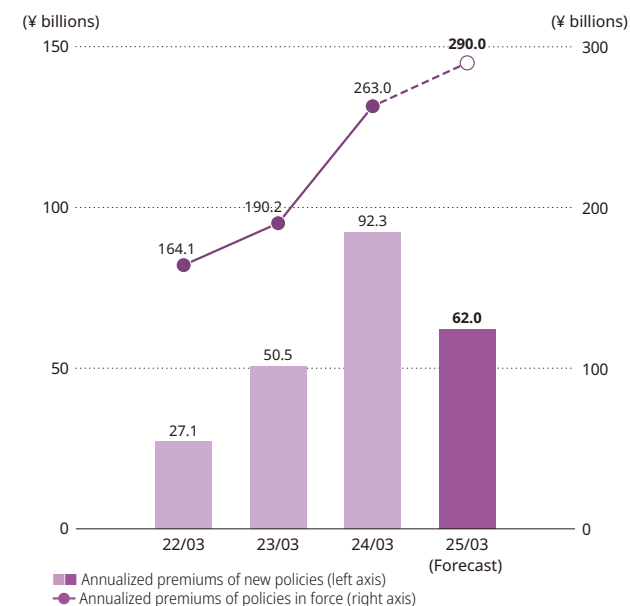
Review and Future Outlook

Strengthening business model through reinsurance utilization, improvement of human capital and promotion of DX

In FY2023, new policy sales results were strong due to active utilization of co-insurance and a well-balanced portfolio.

Going forward, through the improvement of human capital and the promotion of DX in addition to the utilization of reinsurance, we will flexibly develop products and services differentiated from those of our competitors, and we will further expand agencies and strengthen the support structure in a bid to expand market share, and strive for sustainable improvement in corporate value.

Annualized premiums of policies in force



Closed Book Business

T&D United Capital

REALIZING DREAMS TOGETHER

T&D United Capital is working to establish and strengthen its profit center function through strategic business investments in new growth business domains with high affinity to the life insurance business, with the aim of diversifying and optimizing the Group's business portfolio. Moving forward, we will continue to contribute to the enhancement of the Group's corporate value over the medium- to long-term by expanding Group earnings and pursuing synergies with the Group's core businesses.



Tomoyasu Isobe

Senior Managing Executive Officer of T&D Holdings
Representative Director and President of T&D United Capital

Joined Daido Life in 1987. Became Executive Officer and General Manager of Business Development Department of T&D Holdings in April 2015, Representative Director and President of T&D United Capital in June 2021 (current), and Senior Managing Executive Officer of T&D Holdings in April 2024 (current).

Strategies

Investment in growing sectors

T&D United Capital is working on closed book business* as a growing sector through Fortitude, a specialized closed book insurance company, which is an equity-method affiliate.

Through its involvement in the closed book business, T&D United Capital is pursuing diversification of the Group's business portfolio and also leveraging the knowhow, knowledge and experience of the closed book business gained through collaboration with Fortitude and dispatching personnel to make new business investments in this sector and create sources of revenue in related sectors.

* A type of insurance business that aims to generate profit by acquiring and consolidating the closed books (contracts for the retention of discontinued products (group)) of other insurance companies through mergers and acquisitions (M&A), reinsurance transactions, etc., and increasing the value of such closed books

Review and Future Outlook

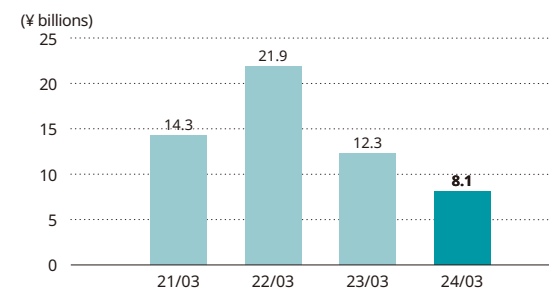
Expansion and deepening of the closed book business

Continued global growth is expected for the closed book market. Looking first at Fortitude's performance, Fortitude has significantly scaled up its business, with the closing of a large deal (reinsurance transaction) in 2023. Fortitude is also conducting closed book transactions with Japanese life insurance companies and, with closed book transactions expected to expand in Japan in the future, is gradually increasing its international presence. Turning next to our closed book business with other companies, our policy is to also pursue new investment opportunities, differentiating ourselves from Fortitude in terms of business model and geography. Furthermore, we established T&D Risk Solutions Co., Ltd., a reinsurance brokerage subsidiary, in 2023 to address the needs of the domestic closed book market, and we are also working on expanding and deepening the closed book business through the provision of optimal solutions that help resolve the issues faced by domestic insurance companies.

Track record of investments in Fortitude



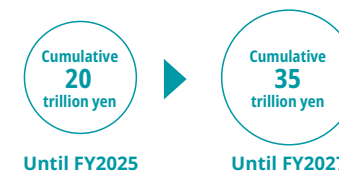
Closed book business profit (loss)



Projected adjusted profit contribution of closed book business



Domestic closed book transaction scale forecast



* Source: Compiled by the Company/includes reinsurance (flow reinsurance) that transfers assets and liabilities for new business

Asset Management Business

T&D Asset Management

We aim to be an asset management company that builds long-term trusting relationships with our clients and moves forward with them

With “Make a Difference” as our principle, T&D Asset Management strives to provide products and services that highly satisfy our customers by creating value in line with newly emerging needs. In the future, we will continue to contribute to the enhancement of the Group’s corporate value by expanding our contribution to the life insurance business through collaborative projects with Group life insurance and by expanding our asset management business to meet the needs of society.



Yoshihisa Tanaka

Group Executive Officer of T&D Holdings
Representative Director and President of T&D Asset Management

Joined Taiyo Life in 1989. Became General Manager of the Group Planning Department of T&D Holdings in April 2014, Director and Managing Executive Officer of the company in June 2019, Representative Director and President of T&D Asset Management in June 2021 (current), and Group Executive Officer of T&D Holdings in April 2024 (current).

Future Outlook

T&D Asset Management aims to contribute to the enhancement of the Group’s corporate value by contributing to the life insurance business through collaborative projects with the Group life insurance and by expanding our asset management business to meet the needs of society.

In FY2021, we started a cooperative Group effort to manage the alternative assets of the Group life insurance through TDAM. In FY2024, we extended the scope of cooperation with

Group life insurance from the alternative investment to the investment in domestic and foreign stocks.

In the asset management business for external clients, we aim to further strengthen our “strength sectors” through selected products and channels mainly by expanding private funds through stronger relationship with major securities companies and enhanced capability to form products.

Group collaborative business

Contributing to sophistication of asset management across the Group

Strengthening profitability through cooperative investments with Group life insurance companies and sharing of know-how

- Started cooperative in alternative investment (from 2021)
- Started cooperative investment in traditional assets (domestic and foreign stocks, etc.) (from 2024)

Developing human resources for Group asset management

- Developing human resources for Group asset management through cooperative investment operations



Operating funds
Front office personnel



Operating funds
Front office personnel

Joint investment team (established at TDAM)

NEW!

Stocks

Foreign government bonds

Alternative assets (high liquidity)

Front office personnel (strategists, analysts, etc.)
Trading, performance analysis and other asset management-related functions



T&D Asset Management

External business

Further strengthen our “strength sectors” through the selection of products and channels

Expand private investment trusts through stronger relationship with major securities companies and by enhancing capability to form products.

Roll out publicly offered investment trusts mainly targeting OTC customers of securities companies.

Non-life Insurance Business

Pet & Family Insurance

Providing peace of mind by protecting the health of pets, who are members of the family

Pet & Family Insurance aims to become a company that contributes to people and society through pet insurance. We are striving to improve our customer service by leveraging the knowledge we have accumulated in pet insurance business operations to date to provide the optimal insurance products that meet customers' needs. We will also serve as a starting point for expanding customer contact points and contribute to strengthening the Group's customer base.



Junjiro Ishii

Treated as Group Executive Officer of T&D Holdings, Inc.
Pet & Family Insurance Co., Ltd. Representative Director and President

Joined Taiyo Life in 1991. Became Director and Executive Officer of Pet & Family Insurance Co., Ltd. in June 2020. Representative Director and President of the company in April (current) and is currently treated as Group Executive Officer of T&D Holdings, Inc.

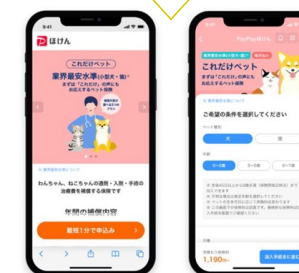
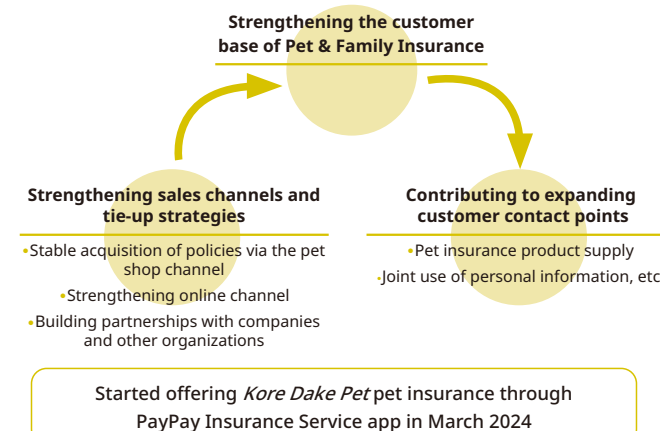
Future Outlook

In the pet insurance industry, the rate of pet insurance enrollment in Japan is still low, at less than 20%, even though these days pets are recognized as members of the family and live together with the family throughout their lives, and despite ever growing interest among pet owners in insurance to cover pet health care and other expenses that are not covered by public health insurance. Pet & Family Insurance believes it has a social responsibility to meet the needs of pet owners for insurance to cover health care expenses through the promotion of pet insurance.

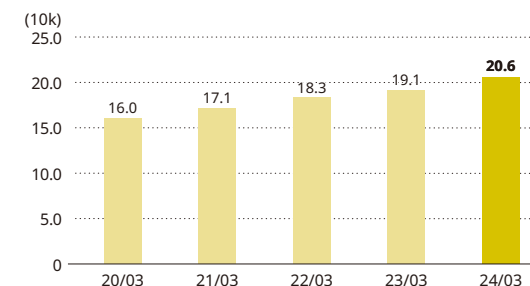
As such, we provide full coverage and simple and easy-to-understand insurance to enable pet owners and pets to receive treatment with peace of mind. In addition to generating stable earnings through the pet shop channel, we are strengthening the web channel through partnerships with external parties, such as starting to offer pet insurance through PayPay Insurance Service in March 2024, and we are working to expand our customer base and strengthen profitability. Also within the Group, we contribute to bolster product lineups by providing pet insurance products to Taiyo Life.

In October 2023, our policies in force topped 200,000. We will work to expand policies in force through the stable acquisition of new policies via the pet shop channel and further strengthening of the web channel. At the same time, we will embrace digital technologies to improve customer service and increase business efficiency, strengthening the management foundations with the aim of expanding earnings.

Pet & Family Insurance will also serve as a starting point for expanding the Group's customer contact points and will contribute to strengthening the Group's customer base through the supply of products and the joint use of personal data.



Number of policies in force



New Sector

All Right

Developing new customer contact points and providing market-oriented products and services

In recent years, people's lifestyles have changed dramatically and needs have also become increasingly fragmented and diverse. However, it is sometimes difficult to meet such needs exactly with traditional life insurance and non-life insurance products.

By utilizing digital tools and collaborating with each of our partners, All Right aims to provide products and services that match people's lifestyles, hobbies and interests.



Osamu Ikebata

Group Executive Officer of T&D Holdings
Representative Director and President of All Right

Joined Taiyo Life in 1991. Became General Manager of Group Planning Department of T&D Holdings, Representative Director and President of All Right (current) and Executive Officer of T&D Holdings in April 2023, and Group Executive Officer of T&D Holdings in April 2024 (current).

Future Outlook

With the declining birthrate, aging and shrinking population in Japan, the domestic market is becoming increasingly competitive, and a major issue is how to establish customer contact points in the future. There is also a need to carefully meet the increasingly fragmented and diverse needs of customers.

In light of such challenges, All Right was established in September 2022 with the aim of creating new customer contact points and providing market-oriented products and services through the use of digital tools and collaboration with partner companies.

In July 2023, we began collaborating with health promotion

and health-care-related companies to provide an official "Peer-Conne" LINE account to support customers of their partners. The number of this account's LINE friends has now grown to around 88,000 (as of July 2024).

In July 2024, we provided a mutual insurance product mainly targeted at users of the *Calomeal*/health management app linked with "Peer-Conne" (offered in June 2024) and also provided the nutrient search app *Lookmeal*, which encourages health management and a healthy diet.

Moving forward, we will continue to use digital tools to expand customer contact points and to develop and offer new insurance products and services.

All Right's management strategy

1st stage	2nd stage	3rd stage
Develop new customer contact points through "Peer-Conne"	Provide original products and services	Further expand customer contact points and partner companies
Form partnerships with companies and organizations, and draw their customers to "Peer-Conne" to expand the number of "Peer-Conne" users	Develop and provide original products and services that match the needs of "Peer-Conne" users	Develop and provide original products and services from an embedded perspective or a solving social issues perspective
Expand the number of LINE friends	Improve the added value of "Peer-Conne" Expand active users Expand customer contact points without partners	Expand the "plane" of customer contact points Lay foundations for monetization

Potential partnerships for "Peer-Conne"



Closed Book Business Dialogue

Engagement in Closed Book Business, and Creation of Synergy through Collaboration between Fortitude Re and T&D

In this dialogue on the closed book business, which is positioned as a growth business by T&D Insurance Group, we had participants from both Fortitude Re and T&D talk across a wide range of themes, including Fortitude Re's strengths, collaboration between the two companies, and hopes for the future.

Closed book business as a growth business

Kasahara: T&D Insurance Group's engagement in the closed book business was triggered by our focus on closed books as potential investment opportunities, at a time when we were aiming to secure our next source of earnings after the domestic insurance business and exploring new growth markets. Back when our market research began, the closed book business was not widely recognized in Japan; however, we identified the strategic value of the business for the Group and, after several years of research and consideration, decided to invest in Fortitude Re in 2019. The rationale underlying the decision was that while leveraging our strengths such as our long-standing experience, extensive knowhow and stable business base, we expected the closed book business to bring advantages like high growth potential, business portfolio diversification and business risk diversification.

Sugimura: I would say that Fortitude Re has thus far increased the scale of its closed book business through consolidation and achieved steady growth. Fortitude Re is also further expanding in Asia given the growth potential of the Asian market, especially Japan. In addition to being one of the world's largest insurance markets, Japan is also expecting the introduction of new economic value-based solvency regulations in fiscal 2025 and has seen an increasing number of closed book deals. Fortitude Re is very interested in Japan as a market with future growth potential.

Tetsuzo Morimoto

T&D United Capital North America,
Executive Vice President, Corporate
Development (Actuary, Original company:
Daido Life, currently on secondment to Fortitude Re)

tetsu.morimoto

Yuta Sugimura

T&D United Capital North America,
Vice President, Corporate
Development (Actuary, Original
Company: Taiyo Life)

Yuta Sugimura

Yoshihiro Kasahara

T&D United Capital North America,
Executive Vice President, Corporate
Development (Original company:
Daido Life)

Yoshi (Yoshihiro Kasahara)

Takeo Oshima

Fortitude Re (Fortitude International
Reinsurance Ltd.), Vice President,
Corporate Development (Actuary)

takeo.oshima

Closed Book Business Dialogue

Oshima: Taking advantage of the strong relationship with T&D Insurance Group, Fortitude Re has a competitive edge in Japan in terms of industry networks and experience in the market. In the closed book business, it is important to target markets that have an accumulation of policy reserves. Aside from the U.S., Japan has the largest amount of policy reserves in the world, which provides a large and diverse set of liabilities and thus a greater opportunity set than other markets. On top of that, compared with other countries, Japan is a relatively untapped market when it comes to reinsurance. For example, reinsurance covers 30-40% of life insurance in the U.S. and around half in Australia, while the percentage of reserves ceded in Japan is in the high single digits at most except for single premium products. It's fair to say the country has a market with considerable potential, given the market is largely untapped with such enormous in-force reserves.

| Fortitude Re's strengths

Kasahara: I think that with its origin in American International Group (AIG), Fortitude Re leverages extensive experience and deep knowledge to offer optimal solutions tailored to the needs of client insurance companies and the nature of liabilities. Strong support and cooperation from various business partners, including leading global alternative investment firm Carlyle, also back up the business. T&D, of course, is one of those partners.

For instance, closed book business earns excess returns through long-term asset management matching the nature of liabilities, as a major source of earnings. In this regard, asset management capabilities in so-called alternative investments which are different from traditional asset classes such as listed stocks and bonds are important and thus the presence of Carlyle, a major global player in the alternative assets industry, is a huge plus for Fortitude Re. T&D also intends to be more than a capital provider, serving as a long-term strategic partner that can provide input in the form of knowledge and experience related to the Japanese market in particular, and we believe this will also help strengthen Fortitude Re.

Morimoto: Speaking as a secondee to Fortitude Re, as Kasahara-san just said, one of Fortitude Re's biggest strengths is its strong partnerships with Carlyle and T&D. I think we can pretty much assume that the long-term capital participation and long-term stable support of an investor, especially one that properly understands the investment business like T&D, are hugely reassuring for the reinvestment business. In terms of asset management, thanks to its partnership with Carlyle, Fortitude Re also has advantages when it comes to sourcing high quality alternative assets. I expect that Fortitude Re's partnership with T&D will be advantageous for Fortitude Re's expansion into the Japanese market in terms of the vast knowledge about Japan's life insurance market that T&D has accumulated over many years, the culture unique to Japanese life insurers, and the provision of the perspective of the ceding company (the reinsured).

Oshima: I'd like to make two points. Fortitude Re is not just a life insurer. It's a multi-line reinsurer that is also involved in non-life insurance. It has the advantage of being able to mitigate risks through diversification between life and non-life insurance, thereby improving its capital efficiency. Another strength lies in its corporate culture which can, in a sense, be described as conservative. Fortitude Re is a company with discipline. It has the determination to maintain business stability over a longer time horizon than 5 or 10 years, and it conducts business with the discipline required to do this. For that reason, I believe it is a company we can safely have deal with our clients, the life insurers who conduct long-term business.

Kasahara: While achieving diversification between life insurance and non-life insurance, Fortitude Re has also diversified its liabilities within the life insurance and annuity business, and this is also a strength. I know Fortitude Re has also enhanced diversification within the life insurance business through products with different characteristics.

Oshima: There's no doubt that receiving insurance ceded from T&D insurance Group is a huge advantage for Fortitude Re. The fact that Fortitude Re is going to be able to handle reinsurance in Japan's life insurance market has been conveyed to market participants and I think this will help gain the trust of clients, providing Fortitude Re with the strongest possible foundations. At the same time, Fortitude Re values its partnership with T&D in Japan and since there will also be areas where T&D is competing with cedents, Fortitude Re pays utmost attention to the presence of information barriers and

Closed Book Business Dialogue

the management of confidential information to build trust.

Morimoto: I think T&D is a pioneering presence among Japanese life insurers in the sense that it has strategically invested in a reinsurer. The reinsurance business involves large sums of money and long-term peace of mind is very important, but I have the feeling that the market sees Fortitude Re as a safe, reliable company.

Collaboration with Fortitude Re and demonstration of synergy

Sugimura: Our collaboration with Fortitude Re began in 2020 but T&D began conducting market research into the closed book business and considering investment opportunities from around 2016. Later, in 2019, we decided to partner with Carlyle to obtain an ownership interest in Fortitude Re and we initially participated as a strategic investor. Apparently, the fact that Daido Life had a strong relationship with AIG and Carlyle to begin with was also an underlying factor.

Morimoto: As Sugimura-san mentioned, Daido Life had a long-standing relationship with Carlyle dating back to the start of Carlyle's private equity business in Japan and had also partnered with AIG for many years in Japan's corporate insurance market. I think the collaboration began because we had shared values and trusted each other.

Kasahara: Fortitude Re is the keystone in T&D's closed book business. Given the importance of this business, we established T&D United Capital North America Inc. (TDUCNA) as a local subsidiary to support Fortitude Re's business management and growth. Day in day out, TDUCNA cooperates closely with stakeholders on the ground in the U.S. and, especially where Fortitude Re is concerned, has substantive regular and frequent interactions with senior management. I have acted as liaison for asset management since 2023 and, in this role, I communicate closely with the investment team led by the CIO. Over the past year, I have visited Fortitude Re's offices regularly and routinely held face-to-face discussions with the investment team on matters such as the market environment.

Sugimura: My main responsibility is to regularly engage with Fortitude Re and communicate the business performance, capital outlook, actuarial operations and other information on the status of the company to the members of T&D's Tokyo team.

Morimoto: I am involved in Fortitude Re's business expansion in Japan. I think that assessing the cash flow characteristics of insurance liabilities is important in this context. I believe I'm making a significant contribution by sharing with Fortitude Re the knowledge that I have accumulated in T&D about insurance liabilities that is unique to Japan. By giving convincing explanations based on my experience of insurance product development and the valuation of insurance liabilities in Japan, appropriate valuations will be reflected in pricing, which I think will also lead to competitive advantage.

Oshima: I would just like to expand on Morimoto-san's comment. For non-Japanese, Japan's life insurance market is probably one of the most unapproachable markets. This is largely due to the language barrier. Most countries with a well-developed life insurance industry do business in English. Europe and Japan aside, the only other countries where life insurance is offered in the mother tongue are China and Korea. Most supervisory regulations and insurance contracts are also written only in Japanese. Fortitude Re needs a facilitator in order to do business in Japan and I believe that T&D is hugely significant in this regard. Furthermore, T&D's network in Japan's insurance industry is a massive plus. Fortitude Re will get introduced to more and more partners capable of offering added value. It's all very encouraging.

Knowhow gained by T&D through the collaboration

Sugimura: Perhaps the biggest gain is Fortitude Re's knowledge of the closed book business. Companies in Japan's domestic life insurance sector tend to be aware of Japanese regulations only but there is also a need to absorb the regulations and laws of other countries such as Bermuda and the U.S. I recognize that T&D has experienced multiple reinsurance transactions in its domestic life insurance businesses and as a whole has accumulated some knowledge of reinsurance.

Closed Book Business Dialogue

Kasahara: As a reinsurance company, Fortitude Re focuses on asset management suited to the characteristics of liabilities and has expertise in economic value-based ALM. It also clearly sets out the risks that should be taken and those that shouldn't, for example, while avoiding risks such as interest rate risk and foreign currency risk that do not promise returns commensurate with risk, it sees credit risk and illiquidity premium as a source of revenue. There is much for Japanese insurers to learn from such asset management, for example, asset classes they are unfamiliar with and techniques they have little experience of and so we have gained all sorts of knowledge by closely watching Fortitude Re's approach. I think T&D could apply such knowledge to asset management in its domestic life insurance business, given the introduction of the new economic value-based regulations in Japan.

Morimoto: I get a strong sense that the risk appetite has been clearly established through Fortitude Re's day-to-day business operations and employees have properly taken this on board and are working in a disciplined manner. I think Fortitude Re is a company with clear principles and is a great place to work.

Challenges for further strengthening the closed book business

Oshima: While Fortitude Re has made much progress strengthening the asset management side and has broader preferences in terms of reinsurance and insurance risks, we continue to refine and expand. Firstly, we would like to further strengthen the asset management side through assets denominated in other currencies beside U.S. dollars, for example, Japanese yen, Korean won and Australian dollars. We would also like to see a broader range of durations as there can be advantages and disadvantages in investments depending on duration. Secondly, we would like to continue moving beyond asset management to become a company that can take on diverse insurance risks, focusing on high-quality insurance risks such as mortality risk. We want to continue to set ourselves apart from our competitors by further strengthening the asset management side and inward reinsurance of insurance risks.

Sugimura: In terms of strengthening strategic investment in T&D's closed book business, I guess that human resources are an important point. The Group needs to develop human resources with wide-ranging expertise-not only strategic investment experts, asset managers and actuaries but also experts in risk and legal affairs. I think that continuously securing human resources with high levels of expertise, including recruiting them from outside the Group, is extremely important for strengthening investment.

Kasahara: As Oshima-san said, managing assets denominated in Japanese yen is an issue to be addressed in order to accelerate expansion in Japan. Yen denominated assets naturally account for a large share of assets under management in T&D's domestic group insurer and I think there is also perhaps a way we can contribute by using our position as a Japanese investor and cooperating with asset management in Japan. In order to further develop the closed book business, relationships with stakeholders including Fortitude Re will need to be strengthened. I am aware that TDUCNA, our U.S. subsidiary, is key to the smooth communication required to build stronger relationships and will play a crucial role.

Morimoto: Looking at developments in the U.S. and Europe, which are mature closed-book markets, there seems to be a tendency to start with simple insurance liabilities and to gradually move on to more complex insurance liabilities involving the insurance risks most reinsurers tend to avoid. I think the question of how to underwrite such types of insurance liabilities, which are likely to crop up in the Japanese market as well, will be the key to future business expansion. Like Oshima-san, I feel that one of Fortitude Re's biggest strengths lies in the fact that it has succeeded in recruiting human resources with extremely high levels of expertise in the assessment of Japan's insurance liabilities and insurance risk, which is important not only in Japan but also in other Asian countries.



Framework for Continuous Value Creation

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Corporate Governance

T&D Holdings has been enhancing its corporate governance by using a basic approach that involves creating efficient and transparent management systems to facilitate flexible and cohesive group operations. The Company values the purport of the Japan's Corporate Governance Code, which applies to listed companies, and, in addition to accepting all the code's principles, we have established the Basic Policy on Corporate Governance as an initiative in response to its major principles.



Please refer to the Company's website for more details of the Basic Policy on Corporate Governance.
<https://www.td-holdings.co.jp/en/company/governance/>

Progress in Strengthening Governance

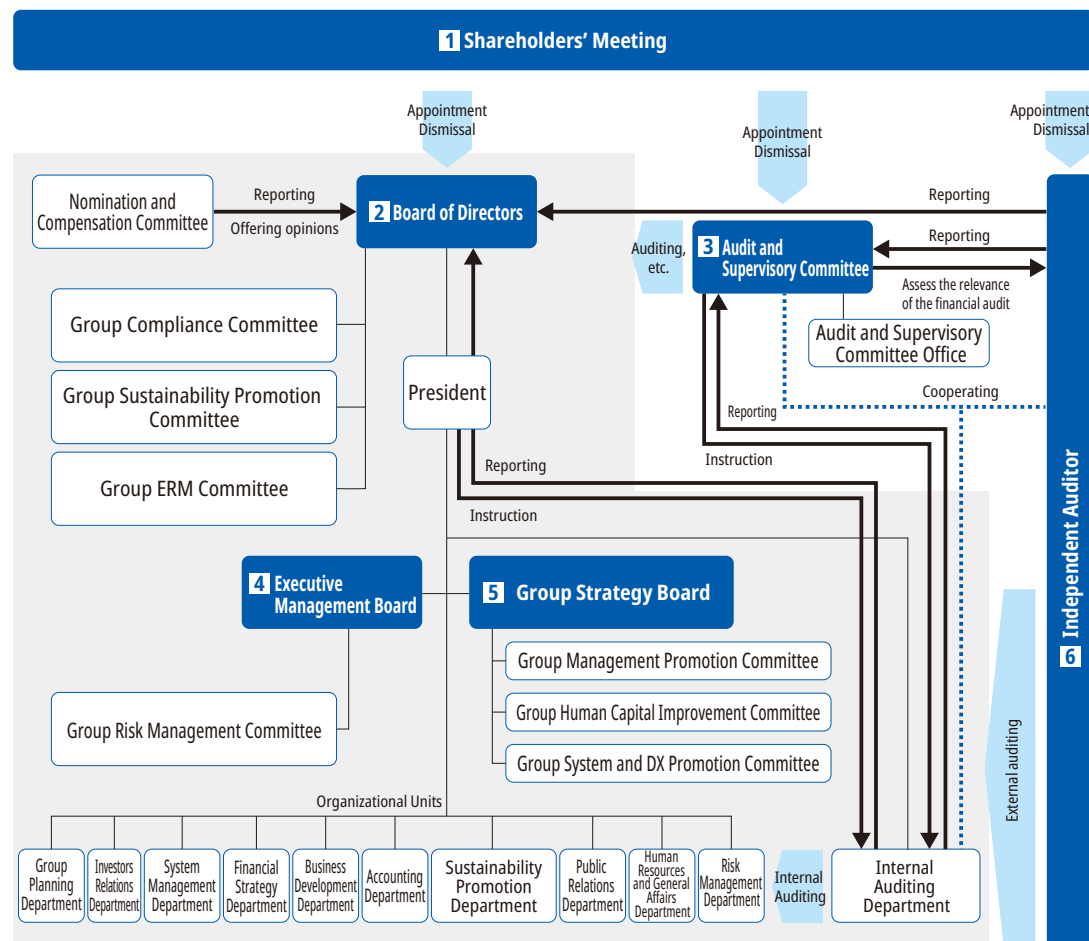
	Entity	Total number of directors	Number of outside directors (ratio)	Number of female directors (ratio)	Topics
2004	Company with an Audit & Supervisory Board	8	1 (13%)	–	• Establishment of T&D Holdings, Inc.
2012		10	1 (10%)	–	• Introduction of stock compensation-type stock options as an executive compensation system.
2013		11	2 (18%)	1 (9%)	• Increase in the number of outside directors from one to two.
2015		11	2 (18%)	1 (9%)	• Establishment of the Nomination and Compensation Committee. • Commencement of the evaluation of the effectiveness of the Board of Directors. • Establishment and announcement of the Basic Policy on Corporate Governance.
2017		12	3 (25%)	1 (8%)	• Increase in the number of outside directors from two to three.
2018		12	3 (25%)	1 (8%)	• Introduction of trust-type stock compensation [the Board Incentive Plan (BIP) Trust] as an executive compensation system. (Abolition of stock compensation-type stock options.)
2020	Company with an Audit and Supervisory Committee	14	5 (36%)	1 (7%)	• Transition to a company with an Audit and Supervisory Committee. • Increase in the number of outside directors from three to five.
2021		12	5 (42%)	1 (8%)	• Change in the number of inside directors from nine to seven to further strengthen agile decision-making and oversight function.
2022		13	6 (46%)	2 (15%)	• Increase in the number of outside directors from five to six*. • Increase in the number of female directors from one to two*.
2023		12	5 (42%)	1 (8%)	• The method for determining the monthly compensation, bonuses, and individual evaluations of directors has been changed following deliberation by the Nomination and Compensation Committee and a resolution by the Board of Directors.
2024		14	6 (43%)	2 (14%)	• Increase in the number of outside directors from five to six and the number of female directors from one to two.

* Within the same year, one female outside director resigned for personal reasons.

Corporate Governance

Mechanisms to Support Initiatives

Corporate Governance Framework



1 Shareholders' Meeting	The Shareholders' Meeting is the highest decision-making entity of the Company. At the meeting, reports are made on the Group's business and consolidated/non-consolidated financial statements, and resolutions are made on important issues, which are stipulated in laws and ordinances and the Articles of Incorporation, such as the appropriation of retained earnings and election of officers. The Ordinary General Meeting of Shareholders is held once a year.													
2 Board of Directors	The Board of Directors is composed of all directors and makes important management decisions while overseeing the execution of business in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules. In addition, as a company with an Audit and Supervisory Committee, some important business execution decisions are delegated from the Board of Directors to the directors themselves by resolution of the Board of Directors in accordance with the provisions of the Articles of Incorporation.													
3 Audit and Supervisory Committee	The Audit and Supervisory Committee is composed of Audit and Supervisory Committee members, the majority of whom are outside directors. As an independent body entrusted by the Company's shareholders, the Audit and Supervisory Committee fulfills its roles and responsibilities, including auditing the execution of duties by directors (excluding directors serving as Audit and Supervisory Committee members) in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules.													
4 Executive Management Board	The Executive Management Board deliberates and passes resolutions on important matters concerning the Company's management and the corporate management of the Group.													
5 Group Strategy Board	The Group Strategy Board deliberates on items mainly concerning Group growth strategies and important matters pertaining to those items from a Group-wide perspective in order to achieve sustained improvement in the Group's corporate value.													
Committees	Committees discuss management-related strategies and issues of the Company or those common to the Group.													
6 Information related to the Independent Auditor (FY2023)	<table border="1"> <thead> <tr> <th>Category</th><th>Remuneration for audit certification services (¥ millions)</th><th>Remuneration for nonaudit certification services (¥ millions)</th></tr> </thead> <tbody> <tr> <td>Submitting company</td><td>204</td><td>28</td></tr> <tr> <td>Consolidated subsidiaries</td><td>239</td><td>15</td></tr> <tr> <td>Total</td><td>443</td><td>43</td></tr> </tbody> </table>		Category	Remuneration for audit certification services (¥ millions)	Remuneration for nonaudit certification services (¥ millions)	Submitting company	204	28	Consolidated subsidiaries	239	15	Total	443	43
Category	Remuneration for audit certification services (¥ millions)	Remuneration for nonaudit certification services (¥ millions)												
Submitting company	204	28												
Consolidated subsidiaries	239	15												
Total	443	43												

Corporate Governance

Promoting Group Management

As a holding company, T&D Holdings is responsible for making decisions on Group strategies, allocating Group management resources appropriately, and formulating capital strategies. Along with this, the Company accurately grasps the management risks faced by its seven Group companies, including Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company in particular as well as T&D United Capital, T&D Asset Management, Pet & Family Insurance and All Right (the “directly owned subsidiaries”) and works to build a Group business management system that ensures thorough risk-return management for the Group as a whole.

Meanwhile, the directly owned subsidiaries, with their own unique business strategies, aim to expand the Group's corporate value by maximizing their uniqueness and specialization through determining marketing strategies and operating businesses in line with their strengths.

The specific roles and responsibilities of the holding company and its direct subsidiaries are outlined in the table below. The T&D Insurance Group advances flexible and cohesive Group operations by clearly defining the roles and authority of the holding company and its direct subsidiaries.

Roles of the holding company	Roles of direct subsidiaries
<ul style="list-style-type: none"> Expanding the Group's corporate value Using a strong governance system for the entire Group management 	<ul style="list-style-type: none"> Expanding business profit
<ol style="list-style-type: none"> Determining Group strategies Profit and risk management Optimizing the allocation of business resources Determining capital strategies 	<ol style="list-style-type: none"> Determining marketing strategies Undertaking the business execution of each business unit

Corporate Governance System

As a company with an Audit and Supervisory Committee, we have adopted a corporate governance framework in which the

Audit and Supervisory Committee, independent of the Board of Directors, audits the performance of directors' duties and provides oversight. This framework focuses on enhancing the managerial functions (determining management policy and overall strategy) of the Board of Directors, which is responsible for making crucial management decisions and overseeing the execution of business, as well as oversight functions, while also improving the agility and efficiency of business execution.

A majority of the Audit and Supervisory Committee members are outside directors, and they audit and oversee the Board of Directors from a neutral and independent perspective to ensure that business execution decision-making is done in an appropriate and efficient manner. Audit and Supervisory Committee members who are not involved in business execution closely coordinate with the internal audit and internal control departments to exercise effective oversight functions over management, thereby establishing a transparent management system.

Additionally, our company has implemented an executive officer system to strengthen business execution capabilities. This system clarifies the responsibilities for oversight and execution, thereby enhancing the governance function of the Board of Directors.

Moreover, we have established a Nomination and Compensation Committee as an advisory body to the Board of Directors. The committee scrutinizes the fairness and appropriateness of director appointments and dismissals (including succession plans) and executive compensation to ensure the transparency of management and improve accountability, thereby reinforcing the corporate governance framework of

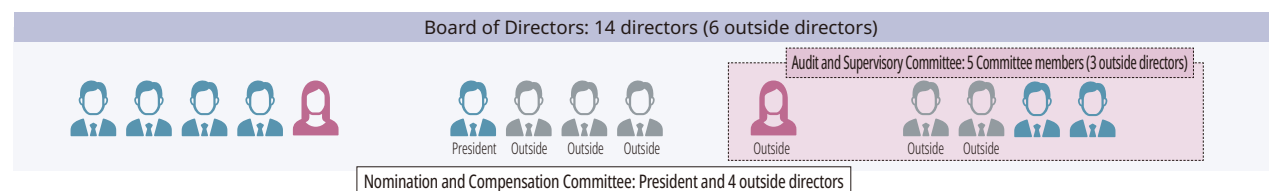
our company and the Group as a whole.

We have also set up an Executive Management Board to deliberate and make decisions on significant matters concerning the management of our company and the Group. Running parallel to this, we have a Group Strategy Board to consider matters related to the Group's growth strategy and other significant issues for the purpose of achieving sustainable enhancement of Group corporate value, all from a Group-wide perspective.

Composition of Directors and the Board of Directors

The number of directors (excluding directors who are Audit and Supervisory Committee members) of the Company shall be no more than nine, and the number of directors who are Audit and Supervisory Committee members shall be no more than five, as stipulated by the Articles of Incorporation. The Board of Directors is made up of individuals representing a balance of knowledge, experience, and skills, and having diverse backgrounds as befitting the expansive range of business domains in the life insurance business, which is the core business of the Group.

Moreover, the Company appoints two or more directors (excluding directors who are Audit and Supervisory Committee members) who concurrently serve at the Company and its directly owned subsidiaries. This shall be done from the standpoint of facilitating adequate communication and rapid decision making within the Group while bolstering Group-wide governance. Furthermore, the Company appoints six outside directors to appropriately apply the opinions of individuals with extensive experience and knowledge in their capacity as



Corporate Governance

outside corporate managers, legal experts, accounting specialists, and so forth to the Group's management policies and development of internal controls and other systems as well as to the oversight of the execution of business.

■ Composition of the Audit and Supervisory Committee

The number of Audit and Supervisory Committee members of the Company is limited to five as stipulated in the Articles of Incorporation, and the majority of them are outside Audit and Supervisory Committee members. In addition, members include persons with appropriate knowledge of finance and accounting. The Audit and Supervisory Committee consists of all the Audit and Supervisory Committee members.

■ Details of Discussions at the Board of Directors Meeting

As a company with an Audit and Supervisory Committee, we delegate some important business execution decisions from the Board of Directors to the directors by resolution of the Board of Directors pursuant to the provisions of the Articles of Incorporation. By doing so, the Company aims to separate management and oversight from business execution and further strengthen the management functions (deciding on management policies and overall strategy) and oversight functions of the Board of Directors. The Board of Directors is now able to allocate more time to the deliberation of important agenda items such as the Group's management policies and overall strategy.

■ Effectiveness Evaluation of the Board of Directors

To ensure the effectiveness of the Board of Directors as a whole (including the voluntary Nomination and Compensation Committee), the Company conducts an annual performance review of the Board of Directors as a whole based on the self-evaluations of individual directors. The performance

review examines whether the Board of Directors is functioning appropriately and producing results, and how the Board of Directors is contributing to increasing the Company's corporate value over the medium to long term. Moreover, based on

the evaluation of the Board's effectiveness, etc., we are working toward further enhancing the oversight functions and decision-making process of the Board of Directors. For objectivity, transparency, and the incorporation of third-party

Key themes discussed at the fiscal 2023 Board of Directors meeting

Management Strategy and Growth Strategy	<ul style="list-style-type: none"> Monitoring of the Group Long-Term Vision Group-wide Business Portfolio Management Planning and monitoring of investment in new businesses Monitoring and future planning of subsidiary businesses 	<ul style="list-style-type: none"> Discussion on Group Capital Management Sustainability initiatives Review of strategic shareholdings and the reduction policy and plans Initiatives to increase human capital
Finance and Account Settlement	<ul style="list-style-type: none"> Budget planning and monitoring 	<ul style="list-style-type: none"> Verification of appropriateness of financial results
Shareholder Returns and Dialogue with Shareholders	<ul style="list-style-type: none"> Dividends and share buybacks Status of investor relations and shareholder relations activities 	<ul style="list-style-type: none"> Formulation of operating policies for Shareholders' Meeting
Corporate Governance	<ul style="list-style-type: none"> Matters related to officers (selection of representative directors, appointment of officers of holdings and directly owned subsidiaries, etc.) Evaluation of the effectiveness of the Board of Directors 	<ul style="list-style-type: none"> Summary of discussions of the Nomination and Compensation Committee Operating status of the internal control system
Risk Management	<ul style="list-style-type: none"> Internal audit policy and verification of results 	<ul style="list-style-type: none"> Compliance status of the Group

Summary of the evaluation of the effectiveness of the Board of Directors as a whole in fiscal 2023

Evaluation Procedures	We conducted a survey of and interviewed directors regarding the effectiveness of the operations of the Board of Directors as a whole (including the voluntary Nomination and Compensation Committee) in fiscal 2023 to analyze and evaluate the results. We also introduced a new initiative for the self-assessment of individual directors.
Evaluation Method	In the survey, we verified the effectiveness of the Board through multiple-choice answers and written opinions on evaluation items related to the composition, operation, discussion, and oversight functions, etc. of the Board of Directors. Through interviews, we confirmed the evaluation judgement basis of the questionnaire responses as well as issues of the Board of Directors.
Overall Assessment	<p>Based on the results of our analysis and evaluation, we confirmed the items below and therefore the Board of Directors is more or less functioning effectively in terms of its expected role.</p> <ul style="list-style-type: none"> The number of directors and the ratio of outside directors on the Board are generally appropriate. From the perspective of the integrated management of the Group, further progress was achieved in discussions with an awareness of the business portfolio, ROE and the cost of capital. Supervision and governance of subsidiaries advanced. The quality of Board discussions has improved, with more time being devoted to important agenda items There was progress in actions to share the content of the dialogue with investors internally so that it is reflected in policies and issues are addressed.
Status of Responses to Previous Issues	We recognize that steady improvements have been made addressing the issues identified in the fiscal 2022 evaluation: ensuring the diversity of the Board of Directors based on the management strategy, management focused on ROE with an awareness of capital cost and return on capital, and advancing Group human resources initiatives to help improve human capital.
Newly Recognized Issues	<p>We also realized the need to step up actions regarding the issues to be handled by the Board of Directors for its continued advancement, specifically the implementation of Group human resources initiatives that aid the improvement of human capital (such as the effective assignment of human capital) and ensuring the diversity of the Board of Directors in connection with the management strategy (such as the expansion of the skills matrix) as well as actions for the integrated Group management and the generation of synergy.</p> <p>In addition, we will use the results of the new individual director self-evaluations to further improve officer training and for other purposes.</p>
Future Initiatives	We will continue to work toward further enhancing the effectiveness of the Board of Directors by addressing the issues identified in this effectiveness evaluation.

Corporate Governance

perspectives, we conduct evaluations of the Board's effectiveness using external organizations once every few years.

Nomination and Compensation Committee

The Nomination and Compensation Committee scrutinizes the fairness and appropriateness of appointments and dismissals of our company's and direct subsidiaries' directors and executive officers, including succession plan, as well as their executive compensation. The committee then reports its opinions to the Board of Directors.

This committee is comprised of the President of our company and the outside directors. To strengthen independence, objectivity and accountability, a majority of its members are chosen from among the outside directors. Moreover, the chairman of the committee is selected from among the outside directors by mutual vote of the committee members.

In fiscal 2023, the Nomination and Compensation Committee met a total of 14 times.

The main topics discussed by the Nomination and Compensation Committee For fiscal 2023 were as follows.

Nominations, etc.	<ul style="list-style-type: none">• Succession plans for the presidents and outside officers of both our company and direct subsidiaries• Composition of our Board of Directors (including the skills matrix)• Selection of candidate directors not serving as Audit and Supervisory Committee members and candidate directors serving as Audit and Supervisory Committee members• Identification of outside directors to serve on the Nomination and Compensation Committee• Selection of the chairman for the Nomination and Compensation Committee• Appointment of director and Audit and Supervisory Board member candidates for direct subsidiaries• Election of executive officers for both our company and direct subsidiaries
Compensation, etc.	<ul style="list-style-type: none">• Evaluation of individual directors not serving as Audit and Advisory Committee members and executive officers and determination of their individual compensation• Results of the evaluations of the representative directors of direct subsidiaries• Extension of the trust period for trust-type stock compensation• Treatment of the executives of the Company and its direct subsidiaries

TOPICS

Discussions with outside directors

1. Information communicated by outside directors

Our outside directors act from an independent standpoint as representatives of stakeholders, and maintain a suitable level of tension and distance from our internal directors. Through effective communication, they contribute to enhancing both the oversight functions and effectiveness of our Board of Directors, as well as the growth and improvement of corporate value of our Group. Each outside director provides valuable and candid insights and opinions based on their individual expertise and experience.

In fiscal 2023, outside directors effectively provided opinions and suggestions based on their knowledge regarding the initiatives to increase human capital, risk management related to investments in overseas businesses and the measures for improving group governance at Board of Directors meetings.

Since April 2021, we have been committed to our five-year Group Long-Term Vision, Try & Discover 2025. In fiscal 2023, we intensively deliberated Group-wide business portfolio management at Board of Directors meetings and also separate occasions, mainly discussing the positions of individual group companies and the direction of investment areas which are a key factor in the Group's growth from the perspective of increasing capital efficiency. In these discussions, the outside directors provided many opinions regarding points and issues

that should be further explored. They expressed their views and proposed ideas from objective and broad perspectives.

2.Meetings with outside directors

To further enhance the effectiveness of our Board of Directors and to stimulate richer discussions, we have implemented the following meetings and initiatives.

Advance Board of Directors explanations	We hold advance explanations and Q&A sessions for outside directors in relation to important agenda items, etc.
Discussion sessions between Audit and Supervisory Committee members and outside directors	We hold discussion sessions intended to give our Audit and Supervisory Committee members and outside directors (excluding Audit and Supervisory Committee members) the opportunity to share information on management issues, risks faced by the Company, etc.

Corporate Governance

Skills Matrix

The Company will ensure a balance of the necessary expertise and experience in terms of the three main functions of the Board of Directors to enable the Board of Directors to perform its functions more effectively.

The Company ensures a balance of expertise and experience on the Board of Directors as a whole. For this reason, we select and appoint outside directors who have experience in corporate management outside of the Group, are experts in law and accounting, and have the expertise and experience necessary to implement the Group's growth strategy and we appoint internal directors who have expertise and experience appropriate to the broad business domains of the life insurance business, which is the Group's core business.

The Three Main Functions of the Board of Directors

Formulation of overall strategy function

Supervisory function

Business management function

Board of Directors Skills Matrix

Name	Position at the Company	Nomination and Compensation Committee	Expertise and experience particularly anticipated							
			Corporate management and business strategy	Capital and financial markets	Marketing	Global	Sustainability management	Finance and accounting	Risk management	Legal affairs and compliance
Hirohisa Uehara	Representative Director and Chairman		●	●	●	●	●			●
Masahiko Moriyama	Representative Director and President	●	●	●	●		●		●	●
Hotaka Nagai	Director and Senior Managing Executive Officer		●	●				●		
Yoko Futami	Director and Managing Executive Officer								●	●
Kensaku Watanabe	Outside director	●							●	●
Masazumi Kato	Outside director	●	●	●		●		●		
Kenji Fuma	Outside director	●	●	●		●	●		●	
Naoki Soejima	Director		●	●	●	●	●			
Mutsurou Kitahara	Director		●	●	●		●			
Takashi Ikawa	Director (Full-time Audit & Supervisory Committee Member)					●		●	●	●
Takashi Tojo	Director (Full-time Audit & Supervisory Committee Member)							●	●	●
Shinnosuke Yamada	Outside director (Audit & Supervisory Committee Member)							●	●	
Atsuko Taishido	Outside director (Audit & Supervisory Committee Member)	●							●	●
Koji Nitto	Outside director (Audit & Supervisory Committee Member)		●	●		●	●	●		

* The Company utilizes outside knowledge to further improve the functioning of the Board of Directors. For example, people with required expertise and experience are invited to be outside members of specialized committees established as needed in many different fields and the discussions of these committees are reported to the Board of Directors.

Corporate Governance

■ The relationship between the Group's growth strategies and the expertise and experience expected of the Board of Directors and the reasons for selection of the expertise and experience

In the management policy for the period from FY2021 to FY2025, the Group Long-Term Vision, the Company has set the following primary themes in the Group's growth strategies. The relationship between the primary themes in the Group's growth strategies and the expertise and experience expected of the Board of Directors and the reasons for selection of the expertise and experience are as follows.

Relationship between the Group's growth strategies and the expertise and experience expected of the Board of Directors

Primary themes in the Group's growth strategies		Expertise and experience				
I	Strengthening of core business	Corporate management and business strategy	Marketing			
II	Diversification and optimization of business portfolio	Corporate management and business strategy	Capital and financial markets	Marketing	Risk management	Global
III	Upgrading capital management	Capital and financial markets	Finance and accounting	Risk management		
IV	Promoting integrated Group management	Corporate management and business strategy	Marketing			
V	SDGs management and creation of value	Corporate management and business strategy	Capital and financial markets	Marketing	Sustainability management	

Legal affairs and compliance

Reasons for selection of the expertise and experience

Expertise and experience	Reasons for selection
Corporate management and business strategy	Because a wealth of expertise and experience in overall corporate management and business strategy is necessary to make important management decisions and to formulate and promote business strategies that contribute to improving corporate value over the medium to long term.
Capital and financial markets	Because a wealth of expertise and experience in finance and capital markets, including corporate finance, is necessary for the appropriate operation of group capital management, etc.
Marketing	Because a wealth of expertise and experience in marketing, including branding, is necessary to accurately grasp the business environment and the intentions of stakeholders, and to continuously provide valuable products and services, etc.
Global	Because a wealth of knowledge and management experience on a global scale is necessary to keep the closed book business positioned as a growing business to seek new investment opportunities with a view toward the diversification and optimization of the business portfolio.
Sustainability management	Because a wealth of expertise and experience in sustainability management is necessary to achieve the Group's goal of creating shared value through SDG management initiatives and solutions to social issues.
Finance and accounting	Because a wealth of expertise and experience in finance and accounting is necessary for the preparation of appropriate financial statements and the fulfillment of auditing and supervisory roles from the perspective of protecting investors and ensuring credibility in the capital markets.
Risk management	Because a wealth of expertise and experience in risk management is necessary to maintain and increase group corporate value by systematically managing group-wide risks and avoiding or reducing losses, etc.
Legal affairs and compliance	Because a wealth of expertise and experience in various legal aspects is necessary to establish an appropriate governance structure and fulfill an effective supervisory role for fair and reliable corporate management.

Corporate Governance

Compensation System

■ Policy related to determining executive compensation, etc. and calculation formula

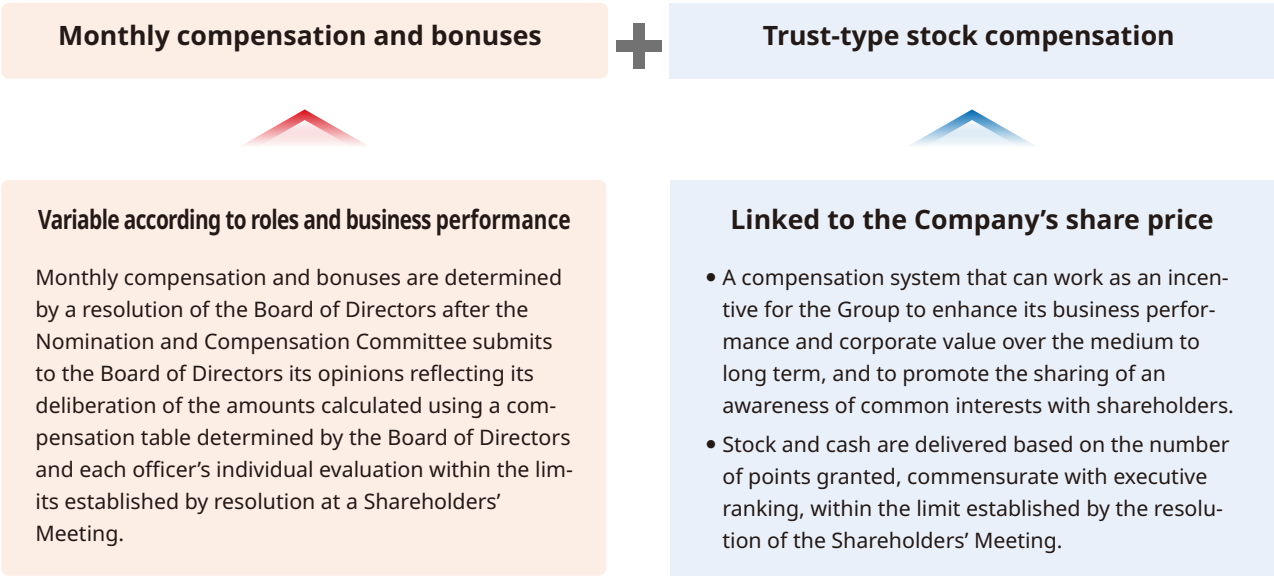
The Basic Policy on Corporate Governance stipulates the Company's policy related to determining executive compensation, etc.

■ Composition of executive compensation, etc.

Our company has designed a compensation system and specific compensation levels to serve as healthy incentives for the medium- to long-term performance improvement and corporate value enhancement of our Group. For our directors (excluding part-time directors, which includes outside

directors, and directors serving as Audit and Supervisory Committee members), the compensation package consists of a monthly compensation and bonuses that vary based on roles and performance. Additionally, we offer trust-type stock compensation (not applicable to non-residents of Japan) utilizing a trust scheme to deliver the Company's shares.

It is deemed inappropriate to have performance-linked compensation for our part-time directors, including outside directors independent of the Company's business execution, and directors serving as Audit and Supervisory Committee members. Thus, these positions receive a fixed amount of compensation.



■ Calculation method for Company performance assessment and evaluation of the division in charge

A weighted average is used for the evaluation weightings for both the Company performance assessment and the evaluation of the division each officer is in charge of, based on criteria set by the Board of Directors according to the responsibilities of each role. Note that the Representative Director's evaluation weighting for the Company performance assessment is 100%.

Calculation method

Assessment of Company performance	<ul style="list-style-type: none">○ To clarify the assessment according to how much progress has been made on achieving company targets, total shareholder return (TSR) is used as a benchmark to assess the company's performance, alongside a number of other performance indicators stipulated based on the mid- to long-term management strategy.○ For performance indicators, a coefficient according to the achievement rate for each item is multiplied to yield a score.
Evaluation of the division in charge	<ul style="list-style-type: none">○ A score for the division an individual officer is in charge of is calculated based on how much progress has been made on achieving divisional targets.

Corporate Governance

■ Key performance indicators of Company performance

assessment <Performance-linked indicator> (FY2023)

Key performance indicators of Company performance assessment are as follows.

For finance performance indicators, we evaluate the single fiscal year target achievement ratio and progress toward the achievement of the target in fiscal year 2025 based on the Group's long-term vision established in fiscal year 2021.

(i) Single fiscal year evaluation items [evaluation weightings: 50%]

The single fiscal year target achievement ratio was evaluated toward the achievement of the target in FY2025.

Target in FY2025	
Group adjusted profit	¥130.0 billion
Value of new business	¥200.0 billion

	Single year target	Actual	Achievement ratio
Group adjusted profit	99.5 billion	103.5 billion	104.0%
Value of new business	173.9 billion	161.7 billion	93.0%

(ii) Medium- and long-term evaluation items [evaluation weightings: 30%]

These items were evaluated based on progress as an evaluation criterion for the achievement of the target in FY2025.

Target in FY2025	
Adjusted ROE	8.0%
ROEV	7.5%

- Actual adjusted ROE is 8.6%.
- Actual ROEV is 16.8%.

(iii) Market evaluation items [evaluation weightings: 10%]

Evaluation criteria, etc.	
Total shareholder return (TSR)	TSR is calculated, taking into account factors such as the deviation rate between the actual result and the listed life insurance company as the benchmark.

Actual TSR performance is 247.0% over five years.

Note: TSR is calculated as follows:

- Five years: (Share price on March 31, 2024 + cumulative total of dividends per share from FY2019 to FY2023) / share price on March 31, 2019

(iv) ESG evaluation items [evaluation weightings: 10%]

Evaluation criteria, etc.	
Customer satisfaction level	The degree of achievement is evaluated using evaluation criteria formulated referencing the level in the previous fiscal year.
Employee engagement score	
Reduction of CO ₂ emissions	

- The customer satisfaction and employee engagement results achieved or exceeded the level in the previous fiscal year, fulfilling the evaluation criteria.
- CO₂ emissions have been reduced by 10.0% compared to the level of the previous fiscal year, fulfilling the evaluation criteria.

■ Reflecting Assessment of Company performance in

Executive Compensation for Direct Subsidiaries

We conduct Assessment of Company performance with the primary aim of ascertaining whether our company and our direct subsidiaries are managing their operations in line with the Group's strategic goals. The objective is to contribute to a stable and sustainable improvement in the corporate value of the Group as a whole.

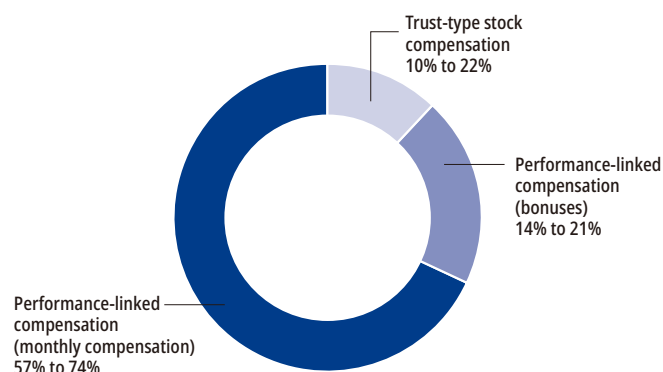
The method we use for calculating individual executive compensation, etc. amounts for the directors of our direct subsidiaries is consistent with these corporate performance evaluations for each direct subsidiary, as determined by our Board of Directors.

Corporate Governance

■ Payment ratios by type of compensation

In terms of our compensation composition for directors, we assign ratios to performance-linked compensation (monthly and bonuses) and trust-type stock compensation so the system can function as a sound incentive geared towards boosting the Group's medium- to long-term earnings and enhancing corporate value.

For monthly compensation, the ratio fluctuates either negatively or positively by roughly 5% based on a standard assessment according to the individual officer evaluation. For bonuses, the ratio fluctuates either negatively or positively by roughly 40% based on a standard assessment according to the individual officer evaluation.



■ Process for determining compensation

The Nomination and Compensation Committee deliberates items regarding important decisions or changes relating to executive treatment at the Company or direct subsidiaries and offers its opinions to the Board of Directors. Monthly compensation and bonuses for directors, excluding outside directors, other part-time directors and directors serving as Audit and Supervisory Committee members, and their individual evaluations are determined by a resolution of the Board of Directors after the Nomination and Compensation Committee submits to the Board of Directors its opinions reflecting its deliberations regarding them.

■ Appropriateness of compensation levels

The amount of compensation for directors, etc. is determined based on consideration of the responsibilities of directors, etc. as well as various other circumstances, such as the recent economic situation.

With regard to the level of compensation, the Company participates in several surveys on executive compensation conducted by external research organizations to verify the appropriateness.

■ Maximum amount of compensation for directors, etc.

The maximum amount of compensation for directors, etc. was determined at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020, as shown below.

Maximum amount of compensation, etc.	Amount
Directors not serving as Audit and Supervisory Committee members	¥450 million per year
Outside directors included in the above	¥40 million per year
Directors serving as Audit and Supervisory Committee members	¥150 million per year
Maximum amount of funds to be contributed to the trust for trust-type stock compensation (determined based on a resolution of the Ordinary General Meeting of Shareholders passed every three fiscal years)	Amount
Directors not serving as Audit and Supervisory Committee members	¥500 million
Maximum total number of points to be granted under trust-type stock compensation	Points
Directors not serving as Audit and Supervisory Committee members	215,000 points per fiscal year

Total amounts of compensation by officer category and compensation type

Category	Monthly compensation, etc.		Reserve for bonuses		Trust-type stock compensation, the Board Incentive Plan (BIP) Trust		Total compensation	
	Persons receiving compensation	Amount (¥ millions)	Persons receiving compensation	Amount (¥ millions)	Persons receiving compensation	Amount (¥ millions)	Persons receiving compensation	Amount (¥ millions)
Directors not serving as Audit and Supervisory Committee members (excluding outside directors)	6	124	3	36	3	35	6	197
Directors serving as Audit and Supervisory Committee members (excluding outside directors)	2	86	0	—	0	—	2	86
Outside directors not serving as Audit and Supervisory Committee members	2	20	0	—	0	—	2	20
Outside directors serving as Audit and Supervisory Committee members	3	37	0	—	0	—	3	37
Total	13	268	3	36	3	35	13	341

1. Monthly compensation and reserve for bonus for Directors who are not Audit and Supervisory Committee Members (excluding part-time Directors (includes Outside Directors)) are performance-linked compensation and trust-type stock compensation is non-monetary compensation. For Directors who are not Audit and Supervisory Committee Members (excluding part-time Directors (includes Outside Directors)) (four Directors), performance-linked compensation is a total of ¥142 million and non-monetary compensation, etc. is a total of ¥35 million.
2. Regarding the number of individuals who have received compensation, etc. and the total amounts, these figures include one director not serving as an Audit and Supervisory Committee member, who retired at the conclusion of the 19th Ordinary General Meeting of Shareholders on June 28, 2023. As of the end of this fiscal year, we have seven directors not serving as Audit and Supervisory Committee members and five who are.
3. The amount of trust-type stock compensation shows the recorded amount of expenses related to the points granted during the fiscal year ended March 31, 2024, based on the executive compensation system.
4. There is no compensation, etc. received by Outside Directors from the Company's parent company, etc.
5. Compensation for individual officers is not stated because no officer received total consolidated compensation of ¥100 million or more.

Corporate Governance

Succession Plan

■ Succession Plan Formulation and Implementation

With an eye toward continued growth, the medium- to long-term enhancement of the value of our Group and stable business continuity, we formulate and implement succession plans for the presidents of the Company and the three life insurance companies.

These plans detail the qualities and skills that are required of presidents and selection processes. The Nomination and Compensation Committee deliberates the formulation and implementation of the plans and submits its opinions to the Board of Directors. Then, the Board of Directors supervises all of the successor nomination processes to see whether or not they have been properly implemented and ensure their objectivity, timeliness and transparency.

■ Development of Successor Candidates and Future Group Management Talent

In a concerted effort to systematically nurture successor candidates for the presidencies of our company and the three life insurance companies, as well as future Group management talent for the Group, we undertake various initiatives that include rotation of executives and employees within the Group, dispatching individuals to external executive training programs, and conducting interviews with our outside directors.

Training for Officers

Our Basic Policy on Corporate Governance stipulates that we shall provide directors and other officers opportunities to acquire and update their knowledge which is necessary for them to properly fulfill their roles and responsibilities, both at the time of their appointment and continually during their term of office.

In fiscal 2023, we organized opportunities for outside directors and the President to exchange opinions and also for the independent auditor and the representative directors of major subsidiaries to exchange opinions. We also held training on key subjects related to the implementation of the Group Long-Term Vision, such as the latest trends in sustainability and human capital management.

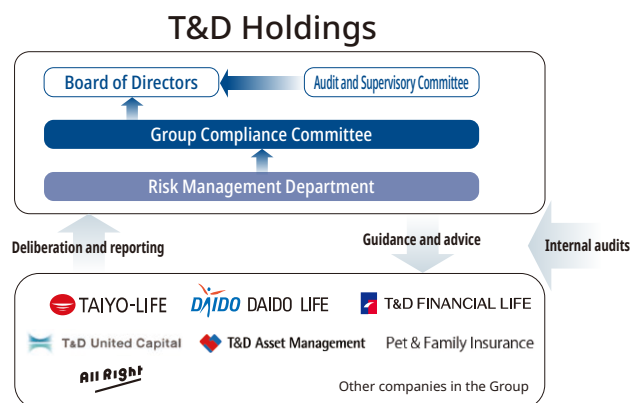
Compliance

Basic Compliance Policies

The Group has formulated the T&D Insurance Group CSR Charter, the T&D Insurance Group Compliance Code of Conduct, and the T&D Insurance Group Basic Policy for Strengthening the Compliance Structure. The Group ensures that corporate officers and employees are conversant with these basic policies and standards to promote rigorous Group-wide compliance efforts.

Group Compliance Promotion Structure

The Group has established a compliance promotion structure based on the T&D Insurance Group Basic Policy for Strengthening the Compliance Structure. To monitor and improve the Group's compliance framework, the Group Compliance Committee was established as an organization subordinate to the Board of Directors. In addition, the Risk Management Department manages the promotion of compliance. In collaboration with the compliance management departments of the three life insurance companies in the Group, it implements regular monitoring and receives reports



regarding material issues to provide guidance and advice to individual companies as appropriate. The three life insurance companies and other companies each operate a compliance promotion structure centered on a compliance committee and a compliance management department.

Compliance Implementation

By implementing measures based on the fundamental policies just described and paying due consideration to the business scale and special characteristics of each Group company, the T&D Insurance Group strives to ensure employee consciousness of compliance issues. For example, the Group has established a Compliance Program to serve as a plan for ensuring strict compliance performance among all directors and employees at T&D Holdings, the three life insurance companies, and other Group companies. Moreover, the Group has created Compliance Guidelines to provide concrete explanations of how to thoroughly implement compliance regulations in the course of business operations.

Basic Policies to Block Relationships with Antisocial Forces

In its Group Compliance Code of Conduct, the Group defines its policy toward antisocial forces as follows: "to reject and stringently respond to any antisocial forces that threaten the order and safety of civil society." In accordance with this policy, the Group has formulated the T&D Insurance Group Basic Policy for Responding to Antisocial Forces and has announced this on the Company's website.

Information Disclosure (Ensuring Information Disclosure and Transparency)

• The Company shall strive to provide easy-to-understand disclosure based on its core disclosure principles of timeliness,

fairness and accuracy in order to maintain and reinforce trust among all of its stakeholders and to increase the level of transparency in its corporate governance.

- The Company shall disclose statutory information stipulated in the Insurance Business Act, the Financial Instruments and Exchange Act, and other related laws and ordinances, and in the rules of the Tokyo Stock Exchange. The Company shall also disclose information it deems to be important for its stakeholders, taking into account the business environment, economic conditions, and industry trends.
- The Company shall strive to disclose information to as many people as possible using various media.
- The Company shall establish Disclosure Rules that set forth the purpose, basic policy, system, activities and other aspects of disclosure, and shall proactively strive to provide disclosure based on those rules.

Internal Reporting System

The T&D Insurance Group has created a Group-wide internal reporting system, the T&D Group Help Line, which is intended to serve as a conduit for reports from any executive or Group employee (including retirees) on instances of illegal behavior and other compliance infractions that may damage the Group's credibility or reputation. The system helps to forestall if possible the occurrence of such events and quickly assess and remedy the situation if not.

Under this system, we have established rules to ensure that no one submitting any such report will be treated in any disadvantageous way because of the report. The system also open the way for people to report matters anonymously through the outside company receiving these reports. We thus endeavor to ensure the effectiveness of the system. We will continue to increase our compliance efforts through the internal reporting system.

Management Organization (as of August 30, 2024)

Board of Directors



Representative Director and Chairman
Hirohisa Uehara

Number of the Company's shares held*1 60,700
Attendance to the Board of Directors' meetings*2 17 / 17

Apr 1984 Joined Taiyo Life
Feb 2005 Director of T&D Asset Management
Apr 2011 Executive Officer of T&D Holdings
Apr 2012 Director of T&D Financial Life
Apr 2014 Executive Officer of Taiyo Life
Jun 2014 Director and Executive Officer of Taiyo Life
Apr 2015 Director and Managing Executive Officer of Taiyo Life
Apr 2016 Director and Senior Managing Executive Officer of Taiyo Life
Apr 2017 Director of Taiyo Life
Apr 2017 Executive Vice President of T&D Holdings
Jun 2017 Director of T&D Financial Life
Jun 2017 Representative Director and Executive Vice President of T&D Holdings
Apr 2018 Representative Director and President of T&D Holdings
Apr 2024 Representative Director and Chairman of T&D Holdings (current)
Jun 2024 Director of Taiyo Life (current)

Significant concurrent positions

Director of Taiyo Life

Reasons for selection

Mr. Hirohisa Uehara has operational experience within the Group including asset investment and sales. In addition, he has previously been in charge of Group Planning at the Company. Following service as Representative Director and President, he is currently serving as Representative Director and Chairman of the Company. He is expected to continue to serve his role in making key management decisions and supervising the execution of operations, leveraging his wealth of knowledge and experience relating to the management of insurance holding companies, insurance companies, etc.



Director (outside director, part-time)
Kensaku Watanabe

Number of the Company's shares held*1 1,300
Attendance to the Board of Directors' meetings*2 17 / 17

Apr 1997 Registered as an Attorney
Apr 1997 Joined Okazaki, Ohashi & Maeda (current Tokei Partners)
Jan 2006 Partner of Tokei Partners (current)
Jun 2016 Audit & Supervisory Board Member of T&D Financial Life
Jun 2020 Director of T&D Holdings (current)
Aug 2023 Director of JDC Corporation (current)

Significant concurrent positions

Attorney

Director of JDC Corporation

Reasons for selection

Mr. Kensaku Watanabe has sophisticated expertise and extensive insight as an attorney at law specialized in corporate legal affairs. He can be expected to capitalize on this knowledge and experience to continue to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.

Although Mr. Kensaku Watanabe has not been engaged in corporate management other than as an outside director and outside audit & supervisory board member, the Company believes that he can perform his duties appropriately as an Outside Director who is not an Audit & Supervisory Committee Member for the reasons above.



Representative Director and President
Masahiko Moriyama

Number of the Company's shares held*1 17,100
Attendance to the Board of Directors' meetings*2 17 / 17

Apr 1989 Joined Daido Life
Apr 2016 Executive Officer of Daido Life
Apr 2019 Managing Executive Officer of Daido Life
Jun 2019 Director and Managing Executive Officer of Daido Life
Apr 2022 Director of Daido Life
Apr 2022 Senior Managing Executive Officer of T&D Holdings
Jun 2022 Director and Senior Managing Executive Officer of T&D Holdings
Oct 2022 Director of All Right
Jun 2023 Representative Director and Senior Managing Executive Officer of T&D Holdings
Apr 2024 Representative Director and President of T&D Holdings (current)

Significant concurrent positions

Reasons for selection

Mr. Masahiko Moriyama has operational experience within the Group including sales, products, planning and systems. In addition, he has previously been in charge of Group Planning at the Company. Following service as Representative Director and Senior Managing Executive Officer, he is currently serving as Representative Director and President of the Company. He is expected to continue to serve his role in making key management decisions and supervising the execution of operations, leveraging his wealth of knowledge and experience relating to the management of insurance holding companies, insurance companies, etc.



Director (outside director, part-time)
Masazumi Kato

Number of the Company's shares held*1 0
Attendance to the Board of Directors' meetings*2 —

Apr 1974 Joined Long-Term Credit Bank of Japan, Limited (current SBI Shinsei Bank, Limited)
Mar 2000 Executive Officer of Long-Term Credit Bank of Japan, Limited
Jun 2004 Managing Executive Officer of Shinsei Bank, Limited
Sep 2005 Senior Managing Executive Officer of Shinsei Bank, Limited
Mar 2008 Director of LIFENET INSURANCE COMPANY
Jun 2008 Representative Executive Officer and Vice President of Shinsei Bank, Limited
Oct 2010 Representative Executive Officer and Vice Chairman of Russell Investments Japan Co., Ltd.
Jan 2013 Representative Director and Vice Chairman of Russell Investments Japan Co., Ltd.
Oct 2023 Representative Director of Russell Investments Japan Co., Ltd.
Jun 2024 Special Advisor of Russell Investments Japan Co., Ltd. (current)
Jun 2024 Director of T&D Holdings (current)

Significant concurrent positions

Reasons for selection

Mr. Masazumi Kato possesses a wealth of knowledge and experience of corporate management, gained from his positions as Representative Executive Officer and Vice President at a bank and Representative Director and Vice Chairman at a foreign-owned asset management company. He can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.



Director and Senior Managing Executive Officer
In charge of Financial Strategy Department and Accounting Department
Hotaka Nagai

Number of the Company's shares held*1 15,600
Attendance to the Board of Directors' meetings*2 14 / 14

Apr 2002 Joined Daido Life
Apr 2015 Executive Officer of T&D Holdings
Apr 2017 Managing Executive Officer of T&D Financial Life
Jun 2017 Director and Managing Executive Officer of T&D Financial Life
Apr 2020 Director and Senior Managing Executive Officer of T&D Financial Life

Jun 2021 Director of T&D Financial Life (current)
Jun 2021 Managing Executive Officer of T&D Holdings
Jun 2022 Director of T&D Asset Management
Jun 2023 Director and Senior Managing Executive Officer of T&D Holdings
Apr 2024 Director and Executive Officer of T&D Holdings (current)
Jun 2024 Director of Daido Life (current)

Significant concurrent positions

Director of Daido Life

Director of T&D Financial Life

Reasons for selection

Mr. Hotaka Nagai has operational experience within the Group including planning and business management. In addition, he has been in charge of the Financial Strategy Department and Accounting Department at the Company. He is expected to continue to serve his role in making key management decisions and supervising the execution of operations, leveraging his wealth of knowledge and experience relating to the management of insurance holding companies, insurance companies, etc.



Director and Managing Executive Officer
In charge of Internal Auditing Department
Yoko Futami

Number of the Company's shares held*1 5,700
Attendance to the Board of Directors' meetings*2 —

Feb 1991 Joined Taiyo Life
Apr 2017 Executive Officer of Taiyo Life
Jun 2018 Director and Executive Officer of Taiyo Life
Apr 2024 Director and Managing Executive Officer of Taiyo Life
Jun 2024 Director and Managing Executive Officer of T&D Holdings (current)

Significant concurrent positions

Reasons for selection

Ms. Yoko Futami has operational experience within the Group including risk management, legal affairs, asset management, and human resources. She has served as Director and Managing Executive Officer at Taiyo Life Insurance Company. She is expected to serve her role in making key management decisions and supervising the execution of operations, leveraging her wealth of knowledge and experience relating to the management of insurance companies.



Director (outside director, part-time)
Kenji Fuma

Number of the Company's shares held*1 0
Attendance to the Board of Directors' meetings*2 —

Apr 2004 Joined Recruit Ablic Inc. (current Recruit Co., Ltd.)
Jul 2013 Representative Director and CEO of Neural, Inc. (current)
Nov 2021 Director of Valence Holdings Inc. (current)
Jul 2022 Adjunct Professor, Shinshu Sustainability Transformation Initiative, Shinshu University (current)
Jun 2024 Director of T&D Holdings (current)

Significant concurrent positions

Representative Director and CEO of Neural, Inc.
Director of Valence Holdings Inc.

Reasons for selection

Mr. Kenji Fuma possesses a wealth of knowledge and experience gained from his position as CEO of a sustainability management and ESG investment advisory company. He can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.

*1 As of March 31, 2024

*2 FY2023

Management Organization (as of August 30, 2024)

Board of Directors



Director (part-time)
Naoki Soejima

Number of the Company's shares held*1 25,310
Attendance to the Board of Directors' meetings*2 17 / 17

Apr 1981 Joined Taiyo Life
Apr 2009 Executive Officer of Taiyo Life
Apr 2011 Managing Executive Officer of Taiyo Life
Jun 2011 Director and Managing Executive Officer of Taiyo Life
Apr 2014 Representative Director and Senior Managing Executive Officer of Taiyo Life

Apr 2016 Representative Director and Executive Vice President of Taiyo Life
Apr 2019 Representative Director and President of Taiyo Life (current)
Jun 2019 Director of T&D Holdings (current)

Significant concurrent positions

Representative Director and President of Taiyo Life

Reasons for selection

Mr. Naoki Soejima has operational experience within the Group including products, planning and sales. He currently serves as Representative Director and President of Taiyo Life Insurance Company. In addition, he currently holds office of Director of the Company. He is expected to continue to serve his role in making key management decisions and supervising the execution of operations, leveraging his wealth of knowledge and experience relating to the management of insurance holding companies, insurance companies, etc.



Director (part-time)
Mutsurou Kitahara

Number of the Company's shares held*1 40,800
Attendance to the Board of Directors' meetings*2 17 / 17

Apr 1982 Joined Daido Life
Apr 2010 Executive Officer of Daido Life
Apr 2013 Managing Executive Officer of Daido Life
Jun 2013 Director and Managing Executive Officer of Daido Life
Apr 2015 Managing Executive Officer of T&D Holdings
Apr 2016 Director and Senior Managing Executive Officer of Daido Life
Apr 2017 Senior Managing Executive Officer of T&D Holdings
Jun 2019 Representative Director and Senior Managing Executive Officer of Daido Life

Apr 2020 Representative Director and Executive Vice President of Daido Life
Apr 2021 Representative Director and President of Daido Life (current)
Jun 2021 Director of T&D Holdings (current)

Significant concurrent positions

Representative Director and President of Daido Life

Reasons for selection

Mr. Mutsurou Kitahara has operational experience within the Group including products, planning and human resources. He is currently serving as Representative Director and President of Daido Life Insurance Company and as Director of the Company. He is expected to continue to serve his role in making key management decisions and supervising the execution of operations, leveraging his wealth of knowledge and experience relating to the management of insurance holding companies, insurance companies, etc.

Directors who are Audit and Supervisory Committee Members



Director (Audit and Supervisory Committee Member (full-time))
Takashi Ikawa

Number of the Company's shares held*1 65,900
Attendance to the Board of Directors' meetings*2 17 / 17
Attendance to Audit and Supervisory Committee meetings*2 19 / 19

Apr 1985 Joined Daido Life
Apr 2012 Executive Officer of Daido Life
Apr 2016 Managing Executive Officer of Daido Life
Jun 2017 Director and Managing Executive Officer of Daido Life
Apr 2020 Managing Executive Officer of T&D Holdings
Apr 2021 Director and Senior Managing Executive Officer of Daido Life
Apr 2021 Senior Managing Executive Officer of T&D Holdings
Jun 2022 Audit & Supervisory Board Member of T&D United Capital (current)
Jun 2022 Director (Audit and Supervisory Committee Member) of T&D Holdings (current)

Significant concurrent positions

Audit & Supervisory Board Member of T&D United Capital

Reasons for selection

Mr. Takashi Ikawa has operational experience within the Group including asset investment and accounting, and he has considerable expertise in finance and accounting. He has been in charge of risk control and internal administration departments. He is expected to continue to serve his role in making key management decisions as well as auditing and supervising the execution of duties of Directors who are not Audit & Supervisory Committee Members, leveraging his wealth of knowledge and experience relating to the operations of insurance holding companies, insurance companies, etc.



Director (Audit and Supervisory Committee Member) (outside director, part-time)
Atsuko Taishido

Number of the Company's shares held*1 0
Attendance to the Board of Directors' meetings*2 15 / 17
Attendance to Audit and Supervisory Committee meetings*2 19 / 19

Oct 2001 Registered as an Attorney
Oct 2001 Joined Mori Sogo Law Offices (current Mori Hamada & Matsumoto)
Jan 2010 Partner of Mori Hamada & Matsumoto (current)
Jun 2015 Auditor of KANDA HOLDINGS Co., Ltd.
Apr 2019 Audit & Supervisory Board Member of Pigeon Corporation (current)
Jun 2022 Director (Audit and Supervisory Committee Member) of T&D Holdings (current)

Significant concurrent positions

Attorney

Audit & Supervisory Board Member of Pigeon Corporation

Reasons for selection

Ms. Atsuko Taishido has sophisticated expertise and extensive insight as an attorney at law specialized in corporate legal affairs. She can be expected to capitalize on this knowledge and experience to continue to serve her role in making key management decisions as well as auditing and supervising the execution of duties of Directors who are not Audit & Supervisory Committee Members from a perspective of protecting general shareholders.

Although Ms. Atsuko Taishido has not been engaged in corporate management other than as an outside director and outside audit & supervisory board member, the Company believes that she can perform his duties appropriately as an Outside Director who is an Audit & Supervisory Committee Member for the reasons above.



Director (Audit and Supervisory Committee Member (full-time))
Takashi Tojo

Number of the Company's shares held*1 15,000
Attendance to the Board of Directors' meetings*2 17 / 17
Attendance to Audit and Supervisory Committee meetings*2 19 / 19

Apr 1986 Joined Taiyo Life
Apr 2017 Executive Officer of Taiyo Life
Apr 2021 Executive Officer of T&D Holdings
Apr 2021 Director of Pet & Family Insurance
Jun 2021 Director of T&D United Capital
Jun 2022 Director (Audit and Supervisory Committee Member) of T&D Holdings (current)

Jun 2024 Audit & Supervisory Board Member of Taiyo Life (current)

Significant concurrent positions

Audit & Supervisory Board Member of Taiyo Life

Reasons for selection

Mr. Takashi Tojo has operational experience within the Group including asset investment and legal affairs, and he has considerable expertise in finance and accounting. He has been in charge of the Risk Control Department. He is expected to continue to serve his role in making key management decisions as well as auditing and supervising the execution of duties of Directors who are not Audit & Supervisory Committee Members, leveraging his wealth of knowledge and experience relating to the operations of insurance holding companies, insurance companies, etc.



Director (Audit and Supervisory Committee Member) (outside director, part-time)
Koji Nitto

Number of the Company's shares held*1 0
Attendance to the Board of Directors' meetings*2 —
Attendance to Audit and Supervisory Committee meetings*2 —

Apr 1983 Joined Tateishi Electric Corporation (current OMRON Corporation)
Jun 2011 Executive Officer of OMRON Corporation
Apr 2013 Managing Executive Officer of OMRON Corporation
Apr 2014 Senior Managing Executive Officer of OMRON Corporation
Jun 2014 Director and Senior Managing Executive Officer of OMRON Corporation
Apr 2017 Director, Senior Managing Executive Officer and CFO of OMRON Corporation
Apr 2023 Director of OMRON Corporation
Jun 2023 Director of Wacoal Holdings Corp. (current)
Jun 2024 Director of GS Yuasa Corporation (current)
Jun 2024 Director (Audit and Supervisory Committee Member) of T&D Holdings (current)

Significant concurrent positions

Director of Wacoal Holdings Corp.

Director of GS Yuasa Corporation

Reasons for selection

Mr. Koji Nitto has wealth of knowledge and experience in corporate management, having served as Director, Senior Managing Executive Officer and CFO at a globally operating company listed on the Tokyo Stock Exchange Prime Sector. Additionally, he has considerable expertise in finance and accounting. He can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions as well as auditing and supervising the execution of duties of Directors who are not Audit & Supervisory Committee Members from a perspective of protecting general shareholders.



Director (Audit and Supervisory Committee Member) (outside director, part-time)
Shinnosuke Yamada

Number of the Company's shares held*1 2,200
Attendance to the Board of Directors' meetings*2 17 / 17
Attendance to Audit and Supervisory Committee meetings*2 19 / 19

Oct 1983 Joined Asahi Accounting Company (current KPMG AZSA LLC)
Mar 1987 Registered as a Certified Public Accountant
Jul 2010 Partner of KPMG AZSA LLC
Jul 2010 Executive Board Member of The Japanese Institute of Certified Public Accountants
Jun 2020 Director (Audit and Supervisory Committee Member) of T&D Holdings (current)

Dec 2021 Audit and Supervisory Board Member of RAKUTEN BANK, LTD. (current)

Significant concurrent positions

Certified public accountant

Audit & Supervisory Board Member of RAKUTEN BANK LTD.

Reasons for selection

Mr. Shinnosuke Yamada has sophisticated expertise and extensive insight as a certified public accountant. He can be expected to capitalize on this knowledge and experience to continue to serve his role in making key management decisions as well as auditing and supervising the execution of duties of Directors who are not Audit & Supervisory Committee Members from a perspective of protecting general shareholders.

Although Mr. Shinnosuke Yamada has not been engaged in corporate management other than as an outside director and outside audit & supervisory board member, the Company believes that he can perform his duties appropriately as an Outside Director who is an Audit & Supervisory Committee Member for the reasons above.

*1 As of March 31, 2024

*2 FY2023

Interview with the Chair of the Nomination and Compensation Committee

Kensaku Watanabe, an Outside Director who has been the chair of the Nomination and Compensation Committee since earlier this year, was interviewed about the process of electing the new president, key points of the discussions of the committee and his hopes regarding the new president and the new management team.

Q | First, what has the Nomination and Compensation Committee been doing and what roles does it play, in your view? Have there been any particularly memorable discussions?

I became an outside director of T&D Holdings in June 2020. Since then, I have been taking part in the deliberations of the Nomination and Compensation Committee as one of its members. The Nomination and Compensation Committee discusses the election of the officers of T&D Holdings and Group companies and the fairness and appropriateness of the compensation provided to them. During FY2023, we met 14 times and spent a lot of time on personnel affairs related to officers in particular.

The guidelines for the election of a new T&D Holdings president in the Internal Rules on Presidential Successor Plan have provisions regarding the qualities and capabilities that are required of a president. Based on these guidelines, we discussed whether or not specific individuals had the ability to manage the organization, were oriented towards innovation and had other qualities. T&D Holdings has been studying a successor development plan since Hirohisa Uehara, who is currently the chairman of T&D Holdings, became president. Since I was appointed to be a Nomination and Compensation Committee member, we have selected a number of successor candidates from a medium- and long-term perspective and performed annual assessments in view of the state of training and their achievements in the past twelve months. Through this process, the Nomination and Compensation Committee deliberated, ultimately deciding to nominate Masahiko Moriyama for president.

In considering the nomination of the representative directors of operating companies which play a significant role in increasing the Group's corporate value, each committee member expressed their views and engaged in extensive discussions, during both initial appointments and reappointments. The Nomination and Compensation Committee is a discussion body whose significance lies in the reporting of the details of its discussions to the Board of Directors. In some cases, we respected the comments of individual members and reported them exactly to the Board of Directors.



Kensaku Watanabe, an Outside Director

Biography: He registered as an attorney at law in April 1997 and has been a partner of Tokei Partners since January 2006. In June 2016, he was appointed to be an Audit & Supervisory Board member of T&D Financial Life. Since June 2020, he has been a director of T&D Holdings. Since August 2023, he has also been a director of JDC Corporation.

Q | What do you expect from the new president, Masahiko Moriyama?

We discussed two points regarding the election of the new president. One was the stable continuation of the management of the Group. The other was our hopes for the realization of new management for the Group. The new president is passionate and able to lead. I believe he will be able to think about the Group's growth from a long-term perspective looking 10 or 15 years into the future.

For the Group's next long-term vision, it is important that the new leader draws a picture of the future. He has experience in the management of the Group as an officer in charge of the Group Planning Department. I hope that he will put this experience to good use as he demonstrates leadership in advancing our new Group management structure with a greater focus on growth.

We will be working to advance the Group's capital management, increase the shared use of systems and standardize paperwork. I expect that a wide variety of opinions will emerge within the Group, but I hope that his strong leadership will accelerate individual measures and increase the Group's value. As for the management of core personnel within the Group, it is important that we select people with great abilities who are the most appropriate people for

Interview with the Chair of the Nomination and Compensation Committee

the Group without being restricted by the company they belong to. I hope that personnel affairs will be implemented from the perspective of what is optimal for the Group as I mentioned, and the Nomination and Compensation Committee will closely monitor this matter.

Q | In your view, is the T&D Group's governance advancing?

Yes, it is advancing. However, there is no complete form of governance. There is no goal. We need to be always aware of issues and continuously seek the best governance. The outside directors have very important roles to play in this. We discuss the things that we should do to express our unreserved opinions and continually improve governance with the awareness that we have been selected from the market as the outside directors of T&D Holdings. Newly appointed outside directors provide insight and suggestions based on their expertise and careers. It is expected that they stimulate discussions from a broader perspective.

To ensure that the outside directors play these roles, it is important that they collaborate with the administrative office that supports their activities. The activities of the Group's office include planning training for outside directors, arranging opportunities for informal discussion, and incorporating opinions or issues raised during the pre-briefings given to outside directors into the materials and explanations for Board of Directors meetings. These activities support the outside directors' performance of their duties. We will always discuss how to improve the relationship with the office and seek to do so.

Q | Now that you have become the chair of the Nomination and Compensation Committee, how do you plan to fulfill your duties?

For the Group's growth, it is vital that all of the personnel of the Group increase their awareness of the achievement of growth in the capital market as members of a publicly listed corporate group. In my view, investor relations activities inside the Group support development of this awareness. Increasing every employee's awareness as a member of a publicly listed corporate group will have some effect on their stance, mindset and behaviors in their everyday operations. Finally, it will construct a foundation for the Group's development. I will monitor these measures as well as the changes in mindsets of the Group's staff.

The Group's Nomination and Compensation Committee has a high percentage of outside directors, enabling the committee to operate in a way that makes it easy for us to speak

frankly. We hope to maintain this culture going forward. Two newly appointed outside directors have recently joined the committee. I will do my best to manage discussions to ensure that insights are provided from new points of view, that the deliberations reflect more diverse viewpoints, and ultimately that our useful opinions and deliberative output are presented to the Board of Directors, benefitting the Group.

Q | What personnel or skills are necessary for the T&D Holdings Board of Directors?

While it is centered on its core life insurance business, the Group operates many different businesses, including investment, asset management, non-life insurance and digital customer base establishment businesses. We need people that are capable of discussing each of these various businesses. However, the Group is a publicly listed corporate group in the life insurance sector, which means the Group's stakeholders are incredibly diverse, encompassing not only policyholders, agencies, business partners and employees but also shareholders and local communities. We must achieve growth by resolving social issues. Therefore, I believe we need people who can provide insight from the perspectives of our diverse stakeholders.

The people that we need vary depending on the circumstances surrounding the Group, the specific moment in time and the strategy. I believe that in the process of formulating the Group's next long-term vision, we should reexamine the expertise that will be needed for the realization of the Group's future growth strategy in consideration of the accelerating changes of the times.

Q | How do you plan to use your career as an attorney in your position as an outside director?

As an attorney, I am often involved in business revitalization. I have been inside companies many times working with their employees on the corporate reorganization procedures for restructuring their businesses. In these times, my experience has been that it is the morale and eagerness of individual people that drives the reconstruction of corporate value. Participating in the procedures for rebuilding companies in crisis permitted me to have these experiences, but I believe that even in normal times, the driving force behind corporate growth is the motivation of each individual employee to do their job and the motivation of the Group as a whole to work toward a common goal, such as resolving social issues. I will closely monitor the Group to ensure that we provide our employees with a fulfilling environment that enables this.

Messages from New Directors

The four new board members, both inside and outside the Company, who were appointed to the board in FY2024, shared their aspirations and their views on how they intend to contribute to the enhancement of our Group's corporate value and the challenges they face.



Carrying out integrated Group management to increase corporate value

Yoko Futami, Director and Managing Executive Officer

The T&D Insurance Group has been working to increase its corporate value to realize the Group Long-Term Vision formulated in 2021 with a focus on the improvement of capital efficiency.

In 1991, I joined Taiyo Life Insurance Company, a life insurance company in the Group. I have been diligently working on matters leading to the enhancement of the Group's corporate value, particularly on the improvement of corporate governance, compliance and risk management, diversity, equity and inclusion (DE&I), the implementation of work style reforms and the development of a good customer-oriented corporate culture. In the past, my duties were to directly implement the businesses at subsidiaries. Now as the director of the holding company that is in charge of internal auditing and as the Group's Chief Audit Executive (CAE), I will strengthen the system for monitoring Group companies to increase the effectiveness of auditing. Through this, I will develop the Group's collaboration structure towards the realization of the Group Long-Term Vision.

In 2024, T&D Holdings celebrates the 20th anniversary of its establishment and it will carry out initiatives to create Group synergy. One of them is increasing the sophistication of the Group's internal auditing functions. Specifically, we will concentrate audit planning and quality management functions within the holding company to implement uniform auditing operations across the Group with the goals of sharing and disseminating the internal auditing mission, improving the quality of the auditing at individual companies and enhancing Group governance.

I will continue to push ahead with the integrated management of the Group so that the Group will work in concert to solve problems, increasing corporate value. I will endeavor to make sure that the Group will continue to be selected by customers and financial markets.



Contributing to growth from the perspectives of a business manager and an investor

Masazumi Kato, Outside Director

For a long time, I have been working in the financial sector and engaged in the management of different types of business: banking, securities and asset management. I also have experience working for publicly listed companies, foreign companies, companies controlled by investment funds and other different types of organizations. I hope to contribute to the future development of T&D Holdings from two perspectives. One is my experience in the management of financial institutions, and the other is that of the investors in an asset management firm.

In the T&D Insurance Group, there are life insurance companies with different strengths that compete in good ways. The Group has thus constructed a unique business model. Additionally, the Group is one of the first to embark on new business such as the closed book business and it is steadily establishing a foothold and making positive steps towards growth. I feel that these actions are driven by our "Try & Discover" motto.

In Japan, the population is aging, the birthrate is declining and in the life insurance business, competition is intensifying. The circumstances surrounding life insurance businesses in Japan do not warrant optimism. We will increase our differentiation, carry out the effective integrated Group management that is currently underway as well as human capital management and advance the establishment of a new corporate culture within the Group. I will serve the Group as it evolves into a remarkable and distinctive Japanese insurance company in the era of the 100-year lifespan.

Messages from New Directors



Proactively addressing the long-term changes in the macroeconomic environment

Kenji Fuma, Outside Director

I founded an ESG advisory services company in 2013. This is the 12th year it has been operating. These days, I am also serving as a specialist member on the committees of several government ministries and agencies regarding sustainability-related policies. As an adjunct professor of Shinshu University (Shinshu Sustainability Transformation Initiative), I am working to develop curricula and carry out a business-academia collaboration project with a focus on local ESG activities. In addition, I am a director of the Japan branch of an international non-governmental organization and a Japanese incorporated association. In both posts, my duties are to develop strategies in individual areas related to sustainability and to strengthen governance.

I have served in several positions and closely watched the circumstances surrounding businesses from multiple perspectives. I feel that the ESG environment surrounding Japan's publicly listed companies and institutional investors has drastically changed over the past 11 years. In particular, all stakeholders have high expectations that asset owners will correctly understand the systemic financial risks that surround sustainability and appropriately engage with portfolio companies, insured parties, beneficiaries and policymakers.

The T&D Insurance Group has three core insurance companies and there are two sides to its business. One is it being a publicly listed company, and the other is being an asset owner. It also has an asset management company, a reinsurance company, a venture capital business and other businesses. The roles that it plays in society are significant. In a human society where sustainability is threatened, I believe it is important for the Group to address systemic risks and achieve long-term growth while living up to the high expectations of our stakeholders. I believe that personnel development, the improvement of capital efficiency and the enhancement of asset management will be particularly important.

With its diverse composition, the T&D Insurance Group's Board of Directors fosters an atmosphere encouraging lively and open discussion. Going forward, I will double my efforts to develop a clear understanding of our diverse stakeholders' expectations and proactively address the long-term changes in the macroeconomic environment.



Continue to practice "Try & Discover" to achieve what you really want to be

Koji Nitto, Outside Director and Audit and Supervisory Committee Member

Until June 2023, I worked for OMRON Corporation, the main businesses of which include industrial automation, health care and social systems. As Director, Senior Managing Executive Officer, Chief Financial Officer and Senior General Manager, Global Strategy Headquarters I executed corporate strategies, including corporate philosophy-driven management, ROIC-focused management, and the promotion of sustainability to increase corporate value.

The price book-value ratios (PBR) of many Japanese companies are below 1.0, which indicates that their value is lower than their liquidation value. In this situation, they are under increasing pressure from stakeholders to accelerate their efforts to increase their corporate value. After leaving OMRON, I leveraged my experience to serve as an outside director for Wacoal Holdings Corporation, provide advice on ROIC-focused management and portfolio management to a large number of companies and provide other support to increase corporate value. The PBR of T&D Holdings is hovering around 1.0, and the Company understands that it is necessary to increase corporate value.

Corporate value should be increased from a medium- and long-term perspective, not a short-term one. The Corporate Philosophy (the Purpose) is important for achieving the increase of corporate value, and it is important to act to fulfill the Purpose. The T&D Insurance Group has a great Corporate Philosophy that it can be proud of. It reads, "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." We should not maintain this as merely a slogan. We will clarify the gap between what we are like and what we want to be like, and we will resolutely strive to narrow and eliminate this gap to truly achieve what we want to be. I suspect this gap is wide, but I believe that if we continue to practice Try & Discover we will be able to become a corporate group that achieves both profitability and growth and that is truly needed in society.

As an outside director, I will utilize the extensive knowledge that I have accumulated to be as much help as possible in enabling the growth of the Group's corporate value.

Stakeholder Engagement

The Group proactively engages in dialogues with all of its stakeholders as set out in the T&D Insurance Group CSR Charter (see “4. Communication”). By taking every possible opportunity to interact, the Company and each Group company collect the opinions of policyholders, sales agents, and other stakeholders and apply them to their respective business management.

	Means of Interaction	Stakeholder Relations																		
Shareholders and Investors	<ul style="list-style-type: none">• Shareholders' Meetings• Financial results briefings• One-on-one meetings for institutional investors• Publication of shareholder newsletters, etc.	<p>T&D Holdings conducts highly communicative investor relations (IR) activities based on the principle that its top management is responsible for all IR statements. In addition to regular financial results meetings for institutional investors and analysts, the Company holds briefings with a focus on themes that include closed book business and ESG. The Company holds one-on-one meetings with investors in Japan and overseas, and broadly shares views obtained through dialogues with the management and employees of the Group. The Company also publishes corporate information in a timely manner through its IR website and has been rated highly by external assessment organizations.</p> <p>Activities conducted in FY2023</p> <table><tr><th>Event</th><th>Frequency</th><th>Outline</th></tr><tr><td>Financial results conference calls</td><td>Four times</td><td>General Manager in charge of IR provided an overview of the financial results.</td></tr><tr><td>IR Meetings</td><td>Two times</td><td>The president explained the progress on the Group Long-Term Vision</td></tr><tr><td>IR DAY</td><td>Three times</td><td>1) The presidents of Taiyo Life and Daido Life explained their respective business strategies. 2) The CEO of Fortitude, a company we are investing in, talked about the closed book business 3) The officer in charge explained our ESG activities based on the integrated report.</td></tr><tr><td>Presentations for individual investors</td><td>Two times</td><td>Conducted both online and in-person by IR responsible officer.</td></tr><tr><td>Conferences sponsored by securities firms</td><td>Three times</td><td>One-on-one meetings were held between the IR responsible officer and other management-level personnel and participants</td></tr></table> <p>Number of interviews conducted Total 310 companies Number of interviews conducted by officers: 132 companies Number of interviews conducted by IR departments: 178 companies</p> <p>Main contents of dialogue Our top executives and other members of the management team, as well as our IR department, have actively communicated with shareholders and investors both domestically and internationally through various briefings and one-on-one meetings and have consequently received a wealth of feedback from our shareholders and investors. We report this feedback to the Board of Directors and other bodies and incorporate it into various measures for fiscal 2023, including measures to reduce asset management risks including the reduction of strategic shareholding. We continue to hold IR Day events that focus on themes of particular interest to our shareholders and investors, and based on the feedback received, we are intensifying our disclosure efforts primarily in the following areas.</p> <ul style="list-style-type: none">• Our understanding of the issues for improving the P/EV ratio• The current state of the closed book business including the state of the management of Fortitude and policies for future initiatives• Policy for reducing asset management risks centering on interest rate risks and equity risks• State of implementation of the integrated Group management and issues to be considered• Strengths of major subsidiaries' businesses in the face of the expected shrinkage of the life insurance market in Japan• Disclosing sensitivity to interest rates after the revision of the ESR calculation methods and the impact of the increase in interest rates in Japan on EV and insurance business results <p>* Results current as of the IR Meeting held in May 2024</p> <p>Evaluations by External Assessment Organizations</p> <ul style="list-style-type: none">• 2023 Internet IR Award (Daiwa Investor Relations Co. Ltd.) Evaluated 4,048 listed companies* Selected as one of 144 winners of the Commendation Award• FY2023 All Japanese Listed Companies' Website Ranking Survey (Nikko Investor Relations Co., Ltd.) Evaluated all 3,970 listed companies* Selected as one of 203 companies with grade AAA websites in the Overall Ranking for seven consecutive years <p>* The number of evaluated companies differs depending on the timing of surveys, etc.</p>	Event	Frequency	Outline	Financial results conference calls	Four times	General Manager in charge of IR provided an overview of the financial results.	IR Meetings	Two times	The president explained the progress on the Group Long-Term Vision	IR DAY	Three times	1) The presidents of Taiyo Life and Daido Life explained their respective business strategies. 2) The CEO of Fortitude, a company we are investing in, talked about the closed book business 3) The officer in charge explained our ESG activities based on the integrated report.	Presentations for individual investors	Two times	Conducted both online and in-person by IR responsible officer.	Conferences sponsored by securities firms	Three times	One-on-one meetings were held between the IR responsible officer and other management-level personnel and participants
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Stakeholder Engagement

	Means of Interaction	Stakeholder Relations
Customers	<ul style="list-style-type: none"> • Customer feedback • Customer surveys • Customer meetings • Service Quality Improvement Committee • Service Supervision Committee, etc. 	The Group has set up many points of contact with its customers, including sales representatives, agents, call centers and the Internet, as well as a new policy procedures survey that focuses on the attitudes of sales representatives and the understandability of application forms and other documents and customer satisfaction surveys, giving the Group access to a wide range of customer feedback. A committee has also been established to improve customer satisfaction, and the Group incorporates the opinions of outside committee members, including attorneys and experts in consumer issues, in its management.
Employees	<ul style="list-style-type: none"> • Education and training • Human rights training • Group IR Activities • Employee awareness surveys • Dialogues and consultations with labor unions • An internal reporting system, etc. 	Education and training are provided through on-the-job training and group training, and through support for self-education efforts. The Group also conducts human rights awareness training that addresses discrimination, harassment and other issues as a way of deepening employees' understanding of the importance of respecting human rights. Awareness surveys are conducted to collect information on employee opinions and requests regarding job satisfaction and enhancing motivation. Through dialogues with its labor unions, the Group has an opportunity to discuss a wide range of subjects, including management policies, wages, working hours, leave, human resource systems and benefits.
Agents and Tie-up Organizations	<ul style="list-style-type: none"> • Training programs • Business partner meetings • Proposal of welfare systems for companies and organizations, and other services 	High-quality support is provided for agents by giving sales agents their own e-learning materials to help them acquire broad knowledge on the compliance and insurance business, as well as by conducting training for sales staff mainly to enhance sales skills and improve presentation skills. In addition, business reporting meetings are held with tie-up organizations and agents to report the latest business developments and to hear their views on the Group's business operations.
Protecting the Environment and Contributing to Local Communities	<ul style="list-style-type: none"> • The UN Global Compact (UNGC) • Principles for Financial Action for the 21st Century • Global Environment Information Forum, Japan • Support for the Japan Down Syndrome Society • Implementing Forests of Taiyo Life activities • Supporting activities by The Nature Conservation Society of Japan, etc. 	The Group participates in the UN Global Compact, Principles for Financial Action for the 21st Century, and other initiatives. It also exchanges views in a wide range of areas through study groups and dialogues with participating companies. Furthermore, the Group has opportunities to understand stakeholders' expectations toward enterprises and to explore possibilities for the Group's contribution through support for and participation in the activities of NPOs active in each field.

TOPICS

Strengthening IR Activities within the Group –Group IR–

Since fiscal 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.

Main Activity 1 Group internal IR Meetings

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

Main Activity 2 Small meetings

Our management team held dialogue-based small meetings with managers from the Group head office and branches. In fiscal 2023, we focused on two-way dialogue and discussed what to do to become a stronger Group in the future. Our management team explained the purpose and significance of the Group being a public company, the Group's issues as seen from the perspective of the market, the concept behind the Group Long-Term Vision and other matters, and participants voiced various opinions about the Group's issues from a working-level perspective and the hopes they have for the Group Long-Term Vision, etc.

■ Results for FY2023

Participants **670** Events held **69**



Scenes from a small meeting

Main Activity 3 Publication of Group IR Newsletter

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



Main Activity 4 Briefing for all group executives and employees

Through the use of video and "T&D TALK," we conduct briefings (delivered via video) for all employees, including sales representatives, and also revitalize the employee stock ownership plan.



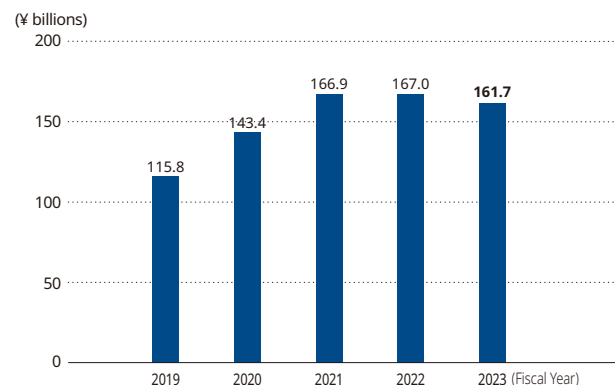
Corporate Data

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Financial Highlights

Key Performance Indicators

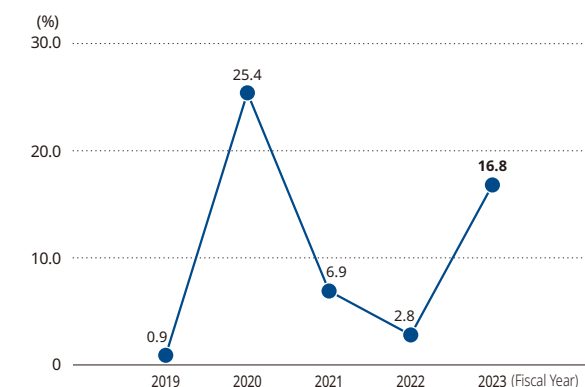
Value of New Business



* The ultimate forward rate (UFR) has been changed from the end of March 2023; UFR: from 3.8% to 2.9%, start year in extrapolation: from 31 year to 41 year, convergence year: from 60 years to 70 years.

For fiscal 2023, the value of new business decreased year on year to 161.7 billion yen, reflecting a decline in sales via Taiyo Life's agent channel and a decrease in reaction to the rise in medical needs.

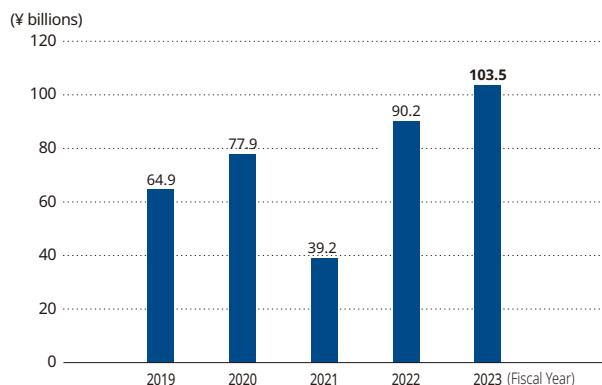
ROEV*



* ROEV = Amount of EV increase or decrease (excluding increases or decreases in capital, etc.) ÷ Average EV balance (Base excluding valuation gains/losses, etc. related to Fortitude)

For fiscal 2023, ROEV stood at 16.8%. While there were changes in economic circumstances, the average during the three-year period of the Long-Term Vision (from fiscal 2021 to fiscal 2023) stood at 8.8%.

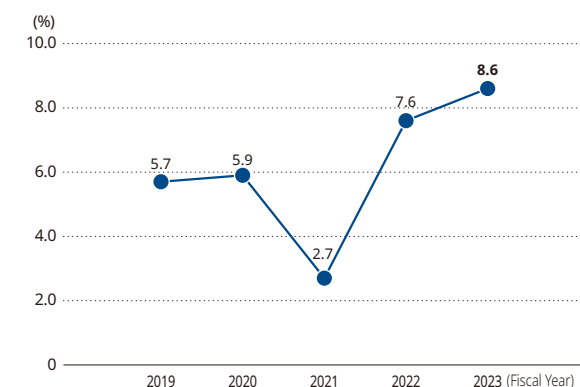
Group Adjusted Profit*



* Group adjusted profit = Net income - gains or losses without the actual business conditions resulting from market fluctuations, etc. on accounting + additional internal reserves in excess of the legal standard requirements

For fiscal 2023, the Group adjusted profit increased year on year to 103.5 billion yen, chiefly following the improvements in the insurance bottom line due mainly to a decrease in payments related to COVID-19 in the life insurance business in Japan.

Adjusted ROE*

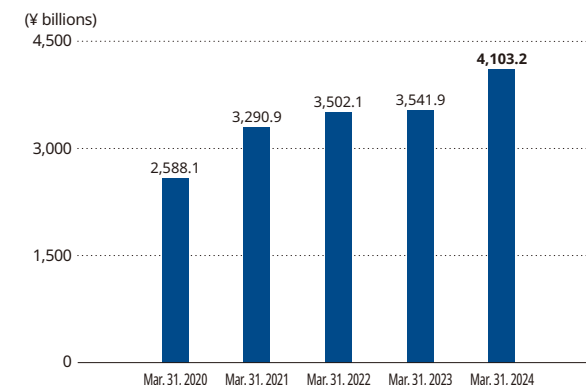


* Adjusted ROE = Group adjusted profit / Average net asset balance

Various initiatives aimed at improving capital efficiency led to an adjusted ROE of 8.6% for FY2023, marking an increase from 5.9% prior to the initiation of the Group Long-term Vision.

Corporate Value

Group MCEV



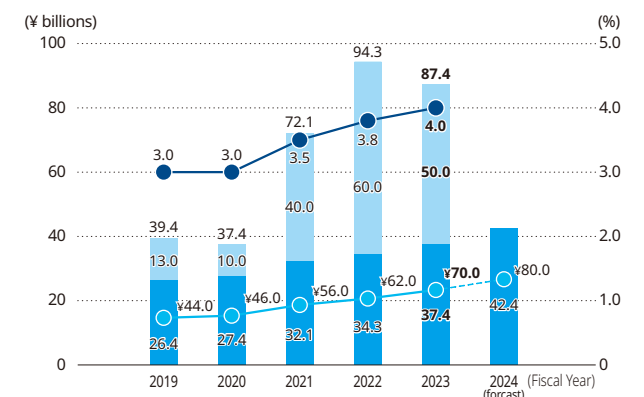
*1 Base excluding valuation gains/losses, etc. related to Fortitude

*2 The ultimate forward rate (UFR) has been changed from the end of March 2023; UFR: from 3.8% to 2.9%, start year in extrapolation: from 31 year to 41 year, convergence year: from 60 years to 70 years.

Group MCEV increased 561.2 billion yen from the end of the previous fiscal year to 4,103.2 billion yen. This is mainly due to an increase in the value of new business, rising stock prices in domestic and foreign markets and the increase of domestic interest rates.

Shareholder Return

Total Shareholder Return + Adjusted DOE*



■ Cash dividend (left) ■ Share buyback (left) ● 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)

We decided to implement a share buyback of 50 billion yen in fiscal 2023. For fiscal 2024, the dividend per share is projected to rise 10 yen to 80 yen. This means that the dividend will increase for the 10th consecutive year.

Financial Highlights

Consolidated Results of Operations

In the fiscal year ended March 31, 2024, ordinary profit and net income jumped hugely year on year. This is due to a reaction to a large temporary valuation loss recorded in the previous fiscal year related to a foreign reinsurance affiliated company ("Fortitude") on accounting resulting from an increase in the U.S. interest rate.

Group adjusted profit surpassed the 100 billion yen mark for the first time since the Group began disclosing this figure in fiscal 2020, hitting a record high. This is due mainly to an increase in investment earnings despite adverse factors such as an increase in currency hedging costs and a decrease in TDUC's adjusted profit.

For the fiscal year ending March 31, 2025, net income is forecast to be 104.0 billion yen and Group adjusted profit is forecast to be 117.0 billion yen.

Fiscal 2024 Full-year Earnings Forecasts* [Consolidated and Three Life Insurance Companies]

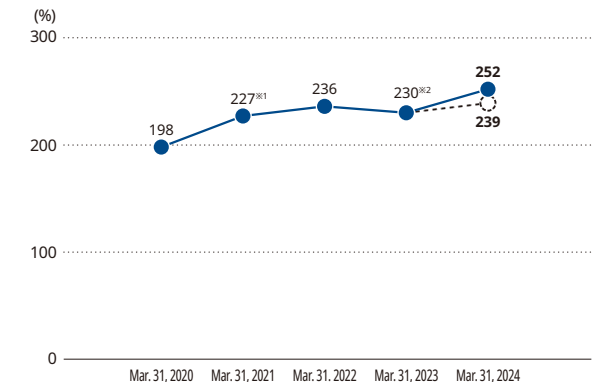
(¥ billions)

	T&D Holdings		Taiyo Life		Daido Life		T&D Financial Life	
	Fiscal 2023 (actual)	Fiscal 2024 (forecasts)	Fiscal 2023 (actual)	Fiscal 2024 (forecasts)	Fiscal 2023 (actual)	Fiscal 2024 (forecasts)	Fiscal 2023 (actual)	Fiscal 2024 (forecasts)
Ordinary revenues	3,207.9	2,560.0	989.2	930.0	1,183.7	1,090.0	1,028.2	660.0
Ordinary profit	159.8	180.0	55.3	78.0	101.6	103.0	7.3	4.0
Net income	98.7	104.0	38.9	43.0	60.9	62.0	4.8	2.0
Group Adjusted Profit	103.5	117.0	38.9	43.0	60.9	62.0	1.3	2.0
Income from insurance premiums			702.8	570.0	843.7	850.0	917.5	630.0
Core profit			40.7	40.0	86.5	81.0	(1.4)	3.0
Positive spread			19.5	23.0	20.9	27.0	(1.0)	1.0

* Disclosed on May 15, 2024.

Financial Soundness

■ ESR



● Former standard ○ New standard

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

*2 The ultimate forward rate (UFR) has been changed the end of March 2023; UFR: from 3.8% to 2.9%, start year in extrapolation: from 31 year to 41 year, convergence year: from 60 years to 70 years.

As of the end of March 2024, ESR has risen by 22 percentage points from the end of March 2023, to 252% (under the former standard), due mainly to a rise in domestic and foreign stock prices and acquisition of new contracts. The ESR after the revision of the internal model stood at 239% (under the new standard).

■ Rating / Solvency Margin Ratio

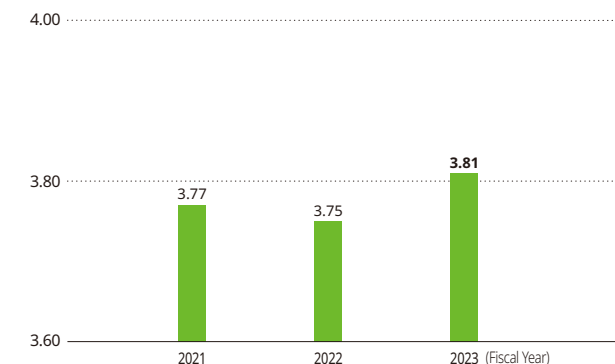
	Rating Agencies			Solvency margin ratio
	Japan Credit Rating Agency, Ltd. (JCR)	Rating and Investment Information, Inc. (R&I)	Standard & Poor's (S&P)	
T&D Holdings	AA	—	—	995.7%
Taiyo Life	AA	AA-	A	716.2%
Daido Life	AA	AA-	A	1,193.5%
T&D Financial Life	AA	AA-	—	567.6%

* Rating is as of April 25, 2024. T&D Holdings has a long-term issuer rating. Three life insurance companies have claim-paying ability ratings.

* The solvency margin ratio figures is as of March 31, 2024. The financial soundness of the individual companies is sufficient.

Non-financial Highlights

Employee engagement score



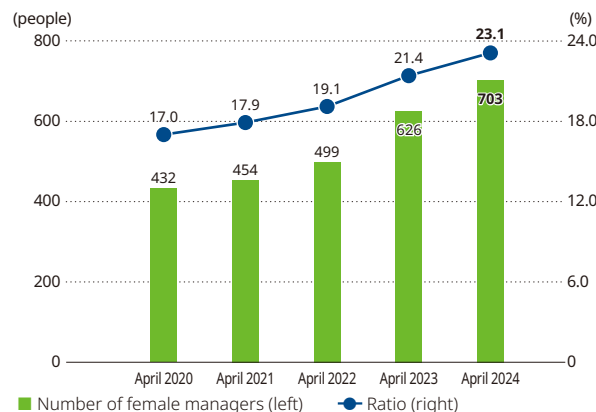
* For fiscal 2021, the scope included T&D Holdings and three life insurance companies. From fiscal 2022 onwards, the scope includes T&D Holdings and its direct subsidiaries (Taiyo Life, Daido Life, TDF, TDAM and P&F).

* Five rated evaluation

The T&D Group conducts an employee engagement score survey once a year. The findings are used to identify issues faced by organizations and to measure the effects of individual human resources measures. The score for fiscal 2023 improved from the previous year.

▶ P. 28

Ratio/number of female managers



*1 Until April 2022, the three life insurance companies were within the scope of this survey. From April 2023 onwards, T&D Holdings and its direct subsidiaries (Taiyo Life, Daido Life, TDF, TDAM and P&F) are within the scope of the survey.

*2 The figure including junior managers is calculated with a view toward the systematic and gradual development of female management executives.

As of April 1, 2024, the ratio of female managers stood at 23.1%. The figure steadily rose towards meeting the goals of 25% or more by 2027 and 30% or more by 2030.

Customer satisfaction (Assessments of the policies of the three life insurance companies on customer-oriented operations)

	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Taiyo Life	91.8%	91.9%	91.6%	91.4%
Daido Life	82.3%	81.1%	79.0%	85.0%
TDF Life	72.8%	75.8%	76.7%	79.2%

*3 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."

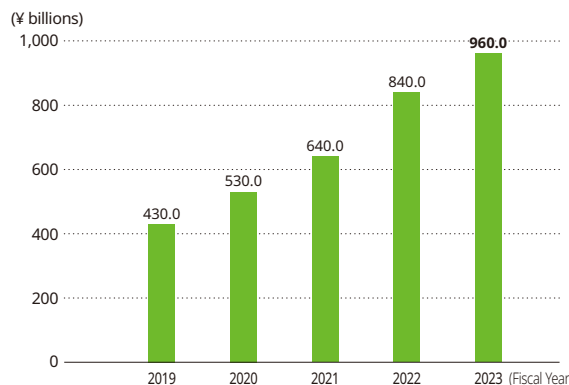
TDF Life: Five levels - "satisfied," "mostly satisfied," "average," "somewhat unsatisfied," and "unsatisfied." Aggregate the total of "satisfied" and "mostly satisfied."

The Group attaches importance to ease of understanding for customers and strives to provide services customers can trust. Taking into account factors such as the results of the customer satisfaction survey and adaptation to changes in the social environment, the Group works tirelessly to provide highly convenient services and improve its business processes, aiming to be a Group that provides customers with peace of mind and earns their trust.

T&D Insurance Group Basic Policy on Customer-oriented Business Operations (Japanese)

https://www.td-holdings.co.jp/information/business_operations.php

ESG-themed investment and financing

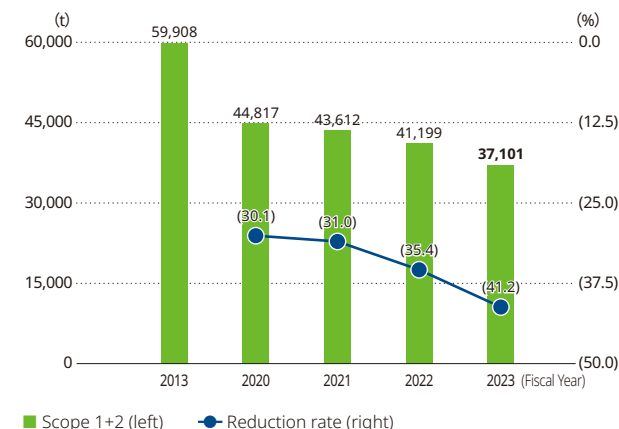


ESG themed investment and financing expanded to 960 billion yen in fiscal 2023. Carry out investment and financing activities that contribute to the creation of a sustainable society in consideration of ESG issues. Steadily build up thematic investments and financing based on an assessment of the profitability and risks of individual investment projects.



For more data including data about initiatives addressing working conditions and the environment, refer to the Sustainability Library at:
<https://www.td-holdings.co.jp/en/csr/library.php>

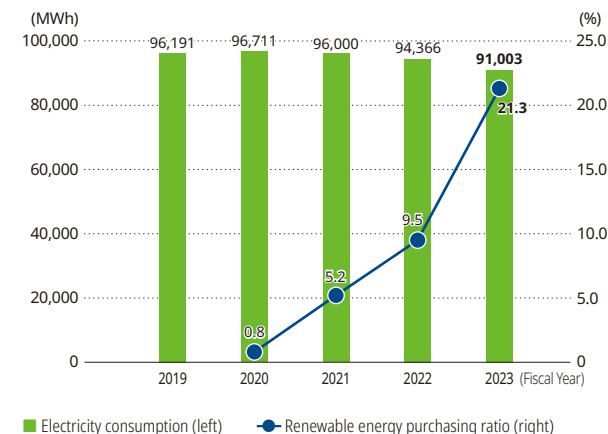
CO₂ emissions volume and reduction rate



■ Scope 1+2 (left) ● Reduction rate (right)

The CO₂ emissions reductions rate vs. the fiscal 2013 level reached 41.2%, already surpassing the fiscal 2025 goal of 40%. We will continue our efforts to reduce CO₂ emissions, including our reduction of electricity consumption, by setting reduction targets and accelerating the introduction of renewable energy with a view toward meeting the fiscal 2030 target of a 70% reduction.

Electricity consumption/renewable energy purchasing ratio



■ Electricity consumption (left) ● Renewable energy purchasing ratio (right)

The renewable energy purchasing ratio in fiscal 2023 was 21.3%. In April 2023, T&D Holdings, Taiyo Life, Daido Life and T&D Financial Life achieved 100% of the power consumed at their head office buildings being electricity derived from renewable sources of energy.

Selected Financial Data

T&D HOLDINGS Consolidated Statements of Income

(¥ millions)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021 ^(※2)	2022	2023	2024
Statement of Operation Data											
Ordinary revenues	2,085,734	2,412,165	2,025,925	1,975,784	1,928,359	2,140,162	2,197,928	2,360,470	2,614,377	3,214,110	3,207,991
Income from insurance premiums	1,609,732	1,958,055	1,574,506	1,505,234	1,483,719	1,676,184	1,753,508	1,783,369	1,781,952	2,178,203	2,474,555
Investment income	397,818	384,223	379,707	402,709	372,753	393,901	369,419	453,706	476,904	500,793	642,076
Other ordinary income	78,146	69,847	71,665	67,838	71,813	70,076	75,001	73,963	338,770	535,113	91,359
Equity in earnings of affiliates	37	38	46	1	72	—	—	49,431	16,749	—	—
Ordinary expenses	1,899,510	2,223,222	1,854,490	1,818,556	1,771,884	1,993,213	2,072,506	2,185,820	2,557,348	3,288,255	3,048,182
Insurance claims and other payments	1,520,988	1,401,534	1,302,899	1,160,357	1,146,175	1,141,636	1,193,510	1,308,157	2,174,187	2,547,969	2,165,126
Provision for policy and other reserves	22,597	485,139	194,387	259,134	262,894	469,615	431,011	484,929	1,945	2,902	246,726
Investment expenses	86,680	66,427	77,477	130,277	96,288	112,285	164,819	110,235	82,332	191,076	305,210
Operating expenses	197,655	199,435	198,999	197,600	202,366	201,563	212,453	214,509	229,279	251,301	250,726
Other ordinary expenses	71,588	70,686	80,727	71,186	64,159	68,086	70,424	67,988	69,602	77,621	77,994
Equity in losses of affiliates	—	—	—	—	—	24	287	—	—	217,383	2,397
Ordinary profit	186,224	188,943	171,434	157,227	156,475	146,949	125,422	174,649	57,029	(74,144)	159,809
Net extraordinary gains (losses)	(30,736)	(8,105)	(29,274)	(35,067)	(16,485)	(17,890)	(6,055)	(12,591)	(9,816)	(7,449)	320
Provision for reserve for policyholder dividends	31,638	32,555	31,920	25,374	30,331	27,144	21,883	24,429	24,284	22,378	25,050
Income before income taxes	123,849	148,281	110,239	96,786	109,657	101,915	97,483	137,628	22,928	(103,972)	135,080
Income taxes (current)	48,113	44,147	46,075	33,316	34,106	32,383	31,768	28,969	3,730	34,605	34,048
Income taxes (deferred)	(3,402)	9,755	(8,561)	(11,895)	(2,044)	(3,316)	(1,425)	(744)	4,779	(6,806)	990
Total income taxes	44,711	53,903	37,513	21,421	32,061	29,066	30,343	28,224	8,510	27,799	35,038
Profit attributable to non-controlling interests	155	163	179	177	19	22	36	890	237	378	1,264
Profit attributable to owners of parent	78,982	94,215	72,547	75,187	77,577	72,825	67,103	108,512	14,180	(132,150)	98,777

*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.

T&D HOLDINGS Consolidated Balance Sheet

(¥ millions)

As of March 31	2014	2015	2016	2017	2018	2019	2020	2021 ^(※2)	2022	2023	2024
Balance Sheet Data											
(Assets)											
Total assets	13,804,219	14,664,705	14,674,207	14,891,167	15,262,398	15,794,711	16,520,137	17,826,238	17,813,408	16,773,877	17,207,110
(Liabilities)											
Policy reserves	12,226,787	12,707,957	12,892,482	13,139,218	13,395,725	13,859,097	14,282,219	14,765,300	14,505,391	14,055,870	14,301,729
Total liabilities	12,783,895	13,319,755	13,460,145	13,794,395	14,109,362	14,635,123	15,396,987	16,324,441	16,423,901	15,780,196	15,797,184
(Net assets)											
Total shareholders' equity	683,519	749,436	775,208	794,554	833,779	863,933	889,817	960,015	898,301	706,952	714,342
Total accumulated other comprehensive income	333,929	592,301	435,331	298,302	313,645	289,181	226,124	533,641	482,949	279,647	689,220
Total net assets	1,020,324	1,344,950	1,214,061	1,096,772	1,153,036	1,159,588	1,123,149	1,501,796	1,389,506	993,681	1,409,926

*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.

Selected Financial Data

T&D HOLDINGS

(¥ millions)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Policy Results *:											
Policy amount in force	60,699,818	62,117,777	62,998,174	64,612,813	66,010,749	69,264,639	67,362,978	65,638,037	64,228,285	62,932,694	62,051,246
New policy amount	6,639,823	7,227,221	6,685,973	7,441,437	7,273,000	9,985,762	4,711,892	4,220,821	4,642,915	5,211,950	5,897,881
Surrender and lapse amount	3,967,421	3,752,457	3,789,522	3,837,734	3,884,453	4,625,021	4,206,148	3,891,199	4,007,120	4,333,414	4,824,188

* Total of the individual insurance and individual annuities, the insurance amounts of Daido Life's J-type product, T-type product and the nursing-care insurance amounts of Kaigo Relief Alpha and so forth. New policies include net increase from conversion.

Other Data:

Core profit	210,256	182,766	153,097	159,985	148,466	149,638	166,227	161,039	184,059	93,088	125,825
Group MCEV* ¹	1,970,100	2,298,000	1,893,700	2,290,500	2,406,700	2,370,600	2,588,100	3,377,600	3,508,500	3,331,300	3,884,400
Value of New Business * ¹	89,100	93,000	56,300	119,500	129,400	140,300	115,800	143,400	166,900	167,000	161,700
Consolidated solvency margin ratio	1115.0%	1220.7%	1155.8%	1105.1%	1061.8%	1093.1%	1107.0%	1094.7%* ³	1026.3%	920.1%	995.7%
ESR* ²		217%	162%	175%	168%	159%	198%	227%* ³	236%	230%	239%

*¹ Group MCEV, Value of New Business is shown rounding down to the hundred million yen. Based on Ultimate Forward Rate since fiscal year ended March 31, 2020. UFR has been changed from the end of March 2023; UFR: from 3.8% to 2.9%, start year in extrapolation: from 31 year to 41 year, convergence year: from 60 years to 70 years.

*² In addition to applying the Ultimate Forward Rate, subordinated debt is added to the surplus since the end of March 2020. UFR has been changed from the end of March 2023; UFR: from 3.8% to 2.9%, start year in extrapolation: from 31 year to 41 year, convergence year: from 60 years to 70 years.

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

Selected Financial Data

TAIYO LIFE

(¥ millions)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statement of Operation Data											
Ordinary revenues	857,272	1,061,146	873,887	897,955	738,716	917,610	802,538	797,301	1,439,893	961,343	989,290
Income from insurance premiums	655,233	865,232	657,185	654,379	511,900	715,120	593,679	619,721	598,144	643,308	702,821
Investment income	175,794	176,370	202,909	228,058	189,495	190,444	196,911	165,283	174,377	214,741	233,094
Other ordinary income	26,244	19,544	13,792	15,517	37,319	12,044	11,947	12,296	667,370	103,292	53,374
Ordinary expenses	785,015	993,539	794,763	831,312	675,925	863,413	765,756	765,695	1,526,535	913,198	933,976
Insurance claims and other payments	585,429	566,446	604,261	535,387	522,746	521,457	542,912	569,480	1,381,684	726,570	692,392
Provision for policy and other reserves	52,437	281,973	39,860	99,991	885	183,693	43,421	46,414	1,649	255	917
Investment expenses	29,303	31,893	36,540	83,109	45,292	52,386	76,173	46,919	36,965	71,514	124,570
Operating expenses	77,693	77,606	76,424	77,189	76,698	76,730	75,077	76,509	80,675	88,495	90,562
Other ordinary expenses	40,151	35,619	37,676	35,635	30,301	29,147	28,171	26,371	25,560	26,361	25,533
Ordinary profit (loss)	72,257	67,606	79,124	66,642	62,790	54,196	36,782	31,606	(86,642)	48,144	55,314
Net extraordinary gains (losses)	(12,931)	(5,249)	(20,251)	(18,995)	(4,254)	(5,370)	(1,594)	(4,592)	(3,665)	(2,754)	5,934
Provision for reserve for policyholder dividends	17,688	18,093	18,135	11,738	15,664	13,138	10,197	12,574	12,572	10,847	13,606
Income (loss) before income loss	41,637	44,264	40,736	35,909	42,870	35,687	24,990	14,440	(102,881)	34,542	47,642
Income taxes (current)	17,045	12,827	17,624	11,120	10,238	10,798	10,391	5,956	(23,042)	6,011	7,016
Income taxes (deferred)	(1,763)	3,482	(3,722)	(4,178)	2,151	(657)	(1,218)	(1,800)	(5,691)	1,699	1,641
Total income taxes	15,282	16,309	13,902	6,941	12,390	10,140	9,172	4,156	(28,734)	7,710	8,658
Net income (loss)	26,355	27,954	26,834	28,967	30,480	25,547	15,817	10,284	(74,147)	26,832	38,983

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

TAIYO LIFE

(¥ millions)

As of March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Balance Sheet Data											
(Assets)											
Total assets	6,760,825	7,217,901	7,084,800	7,188,371	7,219,463	7,411,864	7,660,474	8,235,372	7,693,272	7,354,754	7,307,852
(Liabilities)											
Policy reserves	5,998,989	6,279,589	6,318,824	6,410,781	6,389,235	6,569,075	6,608,629	6,654,572	6,001,168	5,915,649	5,885,922
Total liabilities	6,360,611	6,658,543	6,603,082	6,807,381	6,810,776	6,996,551	7,269,351	7,708,881	7,351,808	7,108,475	6,888,630
(Net assets)											
Total shareholders' equity	245,046	259,537	279,336	279,765	290,945	304,203	303,647	302,568	186,925	203,799	187,667
Total valuation and translation adjustment	155,166	299,819	202,382	101,224	117,742	111,109	87,476	223,923	154,538	42,479	231,554
Total net assets	400,213	559,357	481,718	380,989	408,687	415,312	391,123	526,491	341,464	246,278	419,221

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

Selected Financial Data

TAIYO LIFE

(¥ millions)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Policy Results *:											
Policy amount in force	21,595,680	22,154,564	21,983,504	21,741,191	21,154,486	19,945,620	18,023,246	16,278,405	14,527,568	12,991,974	11,461,851
New policy amount	2,696,671	2,840,754	2,134,199	2,084,818	1,686,796	1,196,690	540,573	243,585	179,669	237,128	240,923
Surrender and lapse amount	1,255,419	1,270,225	1,255,956	1,255,824	1,236,078	1,240,097	1,149,490	941,331	915,627	775,953	920,873
Surrender and lapse rate	5.97%	5.88%	5.67%	5.71%	5.69%	5.86%	5.76%	5.22%	5.62%	5.34%	7.09%

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

Other Data:

Core profit	72,611	68,188	53,812	53,464	48,547	51,859	54,387	52,703	55,122	21,294	40,761
MCEV*	705,100	868,600	725,700	777,500	825,000	856,200	895,800	1,114,600	1,134,500	1,084,200	1,171,800
Solvency margin ratio	981.3%	993.9%	890.6%	848.6%	835.1%	849.7%	805.5%	852.8%	734.2%	580.9%	716.2%
Number of in-house sales representatives	8,603	8,432	8,631	8,902	8,942	8,440	8,071	8,473	8,534	9,016	9,319

* MCEV is shown rounding down to the hundred million yen. Based on Ultimate Forward Rate since fiscal year ended March 31, 2020. UFR has been changed from the end of March 2023; UFR: from 3.8% to 2.9%, start year in extrapolation: from 31 year to 41 year, convergence year: from 60 years to 70 years.

Selected Financial Data

DAIDO LIFE

(¥ millions)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statement of Operation Data											
Ordinary revenues	893,318	981,052	935,739	944,431	988,070	1,045,561	1,015,124	1,022,834	1,032,690	1,233,042	1,183,799
Income from insurance premiums	712,866	792,715	748,914	766,336	790,852	828,003	818,070	808,161	808,083	810,311	843,749
Investment income	160,483	169,016	165,153	154,066	171,830	191,065	165,137	185,876	191,249	259,241	306,335
Other ordinary income	19,968	19,320	21,671	24,029	25,387	26,492	31,916	28,796	33,357	163,489	33,713
Ordinary expenses	802,008	883,588	845,431	861,736	898,672	956,290	928,967	926,928	909,910	1,148,962	1,082,136
Insurance claims and other payments	522,489	494,272	502,896	484,881	496,329	510,573	522,146	511,604	516,795	887,660	588,397
Provision for policy and other reserves	119,712	231,264	181,357	204,770	232,739	259,032	214,775	221,616	211,578	639	167,477
Investment expenses	46,369	39,128	34,443	48,244	46,233	61,342	61,569	66,440	44,781	114,923	179,117
Operating expenses	99,377	99,152	102,531	103,099	103,602	103,883	107,649	106,644	116,139	121,827	124,068
Other ordinary expenses	14,058	19,770	24,203	20,739	19,767	21,458	22,826	20,622	20,614	23,912	23,076
Ordinary profit	91,309	97,464	90,307	82,695	89,397	89,270	86,157	95,905	122,780	84,079	101,662
Net extraordinary gains (losses)	(17,410)	(2,653)	4,413	(12,450)	(11,698)	(11,956)	(3,703)	(7,123)	(5,267)	(4,313)	(4,966)
Provision for reserve for policyholder dividends	13,951	14,462	13,788	13,636	14,668	14,005	11,687	11,854	11,711	11,530	11,441
Income before income taxes	59,948	80,348	80,932	56,608	63,031	63,308	70,766	76,927	105,800	68,236	85,254
Income taxes (current)	26,644	28,104	29,351	20,777	22,854	21,414	21,646	25,029	29,892	20,962	25,579
Income taxes (deferred)	(2,656)	1,064	(2,896)	(7,286)	(4,396)	(3,634)	(1,330)	(2,965)	(313)	(2,035)	(1,235)
Total income taxes	23,987	29,168	26,455	13,491	18,458	17,779	20,315	22,064	29,578	18,926	24,343
Net income	35,960	51,180	54,476	43,116	44,572	45,528	50,450	54,863	76,222	49,309	60,910

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

DAIDO LIFE

(¥ millions)

As of March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Balance Sheet Data											
(Assets)											
Total assets	5,572,800	5,977,975	6,152,026	6,298,188	6,573,924	6,843,179	7,037,507	7,554,346	7,837,366	7,464,151	7,923,413
(Liabilities)											
Policy reserves	4,896,850	5,125,125	5,301,162	5,501,639	5,729,754	5,986,450	6,195,363	6,415,546	6,624,897	6,491,257	6,657,107
Total liabilities	5,041,936	5,297,596	5,488,203	5,654,175	5,913,402	6,180,746	6,393,649	6,701,219	6,978,638	6,693,817	6,938,360
(Net assets)											
Total shareholders' equity	352,559	388,865	433,499	448,016	466,141	489,267	513,114	541,184	532,210	546,647	543,981
Total valuation and translation adjustment	178,304	291,513	230,323	195,996	194,380	173,165	130,743	311,942	326,517	223,686	441,071
Total net assets	530,863	680,379	663,823	644,013	660,521	662,433	643,858	853,127	858,727	770,334	985,053

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

Selected Financial Data

DAIDO LIFE

(¥ millions)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Policy Results *:											
Policy amount in force	37,255,621	38,156,747	39,205,952	40,992,241	42,803,504	47,146,055	46,947,214	46,656,071	46,703,372	46,683,895	46,637,618
Individual term life insurance	32,882,207	33,209,130	33,673,604	34,772,475	34,724,011	35,305,536	34,688,890	34,301,814	34,214,918	34,183,001	34,041,170
J-type product, T-type product, and Kaigo Relief Alpha, etc.	1,192,991	1,764,379	2,415,881	3,166,600	5,426,922	10,057,448	10,514,377	10,633,572	10,821,740	11,466,536	11,633,540
New policy amount	3,698,182	4,063,816	4,315,542	5,121,169	5,231,498	8,474,888	3,724,420	3,550,612	4,041,989	4,287,235	4,789,810
Individual term life insurance	3,108,689	3,228,184	3,426,632	4,088,485	2,944,065	4,128,641	2,460,009	2,474,808	2,844,737	3,088,205	3,338,986
J-type product, T-type product, and Kaigo Relief Alpha, etc.	472,806	657,003	786,609	934,940	2,523,252	5,085,094	1,224,617	1,039,312	1,192,846	1,394,866	1,550,549
Surrender and lapse amount	2,537,348	2,378,329	2,472,006	2,525,540	2,582,199	3,295,771	2,976,811	2,846,020	2,972,735	3,251,608	3,697,846
Surrender and lapse rate	6.87%	6.38%	6.48%	6.44%	6.30%	7.70%	6.31%	6.06%	6.37%	6.96%	7.92%

* The total of individual insurance, individual annuities and Daido Life's *J-type product, T-type product, Kaigo Relief Alpha*, etc. The new policy amounts include net increases from conversions.

Other Data:

Core profit	110,673	107,654	104,829	105,677	100,781	99,245	116,903	111,604	131,632	75,039	86,551
MCEV *	1,145,900	1,306,700	1,078,000	1,417,400	1,473,200	1,417,700	1,626,000	2,058,800	2,148,100	2,222,500	2,636,000
Solvency margin ratio	1156.4%	1363.7%	1341.9%	1252.6%	1206.2%	1271.9%	1335.3%	1293.5%	1203.8%	1116.1%	1193.5%
Number of in-house sales representatives	3,833	3,790	3,867	3,843	3,714	3,786	3,746	3,766	3,699	3,577	3,628
Number of agents	13,432	13,675	13,793	13,878	13,992	14,132	14,413	14,775	15,137	15,406	15,679

* MCEV is shown rounding down to the hundred million yen. Based on Ultimate Forward Rate since fiscal year ended March 31, 2020. UFR has been changed from the end of March 2023; UFR: from 3.8% to 2.9%, start year in extrapolation: from 31 year to 41 year, convergence year: from 60 years to 70 years.

Selected Financial Data

T&D FINANCIAL LIFE

(¥ millions)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statement of Operation Data											
Ordinary revenues	468,669	382,110	218,035	155,834	196,492	150,758	354,495	460,661	485,311	980,991	1,028,260
Income from insurance premiums	239,777	297,755	165,436	80,918	176,474	127,853	335,910	348,020	367,118	714,695	917,540
Investment income	64,948	46,366	14,232	23,041	12,982	17,221	11,924	106,851	113,353	28,023	106,264
Other ordinary income	163,943	37,989	38,365	51,874	7,036	5,683	6,660	5,789	4,839	238,272	4,455
Ordinary expenses	447,758	359,653	216,822	149,634	193,948	148,694	352,249	463,608	479,644	969,937	1,020,955
Insurance claims and other payments	412,275	339,700	194,324	138,311	124,953	106,894	125,135	222,904	270,745	928,437	878,574
Provision for policy and other reserves	7,697	1,440	2	0	50,164	26,791	174,312	216,631	183,641	1,911	109,578
Investment expenses	13,138	1,814	7,950	213	4,888	1,941	30,117	127	840	3,536	2,037
Operating expenses	13,101	14,422	12,705	9,745	12,349	11,453	19,373	20,216	20,543	30,084	24,771
Other ordinary expenses	1,545	2,275	1,840	1,363	1,592	1,612	3,309	3,727	3,873	5,966	5,992
Ordinary profit	20,910	22,457	1,212	6,199	2,543	2,064	2,246	(2,947)	5,667	11,054	7,305
Net extraordinary gains (losses)	(398)	(174)	(621)	(3,612)	(461)	(552)	(756)	(868)	(880)	(713)	(632)
Provision for reserve for policyholder dividends	(2)	(0)	(3)	(1)	(1)	0	(0)	0	(0)	0	1
Income before income taxes	20,514	22,282	593	2,587	2,083	1,511	1,490	(3,816)	4,788	10,340	6,671
Income taxes (current)	3,647	2,411	(1,735)	874	199	(456)	(754)	(2,212)	(3,115)	5,060	530
Income taxes (deferred)	957	5,225	1,837	(427)	295	956	1,178	1,180	4,704	(2,660)	1,328
Total income taxes	4,604	7,636	101	446	494	500	424	(1,031)	1,589	2,399	1,859
Net income	15,909	14,645	492	2,141	1,588	1,011	1,065	(2,784)	3,199	7,940	4,812

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

T&D FINANCIAL LIFE

(¥ millions)

As of March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Balance Sheet Data											
(Assets)											
Total assets	1,393,592	1,387,624	1,359,879	1,313,747	1,365,878	1,438,819	1,645,401	1,850,918	2,007,568	1,833,544	1,869,028
(Liabilities)											
Policy reserves	1,329,961	1,301,958	1,270,904	1,224,914	1,274,376	1,300,935	1,475,204	1,691,538	1,875,148	1,643,912	1,753,461
Total liabilities	1,340,493	1,319,425	1,289,619	1,242,846	1,292,955	1,361,498	1,564,466	1,782,638	1,943,616	1,764,802	1,795,467
(Net assets)											
Total shareholders' equity	52,748	67,394	67,886	70,027	71,616	72,627	73,693	70,909	74,108	82,048	86,860
Total valuation and translation adjustment	349	804	2,373	874	1,306	4,693	7,240	(2,628)	(10,155)	(13,306)	(13,298)
Total net assets	53,098	68,198	70,260	70,901	72,922	77,321	80,934	68,280	63,952	68,742	73,561

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

Selected Financial Data

T&D FINANCIAL LIFE

(¥ millions)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Policy Results *:											
Policy amount in force	1,848,515	1,806,465	1,808,717	1,879,380	2,052,758	2,172,963	2,392,518	2,703,559	2,997,343	3,256,823	3,951,777
New policy amount	244,969	322,651	236,231	235,449	354,705	314,183	446,898	426,624	421,257	687,586	867,147
Surrender and lapse amount	174,654	103,902	61,559	56,368	66,174	89,152	79,846	103,847	118,758	305,852	205,468
Surrender and lapse rate	8.56%	5.62%	3.41%	3.12%	3.52%	4.34%	3.67%	4.34%	4.39%	10.20%	6.31%

* The total of individual insurance and individual annuities.

Other Data:

Core profit (loss)	26,971	6,923	(5,545)	843	(863)	(1,466)	(5,063)	(3,268)	(2,694)	(3,245)	(1,487)
MCEV *	92,300	95,800	93,400	97,400	102,600	98,500	66,500	108,100	111,300	126,600	153,400
Solvency margin ratio	1051.2%	1271.9%	1260.7%	1295.6%	1258.3%	1101.7%	1033.6%	826.8%	749.5%	659.4%	567.6%

* MCEV is shown rounding down to the hundred million yen. Based on Ultimate Forward Rate since fiscal year ended March 31, 2020. UFR has been changed from the end of March 2023; UFR: from 3.8% to 2.9%, start year in extrapolation: from 31 year to 41 year, convergence year: from 60 years to 70 years.

Overview of the Life Insurance Business (Market)

Diversification of Customers' Life Insurance Needs

The total income from insurance premiums for Japanese life insurance companies* in fiscal 2023 was ¥42.9 trillion. After experiencing a moderate upward trend since fiscal 2002, a declining trend started around 2015. However, the situation has been improving since FY2021, especially as the COVID-19 pandemic has abated. (Fig.1)

* There are a total of 41 Japanese life insurance companies. (As of April 1, 2024)

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 ¥790 trillion in fiscal 2023, 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 194.94 million in fiscal 2023, marking the 16th straight year of increase. (Fig.2)

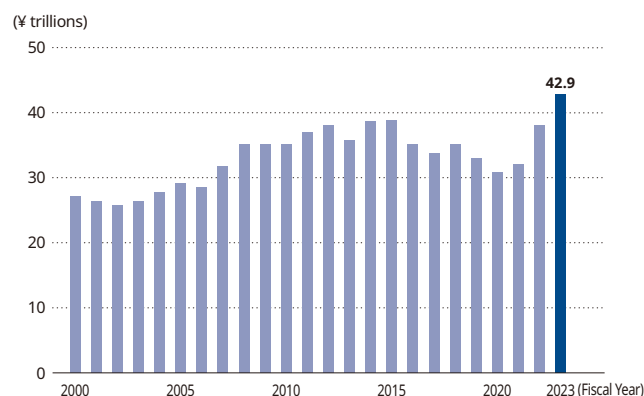
Number of Policies in Force for Individual Insurance by Type

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 2023. The number of policies has also increased 3 times, from 22.79 million to 70.14 million, indicating increasing customer needs for third sector products. (Fig.3)

According to a nationwide survey on life insurance conducted in fiscal 2021, the adoption rates for specialized insurance products such as dementia insurance and health-promoting insurance (including additional riders) stand at 6.6% and 4.2%, respectively, indicating that new needs for coverage are consistently emerging. Going forward, life insurance companies will continue to play an important role in introducing new types of coverage that cater to the increasingly diverse needs of customers and addressing social issues.

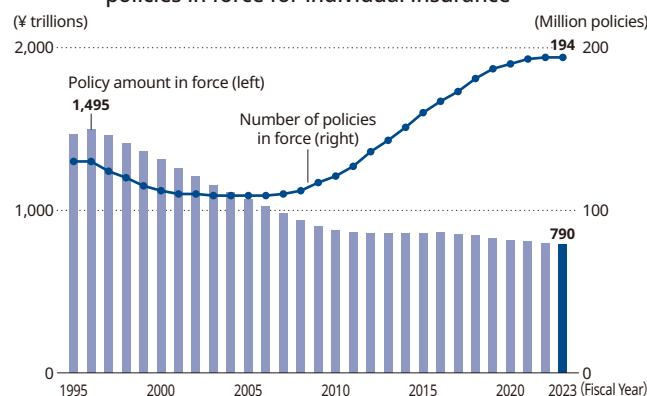
■ (Fig.1) Trend in the income from insurance premiums



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.

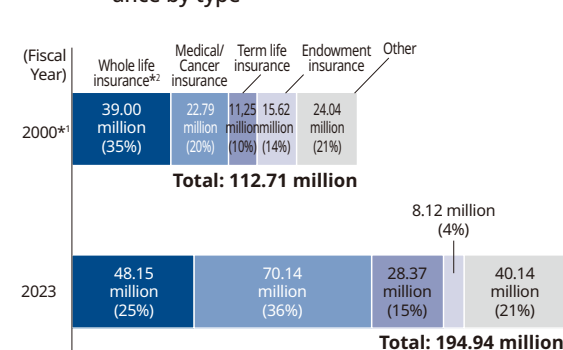
■ (Fig.2) Trend in the policy amount and the number of policies in force for individual insurance



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.

■ (Fig.3) 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

*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.

Overview of the Life Insurance Business (Market)

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 also 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. (Fig.4)

On the other hand, a significant number of customers feel that they lack sufficient knowledge to determine what types of coverage they need, including considerations such as amounts and terms. Thus, the importance of personal consultations for insurance proposals remains unchanged. Recent survey results concerning the “channels used for the most recent policy enrollments” indicate that more than half of the new enrollments were made through life insurance company sales representatives. Furthermore, this percentage has increased since the last survey. (Fig.5)

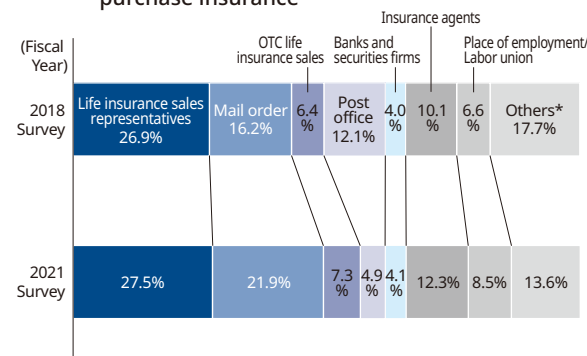
As we proceed, we must continue to make thoughtful insurance proposals that meet the varying coverage needs of our customers, while also incorporating non-face-to-face interactions prompted by the spread of COVID-19.

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.

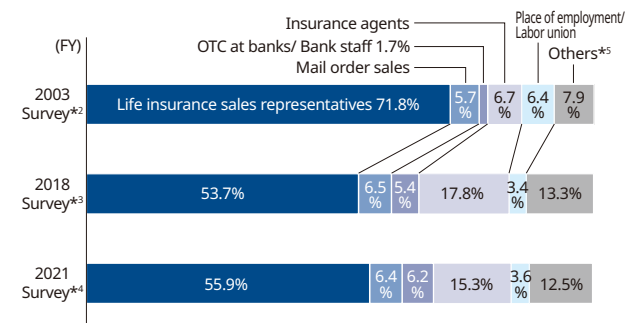
■ (Fig.4) Channels through which customers are likely to purchase insurance



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.

■ (Fig.5) 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.

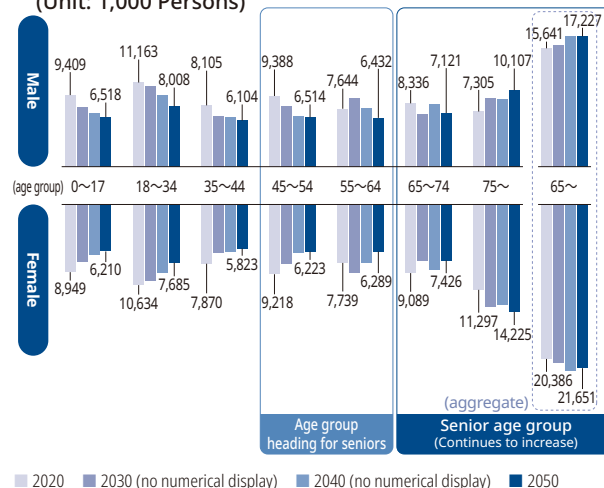
*2 Policies taken out during 1998-2003.

*3 Policies taken out during 2013-2018.

*4 Policies taken out during 2016-2021.

*5 Including those policies through indistinct channels.

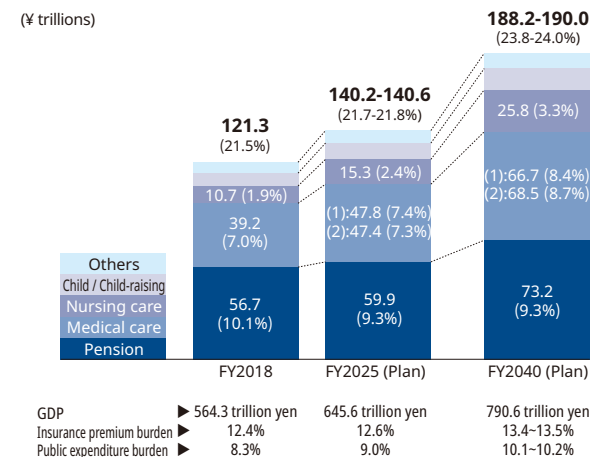
■ Estimated future population by gender and age group (Unit: 1,000 Persons)



Source: Compiled by T&D Holdings based on “Estimated Future Population of Japan (2023 Estimates)”

(birth median (death median) estimates), by the National Institute of Population and Social Security Research.

■ Outlook for social security benefits



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

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

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

Overview of the Life Insurance Business (Market)

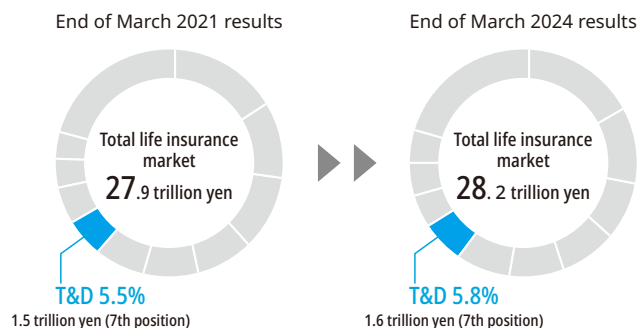
Position of the T&D Insurance Group in the Life Insurance Industry in Japan

The life insurance business is the core business of the Group. Three life insurance companies with different business models leveraged their originality and expertise in their respective markets.

In fiscal 2023, the T&D Insurance Group (Taiyo Life, Daido Life and T&D Financial Life) held a total market share of 5.8% on an annualized in-force premium basis. This is an expansion of their market share from the end of March 2021, before the Group Long-Term Vision began.

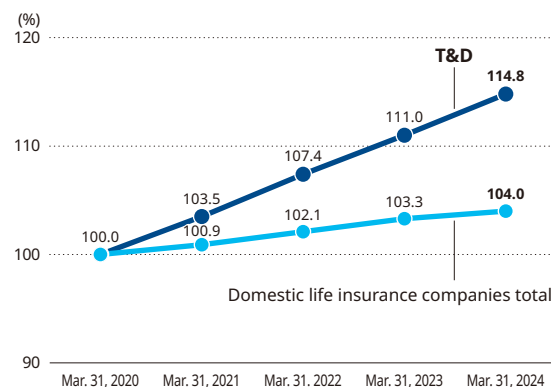
The right diagram compares the T&D Insurance Group (the total of Taiyo Life, Daido Life and T&D Financial Life) and the life insurance industry as a whole in terms of policy results trends (annualized premiums of third sector insurance policies in force). After experiencing the pandemic, the Group is capitalizing on its originality and expertise to maintain its superiority in specialized markets.

Annualized Net Premiums from Policies in Force



Source: Created by T&D Holdings based on the Life Insurance Association of Japan's Monthly Statistics and the financial results materials of individual companies.

Annualized premiums of third sector insurance policies in force*



Source: Created by T&D Holdings based on the Life Insurance Association of Japan's Monthly Statistics

* The diagram shows an index in which 100 is the annualized premiums of third sector insurance policies in force at the end of March 2020.

Reference: Special characteristics of life insurance accounting

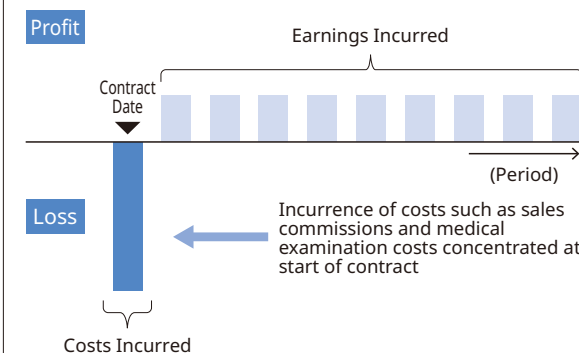
Since life insurance policies are long-term contracts, there is disparity between the recognition of revenue and the incurring of expenses as shown in the diagram below.

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 poor.

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 the future decline of profit.

Due to this peculiarity in life insurance accounting, we use Embedded Value (EV) or other economic value when representing the corporate value of a life insurance company.

Typical Life Insurance Earnings Image



Glossary

A

A company with an Audit and Supervisory Committee	A publicly-listed company with an Audit and Supervisory Committee comprised of at least three directors serving as Audit and Supervisory Committee 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 Committee members.
Adjusted DOE	Calculated by dividing total dividend value by shareholders' equity on the balance sheet which is exempt of an accumulated amount of unrealized gains/losses caused by discrepancy of accounting treatment of assets and liabilities.
Adjusted ROE	Calculated by dividing Group adjusted profit by average net asset balance.
Annualized premiums	An adjusted figure for premiums paid using monthly, annual, or lump-sum payment methods showing total premiums paid on an annual basis.
Assumed business expense rate	One of the forecast rates used in the calculation of insurance premiums. It is the rate used to include business expenses necessary for administering insurance policies.
Assumed investment yield	One of the forecast rates used in the calculation of insurance premiums. It is the predetermined discount rate based on the expected earnings from the investment of insurance premiums.

C

Closed book business	A business model in which an insurance company generates profit by obtaining and consolidating blocks of policies in force for products that are no longer sold (closed book) and enhancing their value. In Western countries, there has been an increase in the number of closed books separated as a part of revisions of the business strategy and the product portfolio according to changes in the business environment.
Contingency reserve	<p>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.</p> <p>Contingency reserve can be classified into:</p> <p>Contingency reserve I Corresponds to insurance risk</p> <p>Contingency reserve II Corresponds to assumed investment yield risk</p> <p>Contingency reserve III Corresponds to minimum guarantee risk relating to variable annuity and others</p> <p>Contingency reserve IV Corresponds to insurance risk of Third Sector insurance</p>

Core profit

An indicator showing core period earnings of life insurance companies, made up of insurance income and expenses (which include income from insurance premiums and insurance benefits and business expenses), and investment income and expenses (which include mainly interest, dividends and income from real estate for rent). It is not an item on the Company's statement of operation, but is calculated by deducting capital gains, such as gains (losses) on sales of securities and other one-time gains (losses), from ordinary profit.

Cost of shareholder's capital

Of capital raised by a company, costs required to procure funds from investors. Also can be defined as the rate of return anticipated by an investor on an investment.

E

Economic value-based solvency regulation

The solvency regulation is a rule to enable an insurance company to properly pay insurance benefits in the future. An economic value-based solvency regulation, proposed to be introduced in 2025, stipulates that insurance liabilities shall also be assessed based on the current value.

ERM (Enterprise Risk Management)

A strategic management method used to achieve managerial goals such as raising corporate value and maximizing earnings, through the integrated management of capital, profit and risk.

ESG investment

Selective investments focused on companies that pay adequate attention to the environmental, social and governance factors.

ESR (Economic Solvency Ratio)

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.

EV (Embedded Value)

Generally, life insurance policies extend over significantly long durations, resulting in a time gap between the recognition of revenues and expenses. EV is a concept used for measuring the corporate value of a life insurance company in consideration of this gap. EV (embedded value) refers to the amount of net assets after tax, which is considered to be attributable to shareholders, and is the sum of adjusted net assets calculated based on balance sheets, etc., and the value of in-force business calculated based on policies in force.

<Specific nature of life insurance accounting>

From the perspective of financial accounting, a life insurance company successfully acquiring new business in a year apparently shows a decrease in profit for the corresponding period, due to a heavier burden of initial costs, such as sales commissions. While there is a constant inflow of premiums each year, expenses gradually decrease over time, which results in the accumulation of earnings over longer periods.

Glossary

G

General account	The aggregate of a life insurer's assets, other than those allocated to separate accounts. General account assets are invested by a company to meet fixed guaranteed rates of return for policyholders, and that company bears the investment risk on such assets.
Group adjusted profit	Calculated by subtracting unrealized gains/losses caused by discrepancy of accounting treatment of assets and liabilities from net income, and then adding additional internal reserves in excess of the legal standard requirements to the resulting number.

J

Japan's Corporate Governance Code	Guidelines for corporate governance drafted by the Financial Services Agency and the Tokyo Stock Exchange, which indicate a "a structure for transparent, fair, timely and decisive decision-making by companies, with due attention to the needs and perspectives of shareholders and also customers, employees and local communities," in the form of a code of conduct to be observed by a listed company.
Japan's Stewardship Code	Code of conduct for behavior for institutional investors setting out the principles as "responsible institutional investors," designed to prompt sustainable growth of corporations through investment and dialogue.

L

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

MCEV (Market Consistent EV)	MCEV refers to Market Consistent EV, which is a method for evaluating EV in consistency with financial markets. MCEV is an EV calculated based on the MCEV Principles established in June 2008 by the CFO Forum (an organization of major European insurance companies), whereby a market consistent evaluation method was applied with a view to further unify the calculation standards.
Mortality rate	Rates of death, varying by such parameters as gender, age, and health, used in pricing and computing liabilities for future policyholder benefits for life insurance and annuity products.

N

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

Participating policy	Policies under which the policyholder is eligible to share in the divisible surplus of a company—calculated based on the mortality rate margin, investment yield margin, and business expense margin—through the receipt of annual policyholder dividends.
P/EV ratio	A ratio calculated by dividing an aggregate market value by EV (Embedded Value). An indicator which compares a company's share price to its per-share EV.
Policy amount	Aggregate sum insured by a life insurance company. The total of policy amount at the end of a fiscal year is called the "policy amount in force." The total policy amount of policies (including converted policies) sold in a year is called the "new policy amount."
Policy reserve	A reserve established for the fulfillment of insurance claims and other payments related to a company's outstanding policies that are expected to be paid in the future. The policy reserve consists of a premium reserve, an unearned premium reserve, a repayment reserve, and a contingency reserve. A company uses the net level premium method to calculate the amount it sets aside each year as a policy reserve. The policy reserve is one of the three reserves comprising the reserve for policy and other reserves.
Positive spread/ Negative spread	The state in which actual investment earnings exceed the expected return based on the assumed investment yield is referred to as a "positive spread." A "negative spread" is when actual investment earnings are below the expected return. Positive spread (Negative spread denoted in bracket) = (Investment yield on core profit – Average assumed investment yield) × Policy reserve in general account • "Investment yield on core profit" is calculated by dividing the numerator as investment earnings in general account included in core profit less the provision for interest portion of reserve for dividends to policyholder by the denominator as policy reserve in general account. • "Average assumed investment yield" is calculated by dividing the numerator as assumed interest by the denominator as policy reserve in general account. • "Policy reserve in general account" represents the policy reserve in general account less contingency reserve calculated by the following method. Policy reserve in general account = (Policy reserve at beginning of fiscal year + Policy reserve at the end of fiscal year – Assumed interest) × 1/2
Reserve for policyholder dividends	A reserve used to fund the payment of policyholder dividends. The reserve for policyholder dividends is one of the three reserves comprising the reserve for policy and other reserves. For a mutual life insurance company, a transfer to reserve for policyholder dividends is treated as a disposition of net surplus. For a joint stock corporation, provision for reserve for policyholder dividends is treated as an expense.

Glossary

Reserve for price fluctuations	Pursuant to provisions of the Insurance Business Act, companies maintain reserves to cover losses due to price fluctuations in assets subject to market price volatility, particularly investments in domestic and foreign stocks, yen-denominated bonds, and foreign currency-denominated bonds. This reserve may be used only to reduce deficits arising from price fluctuations of those assets.
ROEV/Core ROEV	ROEV stands for Return on Embedded Value, which is an indicator for measuring capital efficiency by assuming an increase in EV as profit in consideration of the specialty of life insurance accounting. Core ROEV is an indicator using an increase in EV mainly through the acquisition of new business.
S	
Separate account	Assets related to variable insurance and variable annuity products, as well as some group pension products (including employee pension fund insurance and national pension fund insurance), are managed in a separate account for the purpose of directly returning investment results to policyholders. The investment results, less asset management fees, of the separate account assets are attributable to all policyholders so that the insurance company bears limited or no investment risk on such assets.
Single-premium insurance	A type of insurance where the premium is paid in lump-sum at the conclusion of the policy which covers the entire insurance period.
Social bond	Bond issued to raise funds for contributing to solutions to global social issues, such as support for emerging countries and measures against global warming.
Solvency margin ratio	A risk indicator calculated as the total solvency margin (including net assets, the reserve for price fluctuations, contingency reserve, reserve for possible loan losses, etc.) divided by 1/2 of total risk, which includes such factors as insurance risk due to a major earthquake or other disaster, investment risk, and various other risks. If a life insurance company's solvency margin ratio falls below 200%, the regulatory authorities will require management to introduce corrective measures to quickly return the company to soundness.
Surrender and lapse amount	The total amount of money reimbursed on the surrender or lapse of insurance policies in a given fiscal year. Surrender occurs when policyholders choose to discontinue their policies. Lapse occurs when the deadline for payment of premiums that are in arrears is exceeded.
T	
Third sector insurance	In the Japanese insurance industry, life insurance products and non-life insurance products are called "First Sector" and "Second Sector" insurance products, respectively, and insurance products which have intermediate characteristics of both products are called "Third Sector" insurance products. Examples include medical care, cancer, accident, and nursing care insurance.
Total payout ratio	An indicator showing the ratio of return to shareholders. Calculated by dividing the sum of total dividend value and the amount of share buybacks by Group adjusted profit.
Trust-type stock compensation	A stock compensation system under which a Trust established by T&D Holdings through entrusting money, acquires the Company's stocks, and through the Trust, the Company provides eligible directors with its stocks corresponding to the number of points granted to them by the Company.
U	
Ultimate Forward Rate (UFR)	A very long-term interest rate level that is thought to be realized macroeconomically. The Group begins domestic interest rate extrapolation from 41 years and sets the convergence point for the ultimate forward rate level at 70 years.
V	
Value of new business	The value of distributable earnings to shareholders expected to be generated in the future from insurance policies (including converted policies) sold in a year, converted to a present value as at the valuation date.

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:

- a. The purpose of holding strategic shareholdings of listed stocks shall be to maintain and expand long-term, stable business relationships, to maintain and strengthen business partnerships, and to reap medium- to long-term benefits by an increase in equity value and by receiving dividends and so forth.
- b. Every year, the 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.
- c. If the continued holdings of individual strategic shareholdings were deemed inadequate as a result of verifying the propriety of the holding, such strategic shareholdings shall be subject to sales and the strategic shareholdings shall be reduced.
- d. The Group shall disclose its details of the verification of above (b) and (c) annually.

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

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

In order to improve capital efficiency, the Group is reducing its strategic shareholdings balance in stages.

In FY2023, the balance of strategic shareholdings has been reduced by approximately ¥27.0 billion (on book value basis, approximately ¥64.0 billion on market value basis) (on book value basis, the balance has been reduced by more than half from the end of FY2020). As a result, the balance of strategic shareholdings as of the end of FY2023 was 17% of net assets, surpassing our target level of 20% or below set out in the Group Long-Term Vision.

From FY2024, the Group will continuously reduce its balance of strategic shareholdings, excluding shares of business alliance partners, collaborators, and the like, with the aim of reaching zero by the end of FY2030.

For investment stocks held for pure investment purpose including those that have been transferred from strategic shareholdings, the Group, as an institutional investor, has a certain level of domestic stocks in its investment portfolio with an aim to maximize the investment efficiency and the asset management division determines whether to continue holding the shares based mainly on factors such as the dividends and stock price outlooks due to medium- to long-term performance growth.

Regardless of the purpose of holding, the asset management division, which is independent of departments such as lending and corporate business, is responsible for decision-making and implementation regarding the exercise of voting rights. We have established a committee involving third parties such as external experts, which verifies the approval or disapproval decisions and processes when exercising voting rights.

We report the results of exercise of voting rights to the board of directors and our management team itself verifies whether voting rights are appropriately exercised. Also, the results are disclosed on the websites of each of our Group companies.

In addition, we will not take any actions to obstruct the sale if a company of which we hold shares as strategic shareholdings proposes to sell its shares of our Company.

Status of Stock Holdings

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	6	56,813

(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	1	1,364

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, 2024	Year ended March 31, 2023	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of stocks	Whether the counterpart com- pany holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥ millions			
Daiwa Securities Group Inc.	41,140,000	41,140,000	The purpose of holding the stocks is to collaborate in the insurance business such as over-the-counter sales of individual insurance, etc., to collaborate in a wide range of fields such as enhancing employee welfare benefits, etc. and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	47,352	25,547	Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	
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 in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	5,570	5,335		
Taikisha Ltd.	422,029	422,029	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	1,960	1,553		
Electric Power Development Co., Ltd. (J-POWER)	542,540	542,540	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	1,354	1,156		
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 in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	364	308		

Status of Stock Holdings

Stock	Year ended March 31, 2024	Year ended March 31, 2023	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of stocks	Whether the counterpart com- pany holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥ millions			
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 in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	212	206		
Tsubakimoto Chain Co.	—	3,559,663	Taiyo Life held the stocks for the purpose of maintaining and expanding long-term and stable business relationships in the insurance field, and reaping medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	11,444		
MITSUBISHI ESTATE CO., LTD.	—	3,850,000	Taiyo Life held the stocks for the purpose of maintaining and expanding long-term and stable business relationships in the insurance field, and reaping medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	6,069		
TSUBAKIMOTO KOGYO CO., LTD.	—	573,805	Taiyo Life held the stocks for the purpose of maintaining and expanding long-term and stable business relationships in the insurance field, and reaping medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	2,372		

*NOTE 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 2023		Fiscal 2022	
	The number of stocks	Total of balance sheet amount (¥ millions)	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	33	3,182	34	5,949
Stocks other than unlisted stocks	39	471,414	42	367,569

	Fiscal 2023 (¥ millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Valuation losses
Unlisted stocks	352	40	156	2,953
Stocks other than unlisted stocks	11,481	25,983	233,777	—

3. Change in investment purpose during fiscal 2023

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)
Tsubakimoto Chain Co.	3,203,663	16,498
Mitsubishi Estate Co., Ltd.	3,850,000	10,720
TSUBAKIMOTO KOGYO CO., LTD. *Note	1,721,415	3,935

*Note The reason of increase in the number of shares is share splitting.

Taiyo Life held the above 3 stocks for the purpose of maintaining and expanding long-term and stable business relationships in the insurance field, and reaping medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. As the significance of holding them as strategic shareholdings has diminished, the purpose of holding the shares has been changed to a pure investment purpose. Taiyo Life continues to hold them as investment stocks for pure investment purposes, because the asset management division made the judgement of adequacy of continued holdings of them based on dividends and stock price outlook due to medium- to long-term performance growth.

(As for Tsubakimoto Chain Co., the holding purpose has been changed to pure investment after the partial sale.)

Taiyo Life, as an institutional investor, has a certain level of domestic stocks in its investment portfolio with an aim to maximize the investment efficiency and the asset management division determines whether to continue holding the shares or sell, etc. based on factors such as the dividends due to medium- to long-term performance growth and outlook for stock price.

In exercising voting rights for strategic shareholdings, the same standard as for investment stocks for pure investment purposes is used. Therefore, there will be no change in the standard for exercising voting rights due to the change in holding purpose.

Status of Stock Holdings

III. Daido Life Insurance Company's stock holding status

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

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

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

Every year, the 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	95	11,431
Stocks other than unlisted stocks	35	169,715

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

	The number of stocks	Total of acquisition cost related to the increase in the number of shares (¥ millions)	The reasons for increasing the number of shares
Unlisted stocks	1	101	Due to the new acquisition aimed at researching and studying advanced technologies such as AI and strengthening condition of DX promotion framework.
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	1	400
Stocks other than unlisted stocks	14	27,983

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, 2024	Year ended March 31, 2023	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of stocks	Whether the counterpart com- pany holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount (¥ millions)			
Resona Holdings, Inc.	28,590,000	28,590,000	The purpose of holding the stocks is 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. In 2018, Daido Life concluded "Business partnership agreement in sales field" with Resona Holdings, Inc. To solve management issues of small and medium enterprises, Daido Life provides "products and services to support smooth succession of assets and business to successor" and "overseas expansion services" and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 1
	27,169	18,283		
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 in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	22,640	15,570		
NUERNBERGER Beteiligungs-Aktiengesellschaft	1,727,036	1,727,036	The purpose of holding the stocks is 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. In 2013, Daido Life concluded a "Cooperation agreement". Daido Life aims to strengthen the human relations by expatriation of employees and mutual dispatch of trainees, etc. and continues to discuss business alliances in a wide range of fields, such as the possibility of joint business. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	18,606	18,748		
TKC Corporation	4,796,492	5,138,092	The purpose of holding the stocks is 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. In 1974, Daido Life started a business partnership with TKC National Federation. Daido Life has been working to promote and expand the insurance guidance for client companies of TKC member offices. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	17,866	18,856		
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 in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	14,817	11,673		

Status of Stock Holdings

Stock	Year ended March 31, 2024	Year ended March 31, 2023	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of stocks	Whether the counterpart com- pany holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount (¥ millions)			
FUJI CORPORATION	3,342,000	3,342,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	8,919	7,466		
ONO PHARMACEUTICAL CO., LTD.	3,274,800	6,549,500	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	8,037	18,102		
OKASAN SECURITIES GROUP INC.	8,660,000	8,660,000	The purpose of holding the stocks is to maintain and expand relationships of cooperation in insurance sales and long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	7,075	4,078		
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 in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	5,984	3,811		
Shizuoka Financial Group, Inc.	3,824,000	3,824,000	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 2
	5,533	3,636		
MEISEI INDUSTRIAL CO., LTD.	2,632,700	*	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	3,456	*		

Status of Stock Holdings

Stock	Year ended March 31, 2024	Year ended March 31, 2023	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of stocks	Whether the counterpart com- pany holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount (¥ millions)			
Daishi Hokuetsu Financial Group, Inc.	705,600	*	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N *Note 3
	3,146	*		
TSUKISHIMA HOLDINGS 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 in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	3,038	2,301		
MORY INDUSTRIES INC.	440,000	*	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,811	*		
Strike Co., Ltd.	498,000	*	The purpose of holding the stocks is 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. In 2015, Daido Life concluded "Agreement regarding M&A support" with Strike Co., Ltd. Daido Life provides "M&A support service" and "Enterprise value assessment service", which contribute to solve management issues of small and medium enterprises. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N
	2,519	*		
Electric Power Development Co., Ltd. (J-POWER)	996,880	1,993,680	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,488	4,248		
Central Automotive Products Ltd.	410,000	*	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,357	*		

Status of Stock Holdings

Stock	Year ended March 31, 2024	Year ended March 31, 2023	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of stocks	Whether the counterpart com- pany holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount (¥ millions)			
Keihan Holdings Co., Ltd.	633,800	633,800	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	2,150	2,189		
Value HR Co.,Ltd.	*	1,505,600	The purpose of holding the stocks is 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. In 2016, Daido Life concluded "Business and capital alliance" with Value HR Co.,Ltd. Daido Life provides the "Daido Life KENCO SUPPORT PROGRAM", which contributes to promote health-oriented management of small and medium enterprises. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	N
	*	2,378		
KONICA MINOLTA, INC.	*	4,520,518	The purpose of holding the stocks is to maintain and expand long-term and stable business relationships in the insurance field, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. Regarding the effects to hold stocks, they have been quantitatively and periodically examined whether the effectiveness and risks of holding stocks have been commensurate with the capital costs.	Y
	*	2,572		
The Kansai Electric Power Company, Incorporated	—	3,656,550	Daido Life held the stocks for the purpose of maintaining and expanding long-term and stable business relationships in the insurance field, and reaping medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	4,720		
Sekisui House, Ltd.	—	1,400,000	Daido Life held the stocks for the purpose of maintaining and expanding long-term and stable business relationships in the insurance field, and reaping medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.	Y
	—	3,777		

※Note 1 The subsidiary Resona Bank, Limited. holds stocks.

※Note 2 The subsidiary The Shizuoka Bank, Ltd. holds stocks.

※Note 3 The subsidiary Daishi Hokuetsu Bank, Ltd. holds stocks.

※Note 4 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.

※Note 5 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 2023		Fiscal 2022	
	The number of stocks	Total of balance sheet amount (¥ millions)	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	8	61	11	323
Stocks other than unlisted stocks	44	119,112	46	95,406

	Fiscal 2023 (¥ millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Valuation losses
Unlisted stocks	—	—	—	88
Stocks other than unlisted stocks	1,869	6,796	63,652	—

3. Change in investment purpose during fiscal 2023

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)
The Kansai Electric Power Company, Incorporated	914,250	2,006
Sekisui Kasei Co., Ltd.	1,418,000	720
GS Yuasa Corporation	218,800	688

Daido Life held the above 3 stocks for the purpose of maintaining and expanding long-term and stable business relationships in the insurance field, and reaping medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. As the significance of holding them as strategic shareholdings has diminished, the purpose of holding the shares has been changed to a pure investment purpose.

Daido Life, as an institutional investor, has a certain level of domestic stocks in its investment portfolio with an aim to maximize the investment efficiency and the asset management division determines whether to sell the shares, etc. based on the performance and outlook for stock price.

(Daido Life has sold all shares of Kansai Electric Power Co., Inc. and GS Yuasa Corporation by the end of May 2024.)

In exercising voting rights for strategic shareholdings, the same standard as for investment stocks for pure investment purposes is used. Therefore, there will be no change in the standard for exercising voting rights due to the change in holding purpose.

Status of Stock Holdings

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 2023

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.

Stock Information

As of March 31, 2024

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: 544,000,000
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"> Electronic public notice (Japanese only) URL: https://www.td-holdings.co.jp/information/public.php 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).
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo, Japan URL: https://www.tr.mufg.jp/english/
Number of Shareholders	203,218

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)	90,320	17.01
Custody Bank of Japan, Ltd. (Trust Account)	29,680	5.59
GOLDMAN,SACHS & CO.REG	13,844	2.61
SSBTC CLIENT OMNIBUS ACCOUNT	13,251	2.50
JP MORGAN CHASE BANK 385632	10,339	1.95
STATE STREET BANK WEST CLIENT - TREATY 505234	9,380	1.77
JP MORGAN CHASE BANK 385781	7,799	1.47
JPMorgan Securities Japan Co., Ltd.	6,222	1.17
THE BANK OF NEW YORK MELLON 140044	6,014	1.13
AIG General Insurance Company, Ltd.	6,000	1.13

* The Company holds 12,906 thousand shares of treasury stock. Percentage of total shares outstanding is calculated after deducting the treasury shares.

COMPOSITION OF SHAREHOLDERS AND SHARES

Proportion of Shares Held

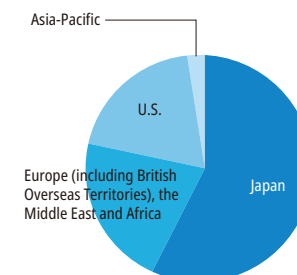
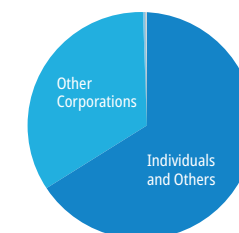
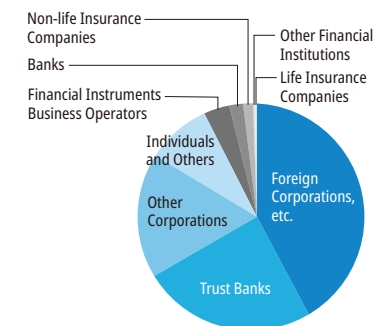
	Number of Shares Held (Thousands of shares)	%
Foreign Corporations, etc.	231,005	42.46
Trust Banks	132,652	24.38
Other Corporations	91,252	16.77
Individuals and Others	48,391	8.89
Financial Instruments Business Operators	20,912	3.84
Banks	10,008	1.84
Non-life Insurance Companies	7,566	1.39
Other Financial Institutions	1,472	0.27
Life Insurance Companies	737	0.14

Composition of Shareholders

	Shareholders	%
Individuals and Others	134,619	66.24
Other Corporations	67,711	33.32
Foreign Corporations, etc.	784	0.39
Financial Instruments Business Operators	37	0.02
Trust Banks	18	0.01
Life Insurance Companies	18	0.01
Other Financial Institutions	16	0.01
Banks	13	0.01
Non-life Insurance Companies	2	0.00

Regional Distribution of Shares Held

	%
Japan	57.54
Europe (including British Overseas Territories), the Middle East and Africa	20.86
U.S.	19.24
Asia-Pacific	2.36
Others	0.00



Group Companies

The T&D Insurance Group comprised the holding company, 20 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 Risk Solutions Co., Ltd. (Insurance brokerage business)
- 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 Investment 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 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)

■ Consolidated subsidiaries ● Affiliated companies accounted for by the equity method

As of August 30, 2024

* Significant consolidated subsidiaries and affiliates accounted for by the equity method are listed.

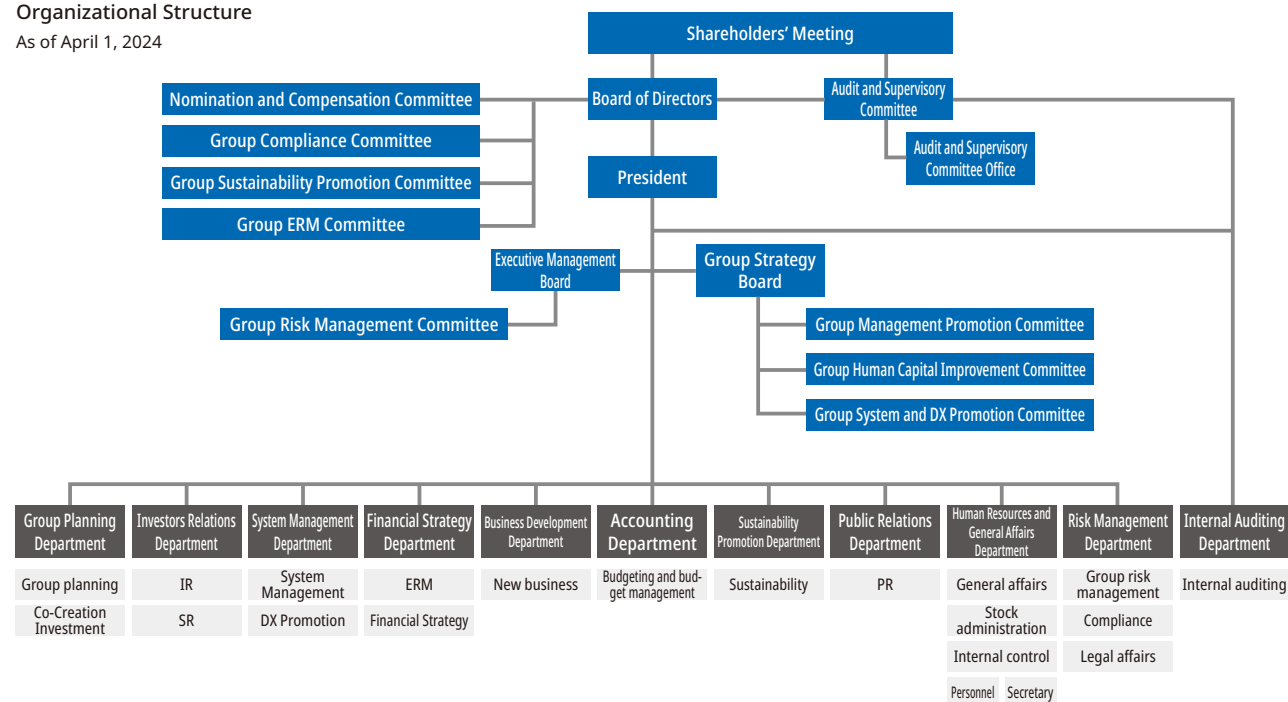
Corporate Overview

As of March 31, 2024

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 Other business incidental to the business listed in the preceding item
Paid-in Capital	207,111.86 million yen
Security Code	8795
Stock Exchange Listings	Tokyo Stock Exchange (Prime Market)
Number of Common Stocks Issued	544,000,000 shares
Number of Employees	129

Organizational Structure

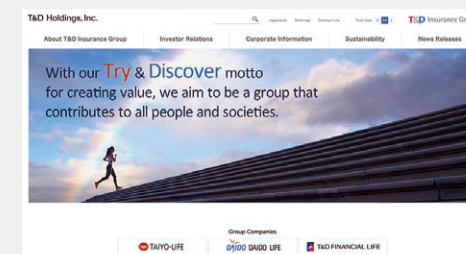
As of April 1, 2024



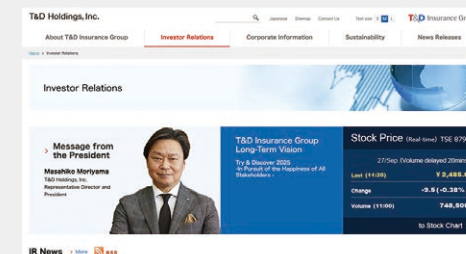
Websites

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

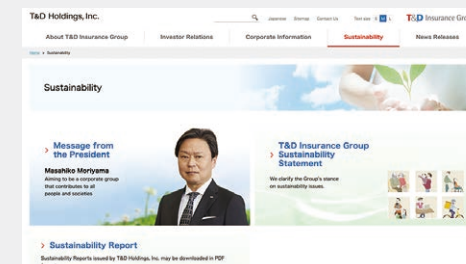
Website of T&D Holdings, Inc.
<https://www.td-holdings.co.jp/en/>



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



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



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