



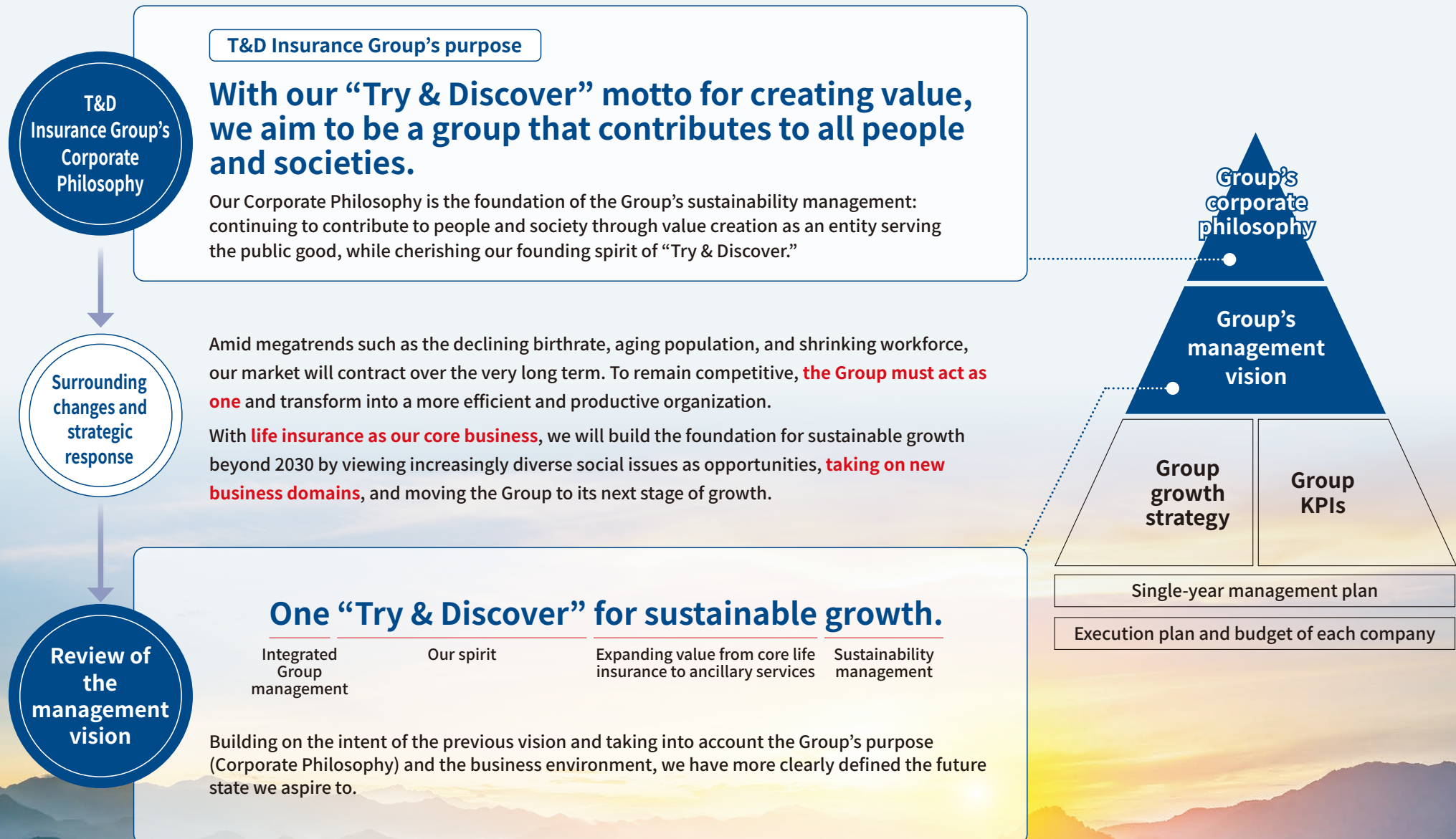
Try & Discover

Introduction

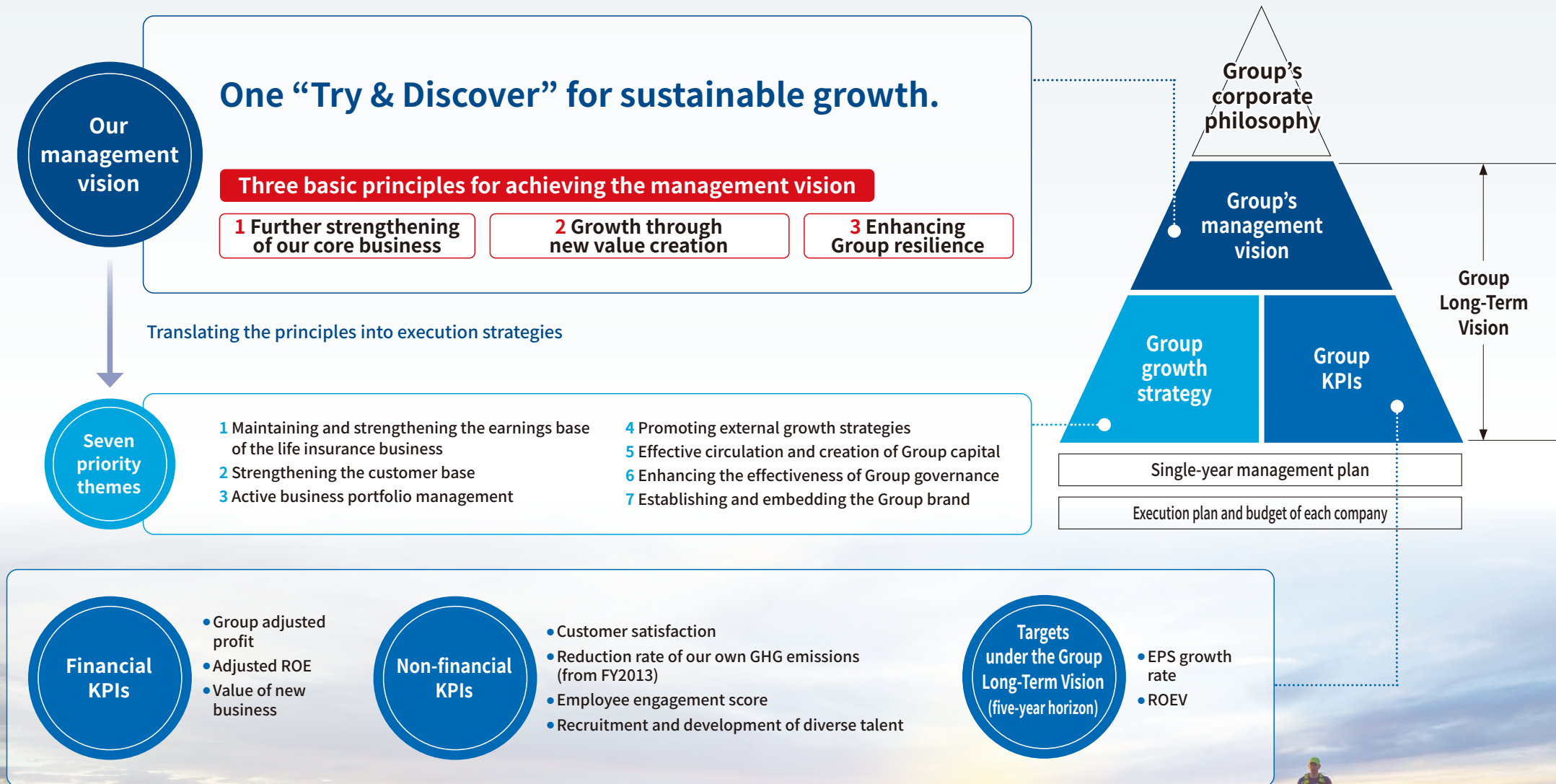
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T&D Insurance Group's Corporate Philosophy



Overview of the Group Long-Term Vision “Try & Discover 2030 —Breaking Beyond—”



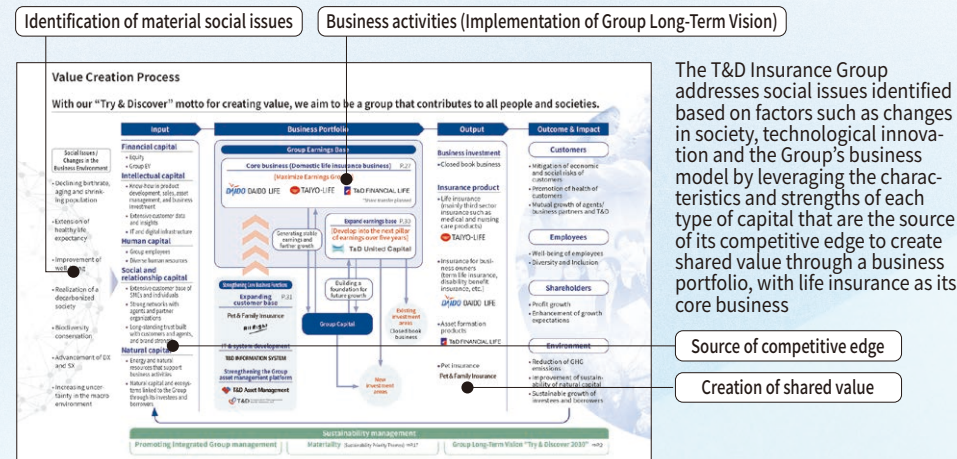
Editorial Policy

The purpose of this report is to give a clear briefing, from the perspectives of both financial and non-financial information, about how the T&D Insurance Group's business and actions are linked to the Group's medium- to long-term growth, and to value creation for all our stakeholders.

The Positioning of the Integrated Report 2026

The Integrated Report is intended to foster understanding of the T&D Insurance Group among shareholders and investors, by encapsulating important information on elements such as financial information, non-financial information, and company information. This report is disclosure material prepared in accordance with the Insurance Business Act (Article 271-25) and the Regulation for Enforcement of the Insurance Business Act (Article 210-10-2).

Value Creation Process (see page 14 for details)



Reporting period: Fiscal 2025: April 1, 2025 – March 31, 2026 (Some information on periods outside this range is included)

Scope of reporting: T&D Holdings, Inc. and its subsidiaries and affiliated companies

Reference guidelines: The “International Integrated Reporting Framework” by Value Reporting Foundation, and “Guidance 2.0 for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation” by the Ministry of Economy, Trade and Industry of Japan, and “GRI Standard.”



Abbreviations used in this material

HD T&D Holdings **TDF** T&D Financial Life **TDUC** T&D United Capital
TDAM T&D Asset Management **P&F** Pet & Family Insurance **TDS** T&D Information System
TDIM T&D Investment Management North America Inc.

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Forward-looking Statements

This report contains forward-looking statements about T&D Holdings' future revenue plan, strategy, philosophy, and earnings forecasts which involve factors of risk and uncertainty. Such statements are based on the Company's current expectations which could cause actual results to differ materially from those described in the forward-looking statements. Factors which could influence the actual results include, but are not limited to, (I) general economic conditions, in particular, conditions in the life insurance market on which the T&D Insurance Group centers, (II) financial market trends, (III) levels and trends in mortality rate and morbidity rate, (IV) persistency rate, (V) interest rate levels, (VI) fluctuation in currency exchange rates, (VII) other general competitive factors, (VIII) changes in laws and regulations, including the tax treatment of insurance premiums, and (IX) changes in the policies of the government and/or regulatory authorities. The Company, therefore, wishes to caution readers not to place undue reliance on these forward-looking statements. Furthermore, the Company undertakes no obligation to update any forward-looking statements as a result of new information, future events, or other developments.

Contact: T&D Holdings, Inc. Investor Relations
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Origins of T&D — History of “Try & Discover” Motto of Daido Life and Taiyo Life

T&D Insurance Group has its origins in the over-100 year histories of Daido Life and Taiyo 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.



1902–

Founding of Daido Life

1902
Daido Life Insurance Company founded. Daido Life is founded by Asako Hirooka and other founders. Daido Life has its roots in Kajimaya, a large family business in the Edo period.

1947
Daido Life reestablished as a mutual company.



Asako Hirooka, one of Daido Life's founders

Founding

Emergence of life insurance supporting the modernization of society

Establishment of Taiyo Life

1893
Taiyo Life founded as Nagoya Life Insurance Co., Ltd. Nagoya Life Insurance Co., Ltd. is founded in Nagoya.

1908
The company's headquarters is moved to Tokyo and its name is changed to Taiyo Life Insurance Company.

1893–



Establishment of the business foundation

Postwar reconstruction and development of the business foundation

Development in Japan's high-growth postwar period

• After the war, a business model in which sales representatives visit homes in pairs is established.

1948
Taiyo Life reestablished as a mutual company.

1968
Launch of *Himawari Hoken*, a savings insurance product that provides coverage for death or disasters.

1940–

1970–

Reinvention as provider of individual term life insurance for SMEs

- 1970s A product is launched that provides SME owners with substantial coverage at affordable premiums to meet the needs of these business owners.
- Partner-specific products for SME-related organizations and CPTA organizations begin to be sold.

1971

A partnership is formed with the National Federation of Corporate Taxpayers Associations (known as the Hojinkai), a national organization representing corporate taxpayers associations which are made up of SMEs from all over Japan. “Keieisha Ogata Sogo Hosho Seido,” provided by the National Federation of Corporate Taxpayers Associations and the Tax Payment Associations started being handled.

1974

A business partnership is formed with the TKC National Federation, which is the national federation of certified public tax accountants (CPTAs) and certified public accountants (CPAs).

2000–

Development and cultivation of disability benefit sector

- 2000s Critical illness coverage for SME owners is pioneered by Daido Life.
- Not only developing the term life insurance (death benefit), but also actively cultivating the disability income insurance field.

2010

J-type critical illness insurance launched.

2012

M-type comprehensive medical insurance product launch.

2014

Launch of the *T-type* disability protection insurance

1999
Broad business alliance between Taiyo Life and Daido Life announced

Formation of the Group

Pursuing the Group's collective strengths while leveraging each company's distinctiveness

2004
T&D Holdings, Inc. established

Full-scale shift to protection-type products

2008

Hoken Kumikyoku Best is launched as the industry's first insurance product that allows customers to freely choose and customize various coverage options.

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



2000–

Present

Evolution of total protection integrating corporate and individual coverage

- Expanding Daido Life's role from “supporting SME owners in solving management issues” to “supporting their growth.”
- Developing products that address increasingly diverse management issues and customer needs.

2019

Launch of *L-type α*, *J-type α*, and *T-type α* as the industry's first made-to-order insurance products that allow customers to freely set not only the coverage amount and coverage period, but also the balance between premiums and surrender value.

2022

Launch of *Kaisha Minnade KENCO+*, a disability protection insurance product for employees that enables companies to promote and advance Health and Productivity Management.

Addressing social issues

Strengthening the business foundation through the provision of distinctive products

Differentiation strategy in anticipation of a super-aged society

2016

Himawari Dementia Treatment Insurance, pioneering coverage for specified conditions caused by dementia, is launched.

2018

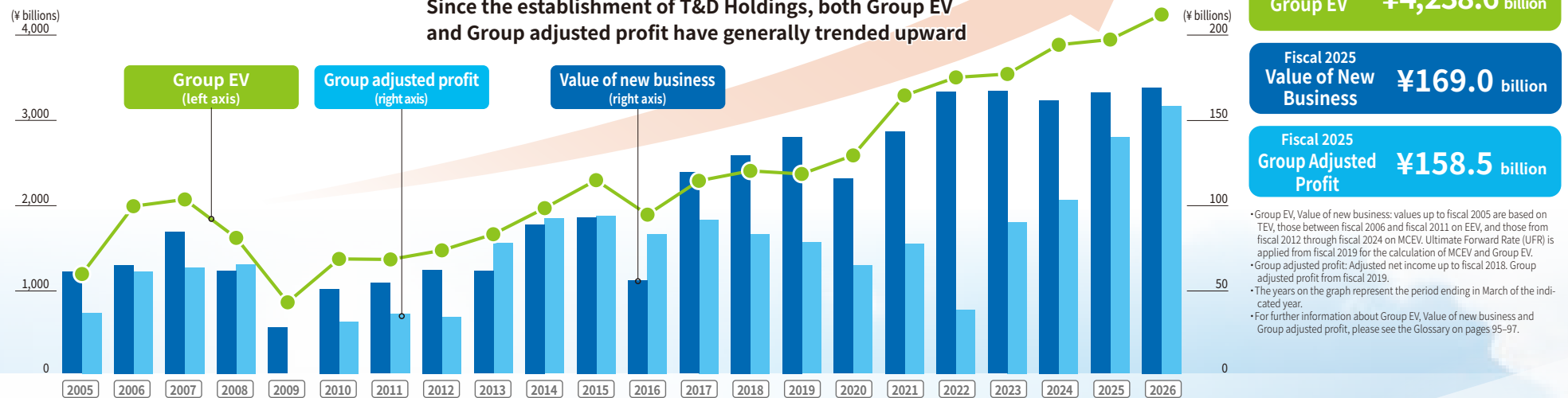
Launch of *Himawari Dementia Prevention Insurance*, the life insurance industry's first product designed to support customers in preventing dementia before its onset.

Transformation of business model

- A hybrid sales approach that combines face-to-face and non-face-to-face sales operations is adopted, alongside traditional methods where sales representatives visit homes in pairs, in response to the COVID-19 pandemic and other significant changes in society

Present

T&D's Trajectory of Value Creation



History of the T&D Insurance Group

Taiyo Life was founded.



TAIYO-LIFE

Taiyo Life former head office (Tokyo)
Construction completed in 1930.



Daido Life was founded.



DAIDO LIFE

Daido Life former Higobashi head office (Osaka)
Construction completed in 1925.



**1999
T&D Insurance
Group was
established.**

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

T&D Holdings, Inc.

Japan's first life insurance holding
company was established and listed on
the Tokyo Stock Exchange and Osaka
Securities Exchange (now Osaka
Exchange)

**2004
T&D Holdings,
Inc. was
established.**

T&D Asset Management

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



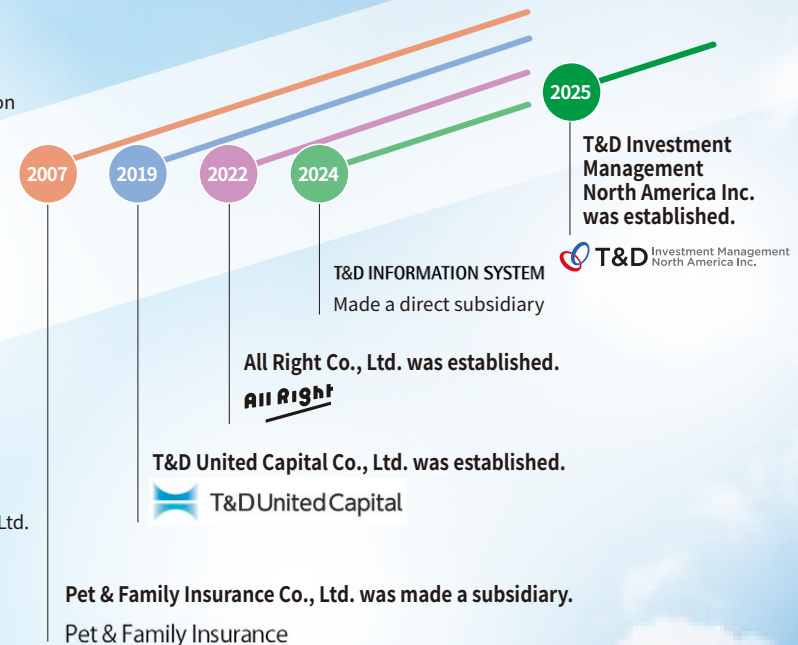
T&D Asset Management

T&D Financial Life joined T&D Insurance Group

Daido Life and Taiyo 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.

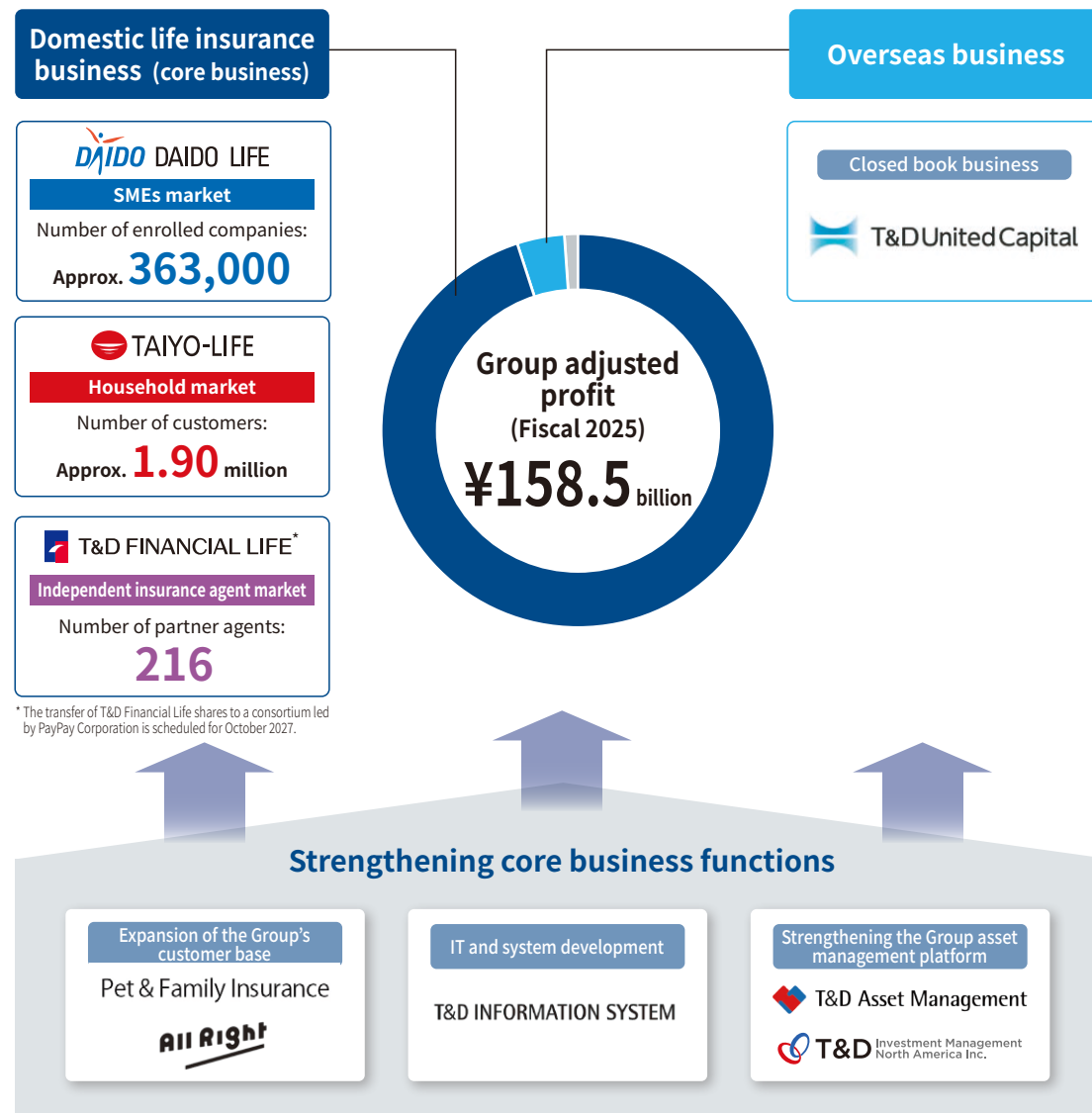


T&D FINANCIAL LIFE



T&D at a Glance

- Our core domestic life insurance business achieves stable profit growth, with each company leveraging its strengths in its distinctive market.
- Building on the domestic life insurance business, we pursue further growth through investments in overseas closed book businesses.



T&D in numbers

Scale 	Consolidated total assets	Number of Group employees
	¥17.3 trillion	21,268
Soundness 	Group EV	Market capitalization (as of June 30, 2026)
	¥4,238.6 billion	¥2,300.8 billion
Profitability 	ESR (internal management model)	Rating (Japan Credit Rating Agency, Ltd. (JCR))
	222%	AA
Growth 	Adjusted ROE	Group adjusted profit
	10.5%	¥158.5 billion
Insurance performance 	EPS growth rate (FY2021–FY2025 CAGR)	ROEV (FY2021–FY2025 average)
	Approx. 20%	8.8%
Insurance performance 	Value of new business (total for the three domestic life insurance companies)	Annualized premiums of policies in force (total for the three domestic life insurance companies)
	¥169.0 billion	¥1,751.8 billion

* Figures are as of March 31, 2026, unless otherwise indicated.

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Top Message



Breaking Beyond

In April 2026, the new Group Long-Term Vision, Try & Discover 2030 -Breaking Beyond-, was launched. My goal is not only to steadily achieve the targets set for the next five years, but also to evolve the Group so that it can continue to grow sustainably beyond that period. Precisely because our earnings base is sound today, now is the time to make our next move for future growth. While protecting what must be protected, we will boldly change what must be changed, and I myself will drive transformation forward with determination.

Masahiko Moriyama

Representative Director and President

Top Message

Turning Change into Growth and Taking the Next Step

Making Change a Tailwind for Growth

Since its formation, the T&D Insurance Group has upheld the corporate philosophy, “With our ‘Try & Discover’ motto for creating value, we aim to be a group that contributes to all people and societies.” This philosophy is our unchanging point of origin, regardless of how much the business environment evolves, and a core value underpinning Group management. At the same time, the way we realize this philosophy must continue to evolve with the times.

Our new Group Long-Term Vision, Try & Discover 2030-Breaking Beyond-, gives concrete form to precisely this thinking. In setting a new direction, we first looked back on the achievements and challenges of the previous Group Long-Term Vision.

Under the previous Group Long-Term Vision, we worked to strengthen earnings capacity, with a focus on the domestic life insurance business, and improve capital efficiency. Taiyo Life in the household market, Daido Life in the SME market, and T&D Financial Life (TDF) in the multi-company agency

market each refined a business model deeply rooted in its distinctive market, expanding policies in force and improving profitability. As a result, we achieved our KPI targets for Group adjusted profit, adjusted ROE, and ROEV. In addition to reducing asset management risk and enhancing shareholder returns, we also diversified our sources of earnings through investments in Fortitude Re and Viridium. In sustainability management, we have worked to both provide value to a broad range of stakeholders and enhance corporate value through initiatives such as advancing our human resources strategies and governance and responding to climate change.

On the other hand, value of new business fell short of its target, leaving us with the challenge of further strengthening the future earnings capacity of the domestic life insurance business. While we made a certain degree of progress in diversifying the business portfolio, we also need to further develop another pillar of earnings alongside the domestic life insurance business. Precisely because we were able to steadily improve earnings capacity and capital efficiency under the previous Group Long-Term Vision, I believe the challenges we must address next have become clearer.

Based on these achievements and challenges, I do not believe that simply continuing along the same path as before will deliver the growth that lies beyond. With change accelerating, now, while our earnings base is sound, is the time to make our next move for future growth. That

recognition of the challenge was the starting point for formulating the new Group Long-Term Vision.

What I focused on most was our assessment of the long-term external environment. First is the major structural change represented by population decline. The declining birthrate and aging population will affect not only the size of the market, but also our ability to secure sales personnel and specialists in the future. Continuing to do things in the same way will make medium- to long-term growth increasingly difficult. Second is the accelerating pace of discontinuous change in the external environment. Rising geopolitical risks, financial market volatility, changes in inflation and the interest rate environment, and rapid technological advances including AI are making the business environment more uncertain than ever. In an era when it is difficult to predict the future accurately, what matters is preparing on the assumption that change will occur and responding flexibly and swiftly. I believe periods of change create opportunities for new value creation. Rather than passively viewing change as a threat, it is important to turn it into an opportunity for our own growth.

One “Try & Discover” for Sustainable Growth

Based on this understanding, in the new Group Long-Term Vision we defined the Group Management Vision for 2030 as “One ‘Try & Discover’ for sustainable growth.” This Management Vision embodies two ideas. One is to bring the full strength of the Group together. Until now, each of our operating companies has grown by demonstrating its own distinctive strengths. We will continue to value those strengths while deepening collaboration across the Group and creating new growth opportunities that no single company could generate on its own. The other is to connect the value we provide to each individual customer with growth for society as a whole. Our business begins by supporting the peace of mind



Our business begins by supporting the peace of mind of each customer. The accumulation of these efforts supports corporate activity and local communities and, ultimately, contributes to the sustainable development of society as a whole.

Top Message

of each customer. The accumulation of these efforts supports corporate activity and local communities and, ultimately, contributes to the sustainable development of society as a whole. We want to be a Group that creates this virtuous cycle.

In formulating the new Group Long-Term Vision, we deliberately removed the words “through insurance” from the Management Vision. Of course, insurance remains the core of the Group. However, not all of the issues our customers face can be resolved through insurance alone. The issues our customers face are becoming increasingly diverse, spanning health, retirement funding, long-term care, asset building, and more. We must therefore evolve into a corporate group that contributes to society more broadly than ever before, without limiting ourselves to the framework of insurance. We will help solve the challenges our customers face through insurance-related services, digital touchpoints, health support, asset-building support, and other means, and link the creation of social value to the enhancement of corporate value. This is the kind of Group we aspire to become.

Sharpening Our Core Business and Opening the Way to Future Growth

To realize the Group Long-Term Vision, we established three basic policies: Further Strengthening of Our Core Business, Growth through New Value Creation, and Enhancing Group Resilience.

Further Strengthening Our Core Business

The domestic life insurance business, centered on Taiyo Life and Daido Life, is both the Group’s most important business supporting value creation and its largest source of earnings. No matter how actively we pursue new businesses,

sustainable growth will not be possible if the competitiveness of our domestic life insurance business weakens. Taiyo Life specializes in the household market and Daido Life in the SME market, and each has built its own distinctive customer base, brand, and sales network. I believe these strengths are the Group’s greatest competitive advantages. Going forward, we will further refine these strengths, strengthen our customer touchpoints, and provide greater added value. By deepening our relationships with customers not only as a provider of insurance products but also as a partner that supports them in solving their issues, we aim to build long-term relationships of trust.

Achieving Growth through New Value Creation

However, I do not believe that strengthening the core business alone will deliver long-term growth. Structural change in Japan’s life insurance market is unavoidable as the population declines and ages. Against this backdrop, we must strengthen our current earnings base while also taking on the challenge of creating new value with an eye to what lies beyond. Over the next five years, we will steadily achieve profit growth centered on the domestic life insurance business. But the question is what comes after that. To continue growing 10

and 20 years from now, and beyond, amid population decline, we will develop a second pillar through growth investments and further diversify our sources of earnings.

Specifically, we have established a ¥500 billion growth investment budget for the Group Long-Term Vision period and aim to raise the share of Group adjusted profit generated by businesses other than the domestic life insurance business to 20% or more. We will not invest simply to use the full ¥500 billion; we will maintain strict discipline and carefully assess investment quality. For growth investments, we will focus on opportunities in (1) life insurance businesses in advanced markets aimed at generating stable cash flow, (2) life insurance businesses in emerging markets aimed at capturing medium- to long-term growth potential, and (3) investment opportunities in life-insurance-related and financial areas that contribute to strengthening the Group’s businesses. Through these initiatives, we will diversify and stabilize our earnings base and pursue sustainable enhancement of corporate value.

Enhancing Group Resilience

To support these efforts, one aspect of the new Group Long-Term Vision to which I attach particular importance is strengthening Group resilience. Life insurance is inherently a long-term business, and management decisions made today can affect corporate value 10 or 20 years from now. At the same time, the environment around us is changing at an unprecedented pace. We need to build an organization capable of continuing to grow while combining a long-term perspective with the agility to respond to change. The DX strategy is central to this effort.

We initially envisioned integrating the administrative systems of Taiyo Life and Daido Life and spent about a year examining the feasibility of doing so. We found that while integration itself was possible, it would require considerable



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time and cost. During that period, AI also evolved rapidly, and its potential applications expanded significantly across a wide range of operations. We therefore decided to revise our DX strategy and adopt a new approach centered on fully leveraging AI across the Group, rather than being bound by conventional methods premised on systems integration.

This review is not simply about changing the way systems are built. What we mean by strengthening Group resilience is using our DX strategy to comprehensively rethink business operations, organization, and people, thereby raising productivity and value-creation capabilities across the Group.

The capital circulation we seek also extends beyond financial capital. With our DX strategy as the starting point, we will circulate human, intellectual, and financial capital, drawing out the strengths of each to create new value. By driving this cycle across the Group, we will build the capabilities needed to respond to changes in the environment.

Harnessing AI to Expand the Potential of People and Knowledge

I do not view AI merely as a means of improving operational efficiency. Of course, greater efficiency is essential if we are to continue providing high-quality services with limited human resources. But I believe that efficiency alone fails to capture the fundamental changes that AI will bring.

The evolution of AI represents a major opportunity for companies, but it is also a threat that could redefine competition itself. The factors that determine competitiveness - including customer touchpoints, how products and services are delivered, and the use of data - are changing significantly, and companies we had never considered competitors may emerge as new rivals. That is why AI must be positioned

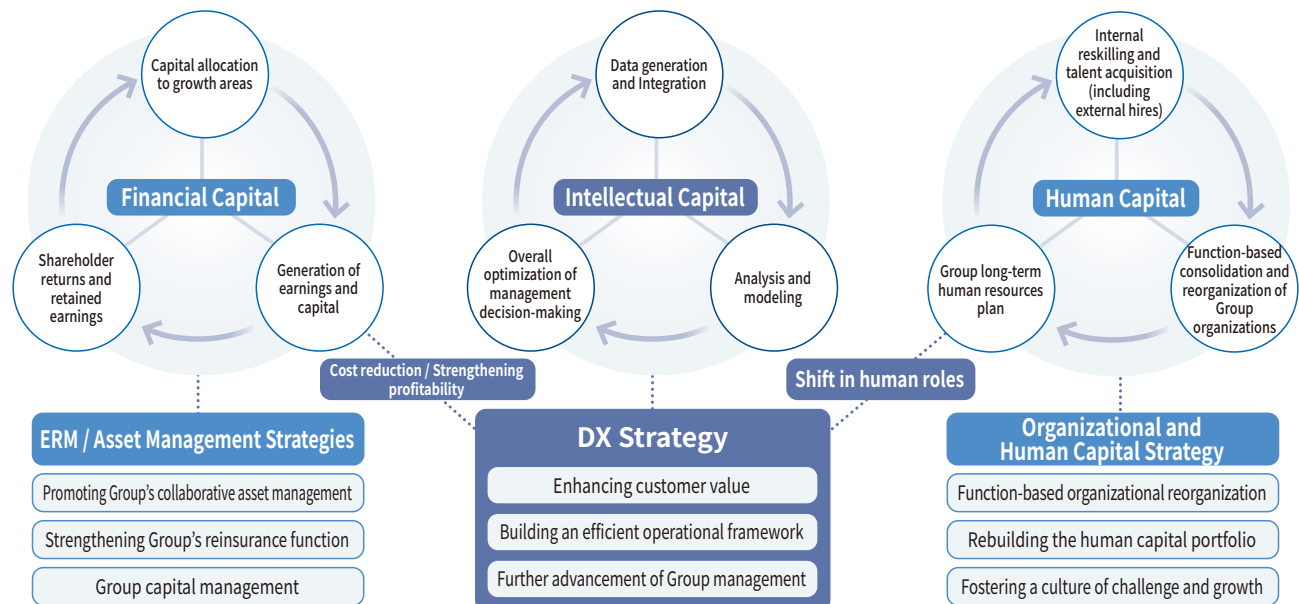
at the core of management strategy rather than treated simply as a tool for improving individual operations.

To truly link AI to enhanced corporate value, we must continually review our business models, organization, and human resources strategies. This does not mean changing the essence of the Group's business. The essence of life insurance - staying close to each customer over the long term and providing peace of mind - and the conviction embodied in our corporate philosophy will remain unchanged. At the same time, the ways in which we deliver value, and the organization and people that support them, must evolve with the times. We will preserve what is essential while boldly changing the means by which we realize it. I believe this philosophy of preserving the enduring essence while embracing change will be a source of the Group's competitiveness in the AI era.

Our aim is to harness AI to enhance our value-creation capabilities. Rather than treating the time and management resources freed up by AI merely as cost savings, we will reallocate personnel to higher value-added areas, strengthen our capabilities in customer proposals, product and service development, data analysis, and risk management, and enhance management decision-making. In this way, we will improve productivity and expand added value at the same time, strengthening earnings capacity across the Group.

The use of AI will also significantly change how we think about human capital. Expanding human capital is not simply about increasing headcount; it is about increasing the value created by each individual. As the range of tasks that can be made more efficient through AI expands, the roles expected of people will become more sophisticated, making the ability

Group Capital Cycle Creation of Group Synergies through Effective Group Capital Utilization



Top Message

to engage with customers, identify issues, and create new value increasingly important. In particular, I believe the value of roles that involve direct engagement with customers and building relationships of trust will continue to increase. In light of these changes, we will continuously review the human resources portfolio and organizational structure we need.

With regard to intellectual capital, we will share and leverage the intangible assets we have accumulated - including data, IT systems, operational know-how, brands, and customer touchpoints - across the Group, and use them to support management decision-making and product and service development.

Investment in AI may look like a cost in the short term. I see it, however, as an investment in strengthening our future value-creation capabilities. AI does not automatically produce results simply because it is introduced. It becomes a source of corporate competitiveness only when we actively adopt it, learn to use it effectively, and transform our operations, organization, and people accordingly. We will turn AI into a source of strength, expand the potential of people and knowledge, and build competitiveness for the future.

Reviewing the Business Portfolio with the Future as the Starting Point

A symbolic decision in giving concrete form to the value-creation story set out in the Group Long-Term Vision was the transfer of shares in T&D Financial Life (TDF). This was by no means an easy decision for me. Since the formation of the Group, TDF has played a part in our domestic life insurance business. It went through difficult periods, but thanks to the efforts of many officers and employees, the business was rebuilt and has in recent years reached the point of generating

stable earnings. It is therefore only natural that people ask, “Why transfer the shares now?” I myself spent a long time thinking this through. It is also true that I have mixed emotions about parting with colleagues with whom we have shared both good times and difficult times for more than 20 years.

However, what I must ultimately confront as a manager is how to maximize corporate value. Throughout the previous Group Long-Term Vision period, we continued to discuss what the optimal allocation of management resources should look like for the Group as a whole. Where should our limited human and financial capital be deployed to create value in the future? From that perspective, we have continually reviewed the entire business portfolio. I believe the bancassurance market will continue to offer growth opportunities. However, accelerating that growth further will require a larger customer base and greater management resources. We therefore considered carefully whether the best course was for the Group to continue investing capital and people on an ongoing basis, or for TDF to pursue growth under a new partner.

The conclusion we reached was a partnership with PayPay. PayPay has a massive customer base and digital ecosystem that the Group does not possess. For TDF, this will open up new growth opportunities in addition to its bancassurance business. At the same time, the Group will be able to concentrate management resources on strengthening its core business and growth investments. I do not view this transaction as simply a business divestiture. I see it as a forward-looking decision that enables both parties to move toward their next stage of growth by leveraging their respective strengths, and

As a manager, what I must ultimately confront is how to maximize corporate value. Rather than simply extending the past, I will take the future as my starting point and consider the optimal allocation of management resources.

as a choice to create value for the future. At the same time, it reflects my own determination to manage the Group by starting from the future rather than simply extending the past.

Of the after-tax cash generated by the share transfer, our policy is to allocate approximately half to shareholder returns and the remaining half to strategic investments aimed at strengthening Group resilience. Returning value to the shareholders and investors who have supported TDF over many years is only natural for us as a listed company. At the same time, to put the management resources made available by this transaction to work for the future, we will direct them toward AI and DX investments, human capital investment, and investments that create Group synergies. We placed importance on striking a balance between improving capital efficiency and building the capabilities that will support future growth.

“Breaking Beyond” - Enhancing Corporate Value through the Power of Trust

Effective governance that supports decision-making is also critically important to enhancing corporate value. No matter how strong a strategy may be, sustainable growth



Top Message

cannot be achieved without appropriate oversight and constructive tension. Conversely, if a company can continue making appropriate decisions in response to changes in its environment, it can sustain growth over the long term.

Based on this thinking, the Group is further advancing the separation of execution and oversight and strengthening the supervisory function of the Board of Directors. Specifically, in April 2026, we changed the Chair of the Board from the Representative Director and President to the Chairman, who does not have representative authority. We also aim to have outside directors constitute a majority at an early stage during the Group Long-Term Vision period. Through these initiatives, we will establish a framework that enables the Board to focus less on involvement in individual business execution and more on discussing important management issues from the perspective of enhancing corporate value over the medium to long term and overseeing management decision-making. We also place importance on making full use of the knowledge and experience of outside directors. Today's management environment is too complex to address with knowledge of the financial industry alone. We need to view management from diverse perspectives, including AI and technology, human

resources strategies, sustainability, and geopolitical risks. We therefore aim to incorporate the insights of outside directors with diverse backgrounds into management and thereby raise the quality of our decision-making.

Our share price has remained firm recently, reflecting market recognition of our efforts to improve earnings capacity and capital efficiency. However, I am not satisfied with the current situation. I believe the Group has further room to grow and earn a higher valuation from the market.

A key to further increasing our share price is management driven by the twin engines of economic value and financial accounting. By accumulating new business value and improving the asset management portfolio, we will expand EV, which is a source of future earnings, and steadily realize that value as financial accounting profit, thereby achieving sustainable EPS growth. At the same time, through disciplined growth investment, capital policy, and dialogue with the market, we will raise expectations for the Group's growth and strengthen trust in the Group with the aim of improving our P/E ratio. By steadily accumulating results toward the targets set out in the Group Long-Term Vision and demonstrating to the market the increasing certainty of achieving them, we aim to further improve our market valuation.

At the same time, I believe corporate value is not only the valuation assigned by the stock market, but also "the sum total of the trust placed in us by our stakeholders." As a listed company, it is naturally our responsibility to improve capital efficiency and achieve steady profit growth. But corporate value cannot be explained by these factors alone. Trust from customers, trust from agents, trust from employees, and trust from local communities - I believe corporate value is built through the accumulation of each of these forms of trust. I also believe that enhancing corporate value and solving social issues point in the same direction.

Providing value that society needs ultimately enhances corporate value. Creating this virtuous cycle is the role of management. This conviction is embodied in our Management Vision, "One 'Try & Discover' for sustainable growth."

The new Group Long-Term Vision sets out a path for the Group to continue growing over the long term. A vision, however, has no meaning if it is merely declared. What matters is steadily executing the policies we have set out and demonstrating concrete progress. While drawing on the experience and knowledge we have built over the years, we will continually question conventional assumptions and evolve our decision-making and actions in response to changes in the environment.

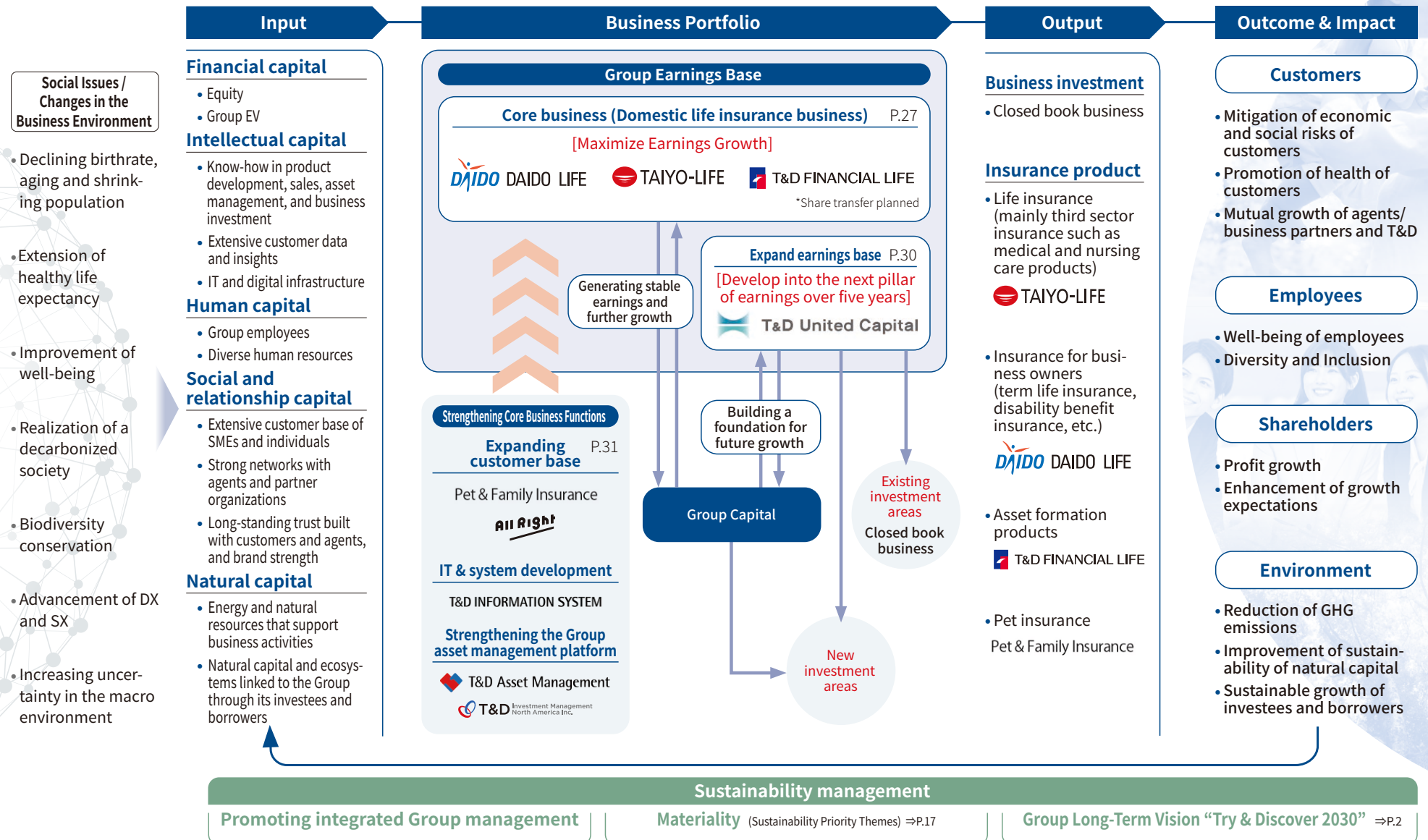
"Breaking Beyond." These words express our determination not only to achieve the targets for 2030, but also to build the capabilities that will support growth beyond that point. We will steadily build on each achievement toward meeting targets such as an adjusted ROE of at least 15% and EPS growth of at least 10%. At the same time, we will not be satisfied with immediate results, but will continue to pursue new possibilities. We will turn the spirit of "Try & Discover" into one collective strength and connect the peace of mind of each customer to the growth of society as a whole. To make this a reality, I myself will lead from the front and drive transformation. The new Group Long-Term Vision marks the starting point of a new challenge that will accelerate this journey. Together with all of our stakeholders, we will open up the next stage of growth.

Finally, I would like to express my sincere gratitude to all of our stakeholders for their continued support of the Group. Your understanding and support give us the strength to continue putting "Try & Discover" into practice. I sincerely ask for your continued support and guidance.



Value Creation Process

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



Value Creation Process in Detail

Starting with the five forms of capital, we formulate strategies to address management issues and execute specific initiatives to generate outcomes. We link these outcomes to the achievement of our targets and KPIs, thereby driving sustainable value creation.

	Financial capital	Intellectual capital	Human capital	Social and relationship capital	Natural capital
Our challenges and strategies	- Further advancement of ERM - Improvement of capital efficiency - Improvement of the asset management portfolio through ALM and other measures - Appropriate management of operating expenses	- Leveraging product development, sales, and asset management know-how cultivated since the founding of our life insurance business - Building an efficient operational framework through the introduction of AI agents and other measures - Further advancement of Group management	- Consolidation and reorganization of Group functions; deployment and development of talent in the core business and growth areas - Securing diverse and highly specialized talent on a stable basis - Fostering willingness to take on challenges and grow	- Addressing social issues in each market (extending healthy life expectancy, supporting SME growth, etc.) - Responding to diversifying customer needs - Invest to Help Build a Sustainable Society	- Contributing to climate change mitigation and adaptation through business activities - Biodiversity conservation - Identifying and assessing climate-related risks
Examples of inputs	- Equity: ¥1,611.9 billion - Group EV: ¥4,238.6 billion (as of March 31, 2026)	- Sales know-how and product development capabilities cultivated through distinctive business models - Asset management know-how - Business investment know-how	- Number of Group employees: 21,268 - Total amount spent on development and training of human resources: ¥780 million - Improvement in compensation and work environment	- Provision of products and services Daido Life: Number of enrolled companies: Approx. 363,000 Taiyo Life: Number of policies in force: Approx. 7,623,000 TDF: Number of policies in force: Approx. 645,000 - Collaboration with agents and partner organizations Daido Life: 16,414 sales agents TDF: 216 partner agents - Thematic investment and financing	- Introduction of renewable energy - Thematic investment and financing
Initiatives and outputs for value creation	Business investment and capital allocation	Asset management, new products and services, and DX/AI implementation	Human resource development, expansion of specialized talent, and Group-wide deployment	Expansion of customer touchpoints, partnerships, and service provision	Decarbonization-related investment and financing, and introduction of renewable energy
FY2024 results	- Group Adjusted Profit: ¥140.0 billion - Adjusted ROE: 9.6% - Value of New Business: ¥166.1 billion	- Asset management results: ¥86.7 billion - Business investment (cumulative): ¥144.0 billion	- Employee engagement score: 3.90pt.s - Ratio of female managers: 24.6%	Customer satisfaction^{*2} Daido Life: 87.0% Taiyo Life: 92.3% TDF: 80.5%	- Reduction rate of GHG emissions: 49.9% - Financed emissions reduction rate: 48.2%
Outcomes FY2025 results	- Group Adjusted Profit: ¥158.5 billion - Adjusted ROE: 10.5% - Value of New Business: ¥169.0 billion	- New products (outputs): 7 products (3 life insurance companies) - Asset management results: ¥145.9 billion - Business investment (cumulative): ¥259.0 billion	- Employee engagement score: 3.92pt.s - Ratio of female managers: 26.0%	Customer satisfaction^{*2} Daido Life: 80.3% Taiyo Life: 91.6% TDF: 80.2%	- Reduction rate of GHG emissions: 62.8% - Financed emissions reduction rate: 55.3%
Targets / KPIs * Group Long-Term Vision period (through March 2031)	- Group Adjusted Profit: ¥230.0 billion - Adjusted ROE: 15% - Value of New Business: ¥200.0 billion	- Enhance financial and non-financial capital by strengthening intellectual capital - Reduce workload by 30–50% through the DX Strategy (compared with the level at the end of March 2026)	- Employee engagement score: 4.0 or higher (on a 5-point scale) - Recruitment and development of diverse talent^{*1}: 40% of internal staff - Ratio of female managers (including junior managers): 30% (Manager level or above): 15% - Increase the number of highly specialized human resources by 15% (vs. FY2025) - Number of global human resources: 200	Customer satisfaction^{*3}: 4.0 points or higher (on a 5-point scale)	- Reduction rate of GHG emissions: 75% reduction [Compared with FY2013: per-unit basis and total emissions basis] - Financed emissions reduction rate: 50% reduction [Compared with FY2020: per-unit basis] - Introduction rate of renewable energy: 70% - Cumulative amount of thematic investment and financing: ¥1,700 billion

^{*1} Number of employees with experience at multiple Group companies, employees with experience through assignments or secondments outside the Group, and mid-career hires currently employed

^{*2} 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." Taiyo Life: Four levels - "satisfied," "mostly satisfied," "somewhat unsatisfied," and "unsatisfied." Aggregate the total of "satisfied" and "mostly satisfied." TDF Life: Five levels - "satisfied," "mostly satisfied," "average," "somewhat unsatisfied," and "unsatisfied." Aggregate the total of "satisfied" and "mostly satisfied."

Sustainability Management

Basic Approach

With life insurance as its core business, the 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.

Amid growing uncertainty about the outlook for the world, it is necessary to view social issues from a longer-term perspective and clearly define the future state the Group should aspire to.

Under the Group Long-Term Vision (April 2026-March 2031), we take into account megatrends such as changes in demographics and lifestyles and the evolution of DX and AI, and pursue sustainable growth of the Group while helping to resolve social issues by developing businesses that leverage the Group's characteristics and strengths.

Key Issues for Promoting Sustainability Management in the T&D Insurance Group

From among the various areas of sustainability related to its business activities, the Group has identified two key issues—"enhancing social value" and "enhancing human capital"—as matters that are highly important to society and closely related to the Group's businesses. We have also established priority themes for each key issue (shown at right) and targets (p. 17) as the levels we aim to achieve, and are advancing initiatives through our businesses.

Key Issues for Promoting Sustainability Management

Priority Themes for Enhancing Social Value

Promote Healthy and Abundant Lives for People

We provide optimal, high-quality products and services that meet customer needs, contributing through our insurance business to the sustainable growth of society and the resolution of social issues.

Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation

Through our business activities, we contribute to climate change mitigation and adaptation and work toward achieving a net-zero society and conserving biodiversity.

Contribution to a Sustainable Society through Investment

As a responsible institutional investor, we make investments that take environmental, social, and corporate governance (ESG) factors into account, thereby contributing to securing stable long-term returns and realizing a sustainable society.

Priority Themes for Enhancing Human Capital

Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively

We respect the human rights of all people, as well as the individuality and diversity of employees, and develop our human resources by ensuring a healthy and safe working environment.

Enhancement of Human Capital

To support the Group's sustainable growth, we aim to secure the necessary human resources and develop and expand the pool of talent capable of leading Group management.



Materiality (Sustainability Priority Themes)

Enhancement of Corporate Value for a Wide Range of Stakeholders

① **Enhancement of shareholder value**
- Improvement in TSR
- Profit growth
- Enhancement of growth expectations

② **Contribution to customers**
- Enhance and expand the value provided to customers
- Mutual prosperity with business partners through mutual trust

③ **Contribution to employees**
- Enhancement of well-being

④ **Contribution to society**
- Resolution of social issues

Key Issues / Priority Themes	Social Issues	Risks and Opportunities	Main Initiatives and Results	KPI / Targets	FY2025 Results
Enhancement of Social Value	Promote Healthy and Abundant Lives for People	Risks - 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 Opportunities - 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	- 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 ➡ Enhance and expand the value provided to customers ① Enhancement of shareholder value ② Contribution to customers	Customer satisfaction FY2030: 4.0 points or higher (on a 5-point scale)	(Overall satisfaction) Daido Life: 80.3% Taiyo Life: 91.6% TDF: 80.2% * Survey methods differ by company. From FY2026, the Group will adopt a newly established Group-wide measurement method.
	Contribute to Global Environment Conservation and Climate Change Mitigation and Adaptation	Risks - 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 Opportunities - 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	- Set Group-wide targets for reducing GHG 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 ➡ Mitigate the environmental impact of our business activities ④ Contribution to society	GHG emissions reduction rate from our own operations (Per-unit basis) 75% reduction by FY2030* (Total emissions basis) 75% reduction by FY2030 Achieve net zero in own operations by FY2040 * Compared with FY2013 Introduction rate of renewable energy 70% by FY2030	(Per-unit basis) 62.8% reduction (Total emissions basis) 64.3% reduction 51.6%
	Contribution to a Sustainable Society through Investment	Risks - 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 Opportunities - 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	- Conduct various sustainable investment and financing activities in accordance with the Principles for Responsible Investment (PRI), while engaging in dialogue with investees and borrowers and appropriately exercising voting rights in line with the Principles for Responsible Institutional Investors - Undertake thematic investment and financing that can contribute to the realization of a sustainable society, taking sustainability issues into account - Implement initiatives to reduce financed emissions and achieve net zero ➡ Promote sustainable management of investees and borrowers ① Enhancement of shareholder value ④ Contribution to society	Financed emissions reduction rate (Per-unit basis) 50% reduction by FY2030* * Compared with FY2020 Achieve net zero for investees and borrowers by FY2050 Cumulative amount of sustainability-themed investment and financing ¥1,700 billion by FY2030	55.3% reduction ¥1,240 billion
Enhancement of Human Capital	Provide Workplace Environments that Enable Diverse Human Resources to Participate Actively	Risks - 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	- 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 LGBTQ+ (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 ➡ Strengthen business competitiveness, achieve profit growth, and enhance employee engagement ① Enhancement of shareholder value ③ Contribution to employees	Employee engagement score 4.0 or higher (on a 5-point scale)	3.92
	Enhance Human Capital	Opportunities - 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	- Strengthen mid-career recruitment and the securing and development of highly specialized human resources - Promote Group-wide deployment and utilization of human resources through the Group Internal Job Posting System and personnel exchanges - Develop global human resources through overseas assignments and secondments to overseas companies - Expand opportunities for diverse human resources to participate actively, including through initiatives to promote the active participation of women ➡ Enhance the human resources portfolio and optimize the allocation of Group management resources ① Enhancement of shareholder value ③ Contribution to employees	Status of securing and developing human resources with diverse experience and backgrounds* 40% of all administrative personnel by FY2030 Ratio of female managers (Including junior management positions) 30% by FY2030 (Manager level or above) 15% by FY2030 Number of highly specialized human resources Increase by at least 15% by FY2030 (vs. FY2025) Number of global human resources 200 employees by FY2030 * Number of employees with experience at multiple Group companies, employees with experience through assignments or secondments outside the Group, and mid-career hires currently employed	32.8% 26.0% 12.3% 860 employees 83 employees

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 sustainability initiatives and promotes sustainability management across the Group.

Sustainability Advisory Committee



Takejiro Sueyoshi
Special Advisor
UNEP Finance Initiative



Mari Yoshitaka
Representative Director of
Virtue Design
Visiting Professor at the
College of Arts and Sciences,
University of Tokyo



Ai Aonuma
Representative Director of
the Kamakura Sustainability
Institute (KSI)

Sustainability Advisory Committee meetings held in FY2025: 4

Major Themes

- Recent climate change trends / COP30
- Sustainable finance trends
- Regional revitalization (public-private partnership examples, etc.)

Climate change

Recommendations from committee members ▶ The climate crisis is a race against time. Because net zero can be achieved with existing technologies, GHG emissions must be reduced urgently using those technologies rather than waiting for new ones. Climate change also has a major economic impact, and delayed action is said to lead to future GDP losses and lower international competitiveness. Recognizing climate change as a root cause of the increasingly frequent natural disasters in recent years, governments, society, and companies alike should not ease their efforts to address it as a long-term risk.

Response ▶ To help realize a net-zero society, the Group reviewed its GHG emissions reduction targets under the Group Long-Term Vision toward 2030, raising target levels and adding items. We are actively shifting electricity use to renewable energy and undertaking investments and financing, including investment in transition bonds, that contribute to a decarbonized society.

Regional revitalization

Recommendations from committee members ▶ Regional revitalization initiatives should be pursued not merely as social contributions but also with a view to enhancing companies' own economic value. More companies are establishing dedicated organizations and engaging in such initiatives in earnest. As many local governments lack sufficient fund-raising expertise, involvement by companies with fund-raising experience can be effective. Public-private partnerships are generally pursued through frameworks involving financial institutions such as regional banks.

Response ▶ In FY2025, the Group again made corporate hometown tax donations to local governments closely aligned with its sustainability priority themes. We also dispatched employees through the corporate hometown tax donation program (personnel dispatch type) to contribute to regional revitalization. We continue discussions with local governments on ways to help solve local social issues.

Sustainable finance

Recommendations from committee members ▶ The T&D Insurance Group, with its diverse businesses, is expected to leverage its broad channels in sustainable finance to both develop its businesses and help solve social issues. Green bond issuance is expanding from operating companies to local governments, with increasing use for environmental projects. To realize a decarbonized society, transition finance that supports high-emitting investees is important, and financing is expected to support their steady decarbonization. Impact investing, which identifies specific intended outcomes and commits to achieving them, should also be used based on a proper understanding of investees' intentions.

Response ▶ Under the Group Long-Term Vision toward 2030, the Group has made promoting sustainable finance centered on "sustainability-themed investments," "transition finance," and "investments supporting GX promotion, regional revitalization, and SMEs" one of its themes. In May 2026, the Group revised its Sustainability Loan Framework to incorporate "transition loans" and "transition-linked loans" and obtained a new third-party opinion on its alignment with the latest international principles and related standards.

Strategies for Realizing the Group Long-Term Vision

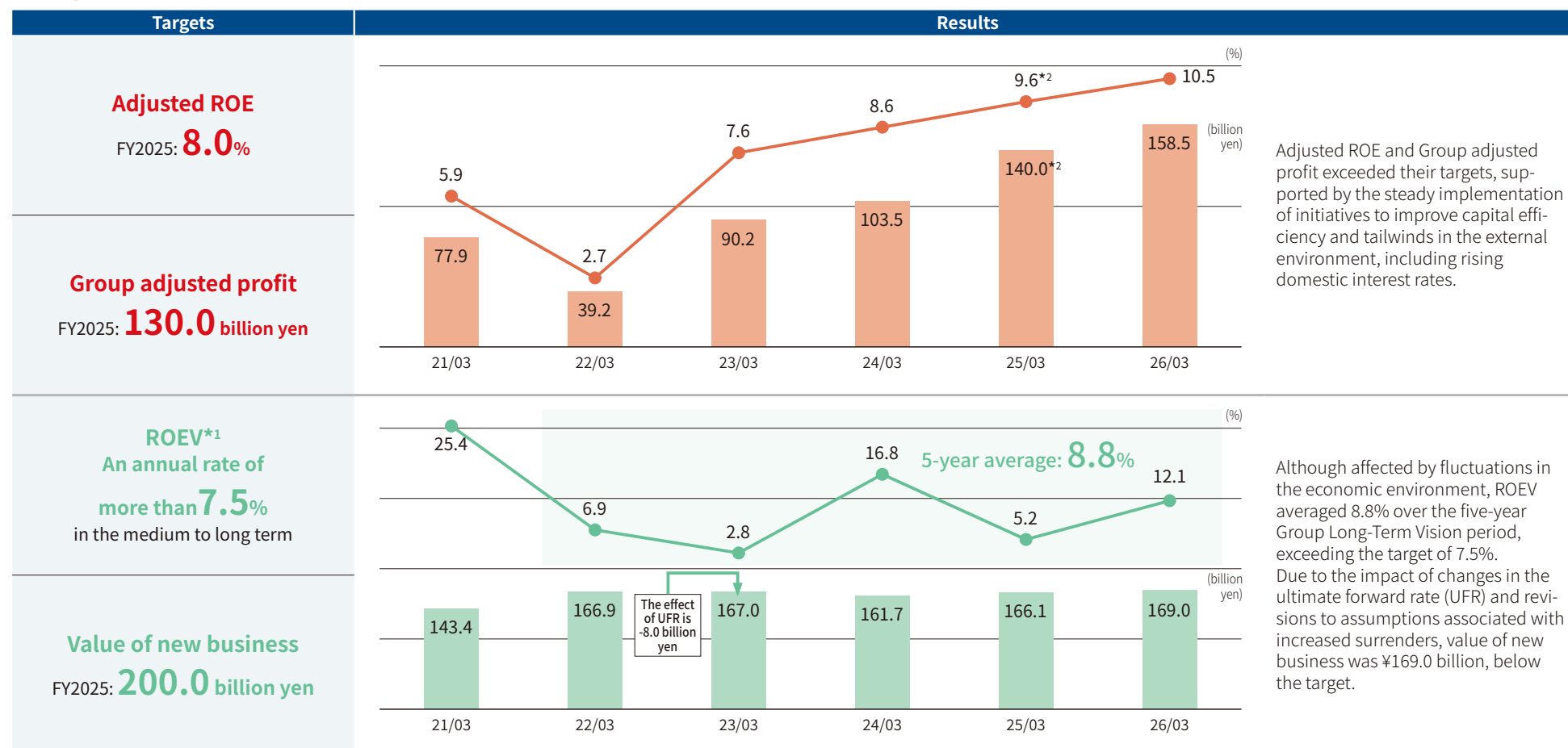
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Companies
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(Message from the Head of Human Resources)
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Review of the Previous Group Long-Term Vision “Try & Discover 2025”

Under the previous Group Long-Term Vision (April 2021–March 2026), the Group adopted the Management Vision, “Sow happiness, make change with boldness.” We then steadily advanced the Group KPIs, our quantitative targets, and five key themes for achieving them: (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.

■ Progress of Group KPIs –Financial KPIs–



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

* 2 Figures reflect retrospective application of accounting adjustments following Fortitude Re's adoption of LDTI.

Review of the Previous Group Long-Term Vision “Try & Discover 2025”

■ Non-financial KPIs

Under the previous Group Long-Term Vision, the Group established non-financial KPIs representing social value to link the resolution of social issues through business activities to the creation of shared value. Customer satisfaction, the employee engagement score, and GHG emissions generally remained solid, as shown in the table to the right.

[Customer satisfaction]

Although there were some year-to-year fluctuations, customer satisfaction remained generally solid.

Taking into account the results of the customer satisfaction survey, responses to changes in the social environment, and other factors, the Group continually works to provide more convenient services and improve business processes, aiming to be a Group that customers can rely on and trust for years to come. Until FY2025, measurement methods*¹ differed by company; from FY2026, however, the Group will introduce and transition to a new Group-wide measurement method.

[Employee engagement score]

At all Group companies, scores exceeded their FY2020 levels. Once a year, we conduct an employee engagement score survey to identify issues within organizations and measure the effects of individual human resources measures.

⇒ P.43 Use of employee engagement score

[GHG emissions]

We have made steady progress toward the FY2025 target of reducing GHG emissions by 40% from FY2013 levels, achieving a 62.8% reduction. We will continue efforts to reduce GHG emissions by curbing energy use through targets for reducing electricity consumption and by promoting the introduction of renewable energy.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Forecast for FY2025
Customer satisfaction *¹							Above or equal to FY2020 level * ⁴
Daido Life	82.3%	81.1%	79.0%	85.0%	87.0%	80.3%	
Taiyo Life	91.8%	91.9%	91.6%	91.4%	92.3%	91.6%	
TDF Life	72.8%	75.8%	76.7%	79.2%	80.5%	80.2%	
Employee engagement score *²							
T&D Holdings	3.84	4.08	4.03	4.06	4.08	4.09	
Daido Life	3.75	3.85	3.84	3.94	4.02	4.05	Reduction of 40% from FY2013 levels
Taiyo Life	3.61	3.63	3.57	3.58	3.72	3.74	
TDF Life	3.55	3.70	3.80	3.82	3.94	3.95	
GHG emissions *³ (reduction from FY2013 levels)	30.1%	31.0%	35.4%	41.2%	49.9%	62.8%	

*¹ 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.”
Taiyo Life: Four levels - “satisfied,” “mostly satisfied,” “somewhat unsatisfied,” and “unsatisfied.” Aggregate the total of “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 Based on a five-point rating scale (maximum 5.0 to minimum 1.0), scores of 3.5 or higher are defined as favorable based on past results and general benchmarks. Scores are not suitable for comparison across Group companies due to differences in workforce composition and other factors.

*³ Scope 1 and Scope 2 emissions per unit of floor area. The terminology has been changed from “CO₂” to “GHG” because the metric covers all greenhouse gases.

*⁴ When we use these figures to assess the performance of the Company, we incorporate qualitative evaluations, including feedback from ESG rating agencies.

Group Long-Term Vision “Try & Discover 2030 —Breaking Beyond—”

Formulating the Group Long-Term Vision

Under the Group Long-Term Vision “Try & Discover 2030,” the spirit we have cherished since the Group’s formation remains unchanged: the Group’s Corporate Philosophy, “We aim to contribute to people and society through value creation under the spirit of ‘Try & Discover.’”

Against a backdrop of key megatrends such as the declining birthrate, aging population, and shrinking workforce, the market is expected to contract over the very long term. To remain competitive, the Group must act as one and transform into a more efficient and productive organization. While life insurance will remain our core business, we also need to view increasingly diverse social issues as opportunities and take on new business domains in order to lay the foundation for sustainable growth beyond 2030.

In light of these environmental changes, the direction we aim to take, and our purpose as a Group, we have revised our

Management Vision. Our new Management Vision is “One ‘Try & Discover’ for sustainable growth.” Centered on the spirit of “Try & Discover” that has guided us since the Group was formed, it more clearly sets out our direction of creating value as one Group.

Overview of the Group Long-Term Vision

The Group Long-Term Vision is the collective term for the Group’s Management Vision, together with the Group growth strategy and Group KPIs formulated based on the three basic principles for realizing that vision.

Under our Corporate Philosophy, which represents the Group’s unchanging purpose, “Try & Discover 2030” builds on the achievements to date and advances the Group to a new stage of growth.

Three basic principles

To realize the Group we aim to become over the next five years, as set out in our Management Vision, we have established three basic principles.

Principle 1 Further Strengthening of Our Core Business

In a higher interest rate environment, we will strengthen the sales and asset management capabilities of the domestic life insurance business and achieve stable profit growth through steady growth in in-force policies and further ALM initiatives.

Principle 2 Growth through New Value Creation

We will focus on areas where the Group’s strengths can be effectively leveraged and pursue disciplined growth investments with due regard to the cost of equity.

Principle 3 Enhancing Group Resilience

To continue winning amid discontinuous changes in the external environment, we will transform into a strong and resilient Group. With our DX strategy as the starting point, we will promote integrated Group management more deeply than ever before, circulate not only financial capital but also human and other forms of capital, and create Group synergies.

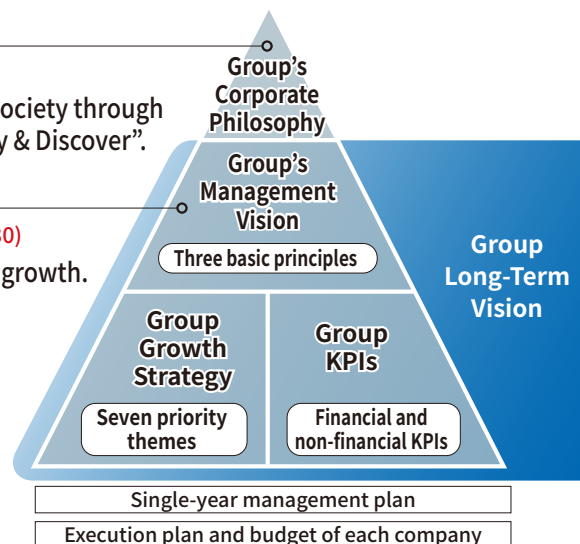
The seven priority themes translate the three basic principles into execution strategies.

Our Management Philosophy (Our Purpose as a Group)

We aim to contribute to people and society through value creation under the spirit of “Try & Discover”.

Our Management Vision (The Group’s Vision and Direction for 2030)

One “Try & Discover” for sustainable growth.



Three basic principles

Principle 1
Further Strengthening of Our Core Business

Principle 2
Growth through New Value Creation

Principle 3
Enhancing Group Resilience

Seven priority themes

1 Maintaining and strengthening the earnings base of the life insurance business

2 Strengthening the customer base

3 Active business portfolio management

4 Promoting external growth strategies

5 Effective circulation and creation of Group capital

6 Enhancing the effectiveness of Group governance

7 Establishing and embedding the Group brand

Group Long-Term Vision “Try & Discover 2030 —Breaking Beyond—”

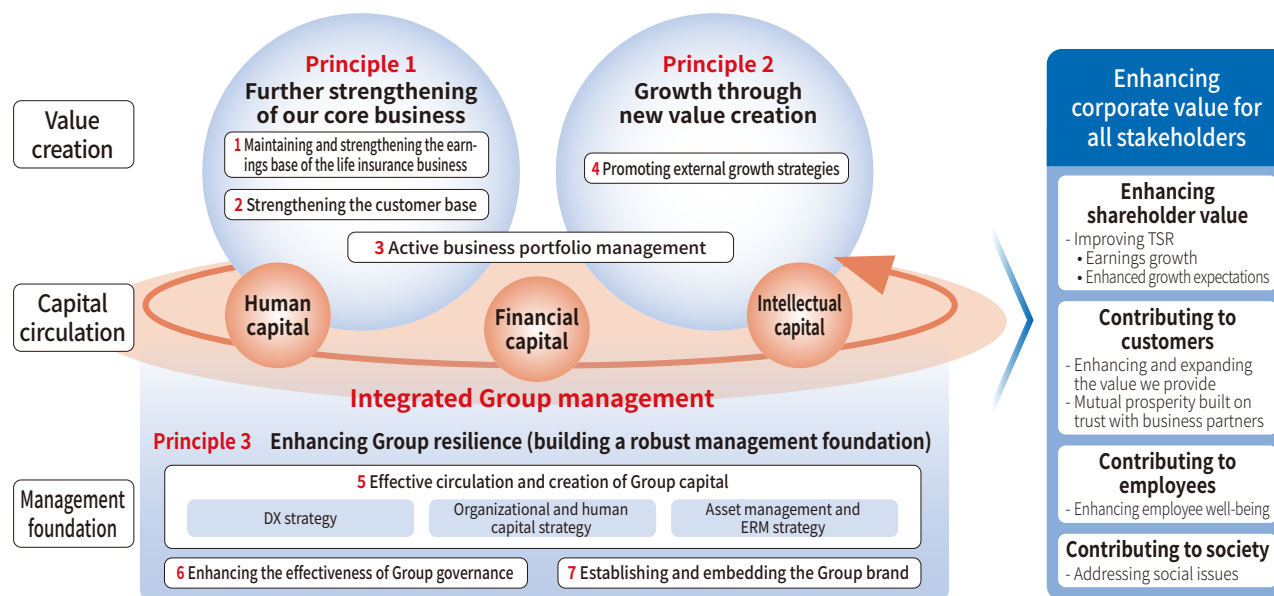
Group growth strategy — the whole picture

The diagram below shows the whole picture of the Group growth strategy for enhancing corporate value, centered on the three basic principles (seven priority themes).

Under the three basic principles, we will promote integrated Group management by, among other things, strengthening the management foundation with the DX strategy as a starting point, and enhance corporate value through value creation driven by the circulation of financial, human, and intellectual capital.

⇒ P.38 Intellectual capital

Through these efforts, we will provide value to a broad range of stakeholders—including customers, employees, and society—while also enhancing shareholder value.



Financial capital: Financial resources such as shareholders' equity, cash, and investment funds

Human capital: Corporate personnel and the attributes they possess, such as capabilities, skills, experience, and motivation

Intellectual capital: The Company's knowledge assets and intangible assets, including data, IT systems, operational know-how, and brand value

Financial KPIs

For Group adjusted profit in FY2030, we set a target of ¥230.0 billion, incorporating the current economic environment, the effects of portfolio improvements made to date, and the expected earnings contributions from future growth investments. We also set a target of 15% for adjusted ROE, a level clearly above the cost of equity. For value of new business, which fell short of the target under the previous Group Long-Term Vision, we aim for ¥200.0 billion.

In addition, as five-year targets, we aim for an EPS growth rate of at least +10% (CAGR) and ROEV of at least +8% (CAGR). These targets are intended to be achieved over the full five-year period rather than in each individual fiscal year.

Non-financial KPIs

To promote sustainability management, we have established two key issues—enhancement of social value and enhancement of human capital—and priority themes under each. For each priority theme, we set KPIs such as customer satisfaction, the reduction rate of our own GHG emissions, and the employee engagement score. By working to achieve these KPIs, we will pursue sustainable Group growth while contributing to the resolution of social issues.

In this Group Long-Term Vision, we have added “recruitment and development of diverse talent” as a new KPI. Human capital is critical to T&D Holdings' sustainable growth, and we will continue to enhance human capital.

⇒ P.51 Social and Relationship Capital

⇒ P.40 Human Capital

Financial and non-financial KPIs: target levels as of March 31, 2031

Financial	Group adjusted profit	¥230.0 billion
	Value of new business	¥200.0 billion
	Adjusted ROE	15%
Non-financial	Customer satisfaction	4.0 or higher (five-point scale)
	Reduction rate of our own GHG emissions (intensity)	-75% reduction from FY2013
	Employee engagement score	4.0 or higher (five-point scale)
	Recruitment and development of diverse talent*	40% of internal staff

* Employees with experience at multiple Group companies, employees with assignment or secondment experience outside the Group, and mid-career hires

Targets under the Group Long-Term Vision (five-year horizon)	EPS growth rate: at least +10% (CAGR)	ROEV: at least +8% (CAGR)
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Business Portfolio Strategy

Message from the Head of Corporate Planning

Evolving the Business Portfolio from a Future-Oriented Perspective

We will strengthen the competitiveness of our core business while strategically allocating capital to new growth areas.

Yoshitaka Moriya

Managing Executive
Officer

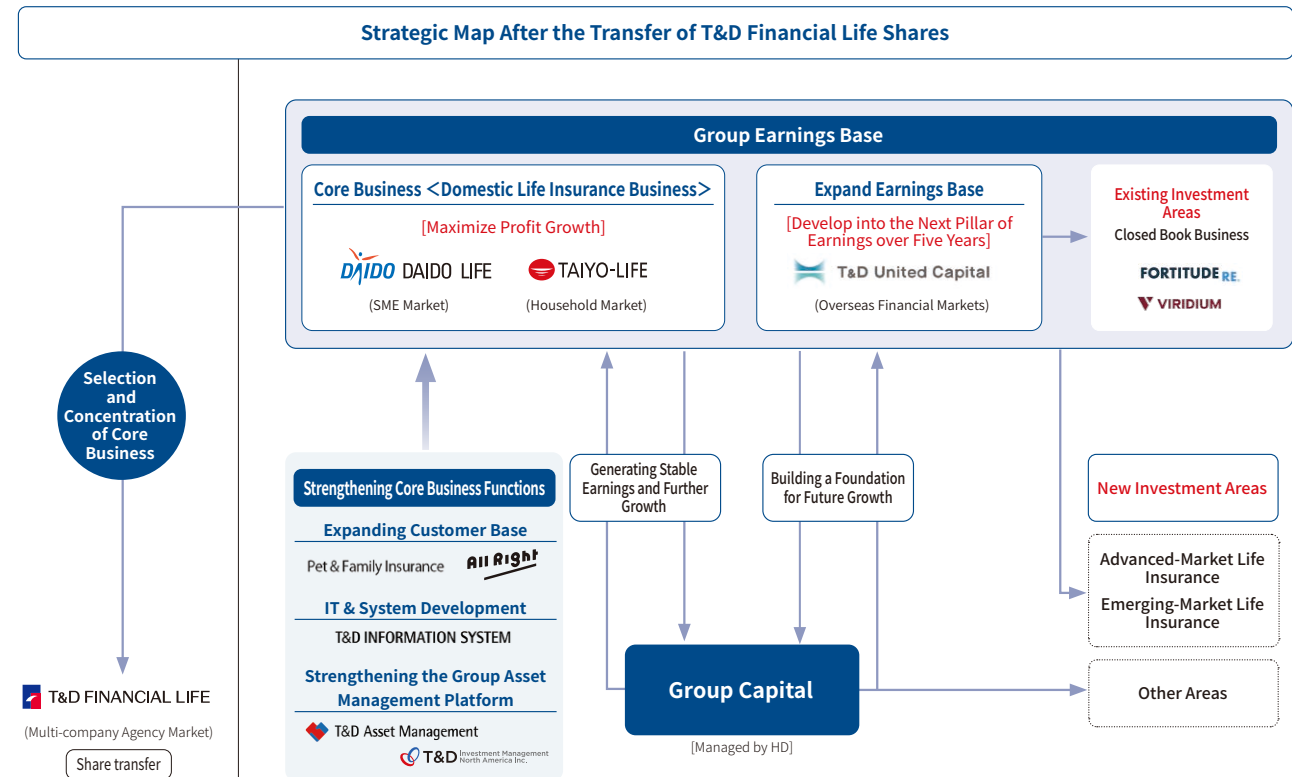


Basic Approach to Business Portfolio Strategy

In formulating the Group Long-Term Vision, “Try & Discover 2030 - Breaking Beyond -,” the Group revisited and held extensive discussions on the composition of its business portfolio. Under the Long-Term Vision, we have established three basic principles: “Further Strengthening of Our Core Business,” “Growth through New Value Creation,” and “Enhancing Group Resilience.”

Business portfolio strategy underpins these principles by specifying the future composition of the business portfolio and policies for existing businesses from the perspective of optimizing capital allocation. It is an important management framework for achieving the sustainable enhancement of corporate value.

In formulating the Long-Term Vision, the Board of Directors discussed fundamental questions such as “What strengths will drive the Group’s growth?” and “What value should we provide to society?” At the same time, amid major changes in the business environment, including population decline, a declining birthrate and aging population, and technological innovation such as AI, we also discussed how to assess the businesses of Taiyo Life and Daido Life, our core business, from a long-term perspective, where their competitive advantages lie, whether sustainable growth can continue to be expected, and whether the current business composition will remain optimal in the future. Through these discussions, we revisited our approach to the business portfolio and clarified the direction of capital allocation toward the long-term enhancement of corporate value.



Business Portfolio Strategy

Message from the Head of Corporate Planning

Redefining the Domestic Life Insurance Business as a "Growth Business"

Following multifaceted discussions on Taiyo Life's household market and Daido Life's SME market, taking into account factors such as market growth potential, the competitive environment, and changes in customer needs, we concluded that significant business opportunities remain in both markets. By leveraging the customer bases, sales channels, brands, and other strengths cultivated in their respective markets, we believe sustainable growth can continue to be achieved.

The shift to an economy with positive interest rates is also bringing major changes to the earnings structure of the life insurance business. Alongside stronger policy performance, profitability is also expected to improve as positive spread increases. As a result, the environment surrounding the domestic life insurance business has changed significantly compared with the past.

Based on these discussions, the Group has positioned the domestic life insurance business not merely as a stable earnings business but as a "growth business" during the period of the Group Long-Term Vision. Going forward, by further honing the respective strengths of Taiyo Life and Daido Life, we will drive the Group's profit growth. We recognize that initiatives to improve profitability at Taiyo Life remain an important management priority.

As part of our review of the business portfolio, we have decided to transfer T&D Financial Life shares. In the domestic life insurance business, we will focus on Taiyo Life and Daido Life, while using a portion of the proceeds from the share transfer to enhance Group resilience. Through these initiatives, we will achieve sustainable growth in our core business and improve capital efficiency.

Turning Current Strengths into Future Growth

Our perspective, however, extends beyond 2030.

Given the declining population and labor shortages, advances in technology including AI, and diversifying customer needs, we do not assume that our current competitive advantages will naturally be sustained into the future. Moreover, the challenges facing customers in the household and SME markets are increasingly difficult to solve through insurance alone.

That is why we believe it is important to prepare now, while the domestic life insurance business is performing well, for the growth that lies beyond.

Under the Group Long-Term Vision, we have clearly set out a policy of using the profits and capital capacity generated by the domestic life insurance business both as a source of stable shareholder returns in line with profit growth and for growth investments aimed at building new earnings sources. Specifically, we have established a ¥500.0 billion growth investment budget for the period of the Group Long-Term Vision and will diversify our earnings sources, focusing on T&D United Capital.

This ¥500.0 billion is more than simply an investment budget. It is a capital circulation mechanism that connects the results generated by our current core business to future growth, and is an important strategy for achieving the sustainable enhancement of corporate value.

Strengthening Core Business Functions through Group Companies

In addition to Taiyo Life and Daido Life, which operate the life insurance business, the Group has companies engaged in a diverse range of businesses.

These companies also play a role in strengthening the capabilities of our core life insurance business in their respective areas: T&D Asset Management and T&D Investment Management North America enhance the Group's asset management capabilities; Pet & Family and All Right expand the Group's customer base; and T&D Information Systems enhances the DX/IT infrastructure.

Business Portfolio Strategy

Message from the Head of Corporate Planning

Toward Enhancing Corporate Value

Our aim is not to expand the scale of our business for its own sake, but to sustainably enhance corporate value.

Under the Group Long-Term Vision, we have set financial KPIs of ¥230.0 billion in Group adjusted profit, ¥200.0 billion in value of new business, and adjusted ROE of 15%, as well as five-year targets of EPS growth of 10% or more and ROEV of 8%

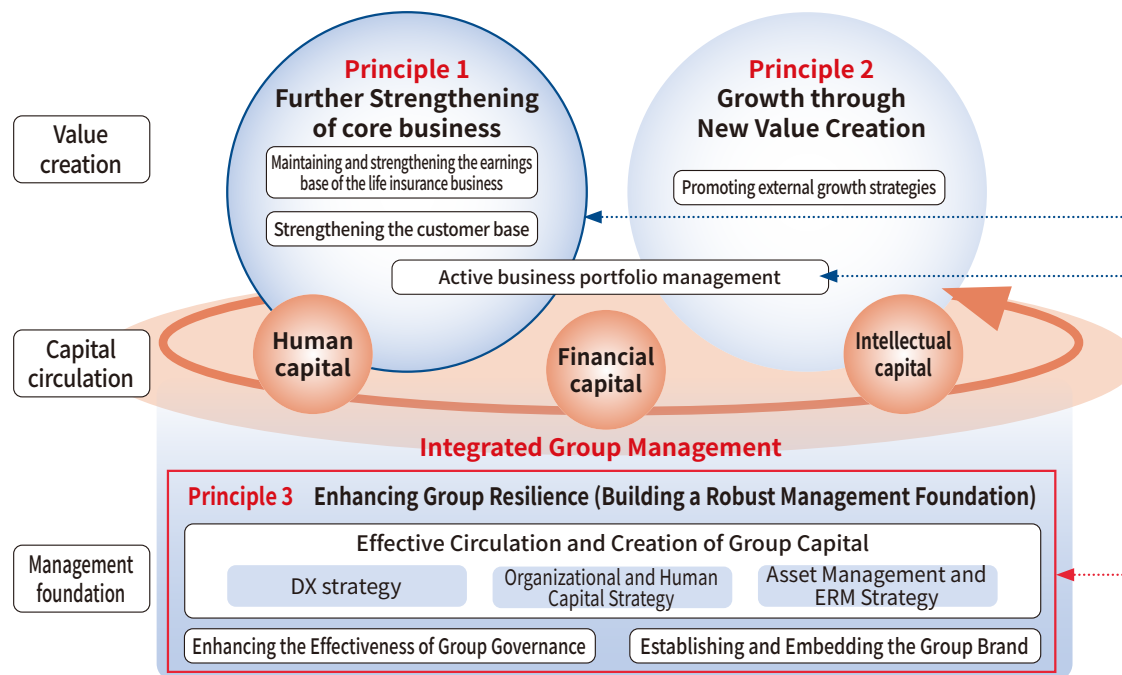
or more. Business portfolio management is an important management tool for achieving both profit growth and improved capital efficiency.

A business portfolio is not static. What matters is to review it continuously from the perspective of enhancing corporate value in the future, rather than evaluating businesses as an extension of the past.

Going forward, taking into account changes in market

conditions and society, we will assess every business without exception and consider new investments, business expansion, business restructuring, and capital reallocation as necessary. Through further growth of our core business, the creation of new earnings sources, and enhanced Group resilience, we will achieve sustainable profit growth and improved capital efficiency, thereby meeting the targets set under the Group Long-Term Vision and enhancing corporate value beyond them.

Try & Discover 2030 - Breaking Beyond -: The Whole Picture



First Set of Measures to Execute the Group Long-Term Vision

Increase the Speed and Certainty of Realizing Our Aspired Future State

Comprehensive Business Alliance with PayPay

- Accelerate the strengthening of core business by expanding the customer base and through other initiatives

+

Transfer of T&D Financial Life Shares

- Strategically invest the cash generated in enhancing Group resilience (DX, human capital investments, etc.)
- Increase the certainty of achieving KPIs and other targets through share buybacks

Financial capital: Such as shareholders' equity, cash, and investment funds

Human capital: Corporate personnel and the attributes they possess, such as capabilities, skills, experience, and motivation

Intellectual capital: The Company's knowledge assets and intangible assets, including data, IT systems, operational know-how, and brand value

Domestic Life Insurance Business

In its core domestic life insurance business, the Group's business model is characterized by each of its domestic life insurance companies specializing in a different market and demonstrating its own uniqueness and expertise.

The life insurance business is highly public in nature, and the Group creates value by addressing societal issues in specialized markets. Specifically, Daido Life and Taiyo Life provide products and services that leverage their respective strengths to contribute to the growth and development of SMEs and the extension of healthy life expectancy, respectively.



SMEs market

Societal issues to be addressed through business activities	Growth and development of SMEs
Unique business model	Provides coverage through partnerships with SME-related organizations, tax accountant organizations, and others
Products and services	- Made-to-order products that meet the diverse needs of SMEs - Initiatives to promote health and productivity management - Provides SMEs with management support

With regard to T&D Financial Life, the Group has decided to transfer its shares to PayPay Corporation and other parties. As a result, the Group will have two life insurance companies, Daido Life and Taiyo Life. By using the cash generated from the transfer for shareholder returns and investments to strengthen its core business, which has unique strengths, the Group will further enhance the sustainability of its growth and capital efficiency.

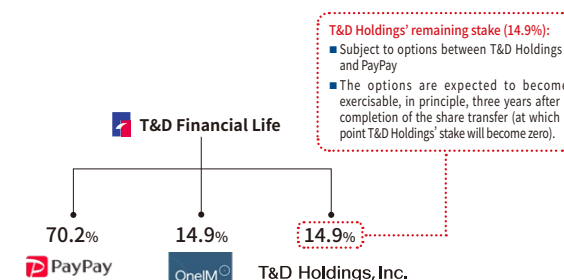


Household market

Societal issues to be addressed through business activities	Extension of healthy life expectancy
Unique business model	- Provides coverage mainly to senior customers in the household market - Develops hybrid-style sales combining face-to-face and non-face-to-face approaches
Products and services	- Develops products in response to societal issues (dementia and prevention of cancer/critical illnesses) - Provides services for senior customers

Transfer of T&D Financial Life shares to a consortium led by PayPay and comprehensive business alliance with PayPay

T&D Holdings has agreed to transfer 85.1% of the shares of its consolidated subsidiary T&D Financial Life, with 70.2% to be transferred to PayPay and 14.9% to an affiliated entity of One Investment Management. The 14.9% stake that T&D Holdings will continue to hold is subject to options between T&D Holdings and PayPay. The transaction is expected to be completed in October 2027, subject to obtaining the necessary regulatory approvals and other conditions.



In addition, T&D Holdings and PayPay entered into a basic agreement regarding a comprehensive business alliance in the marketing and digital fields.

By combining the T&D Insurance Group's expertise in health promotion, nursing care, and medical fields with PayPay's fintech technology and user base and SoftBank's AI and digital technologies, the alliance aims to collaborate across multiple areas, including insurance sales, advertising and marketing, operations, and new business areas.

Image of the comprehensive business alliance
Growth (top line) × efficiency (bottom line)



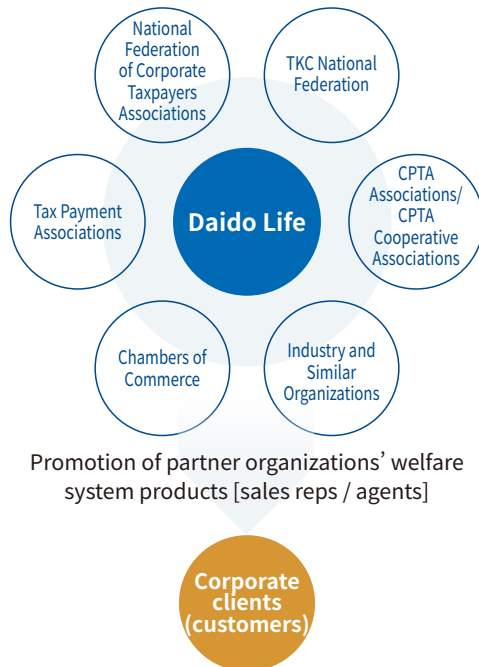
Domestic Life Insurance Business

| Daido Life

Business model

Daido Life is a life insurance company that specializes in the SME market. By building a unique business model that provides the coverage SMEs need for business continuity through partnerships with SME-related organizations and tax accountant organizations, among others, it has built win-win relationships with customers and partner organizations and established an efficient and solid sales base.

A robust business model for delivering protection to SME customers



Daido Life's strength lies in its total protection proposals, which combine death coverage and disability benefit insurance. These proposals are based on expertise in calculating standard coverage* developed over more than half a century of providing business owner insurance. Sales representatives with specialized knowledge and extensive experience, together with highly qualified tax accountant agents, provide optimal products and services tailored to the business environment of each SME.

* "Standard coverage" means the funds that are expected to be necessary in the event of an emergency involving a business owner or if the business owner becomes unable to work.

Market / channel / product

Market	• SMEs market
Channel	• Sales reps, agents (CPTAs, financial institutions, etc.)
Product	• Term life insurance, Disability benefit, etc.

Win-win relationships of business model

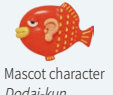
Corporate clients (customers)	• Recommendation from credible organizations and consulting tax accountants • Discounted premium rates for groups
Tie up organizations	• Enhancement of trust relationships with member corporates and partners • Commission fees for agents
Daido Life	• Establishment of the effective and solid sales base

Future strategy

We will steadily increase the policy amount in force by deepening existing markets through the continued enhancement of total protection. We will also expand our business domains and strengthen our platform to build touchpoints with more SMEs, aiming to put the number of enrolled companies on a growth trajectory. At the same time, we will improve productivity by incorporating AI into sales activities. In addition, by developing and promoting non-insurance businesses in response to the broadening range of societal and management issues, we will provide new value to customers and expand our customer base.

Through these initiatives, we will contribute to the further growth and development of SMEs while expanding policy performance and earnings.

Initiative themes and specific actions going forward

Initiative themes	Specific actions going forward
Deepening existing markets Enhancing value provided to SMEs	■ Enhance total protection • Optimize insurance value in line with changes affecting SMEs • Build relationships across generations through inheritance and business succession • Offer value propositions to everyone working at SMEs, etc.
Creating new markets Developing a new customer base	■ Expand business domains in response to changes in social structures ■ Multifaceted risk assessment ■ Strengthen the platform (e.g., further development of <i>Dodai?</i>)  Masocot character Dodai-kun
Taking on challenges in new areas Developing and monetizing new businesses beyond insurance	■ Build a framework for developing and promoting new businesses ■ Develop services Sustainability-related businesses - Well-being-related businesses (health and productivity management) - Disaster preparedness-related businesses

Domestic Life Insurance Business

Taiyo Life

Business model

Taiyo Life is a life insurance company that specializes in the household market. Its in-house sales representatives visit individual households and provide products centered on third-sector coverage, including medical and nursing care, to customers such as homemakers and seniors who may otherwise have limited access to insurance coverage.

Taiyo Life initially built its customer base through sales of short-term savings-type products and pension insurance. In response to changes in the financial environment and

diversifying customer needs, it subsequently stepped up the development of protection-type products and has developed products that capture customer needs, including introducing dementia prevention insurance ahead of other companies. It also provides services such as *Kaketsuke-Tai*, in which staff with specialized knowledge visit customers directly to assist with benefit claim procedures, thereby delivering high-value-added coverage.

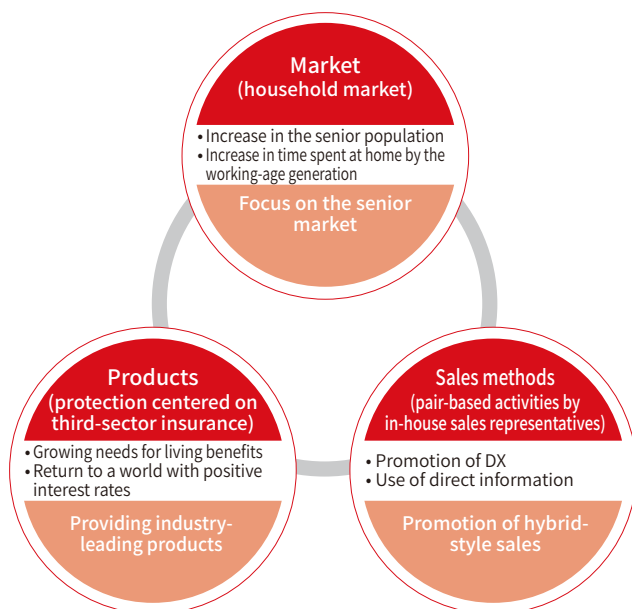
In recent years, Taiyo Life has evolved its sales approach into hybrid-style sales that combine face-to-face and non-face-to-face interactions by leveraging direct information. This approach is aimed at improving productivity and creating new customer touchpoints.

Future strategy

In addition to deploying product strategies that respond to changes in customer segments and needs, Taiyo Life will further evolve its business model by enhancing its information strategy through the comprehensive business alliance with PayPay and other parties. It will also pursue higher productivity by strengthening its sales structure through reforms to branch management and reinforcing its management infrastructure through the use of AI technologies.

To improve profitability, Taiyo Life will reduce the volume of less profitable in-force policies, including individual annuities and bancassurance products sold in the past, while accumulating highly profitable new policies, thereby improving its in-force policy portfolio over the long term.

Business model



Development of products that are ahead of the curve

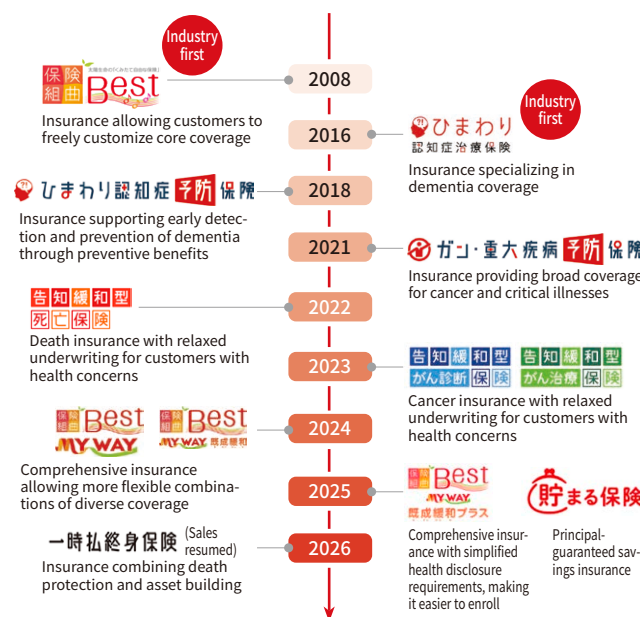
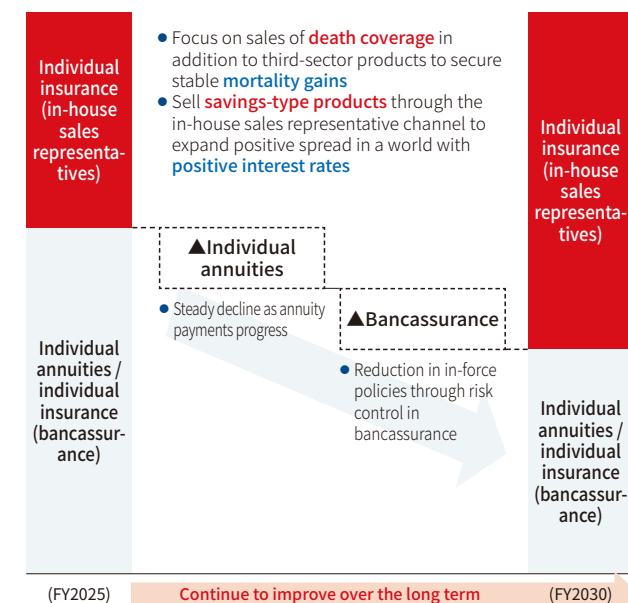


Illustration of improvements to the in-force policy portfolio



External Growth Strategy

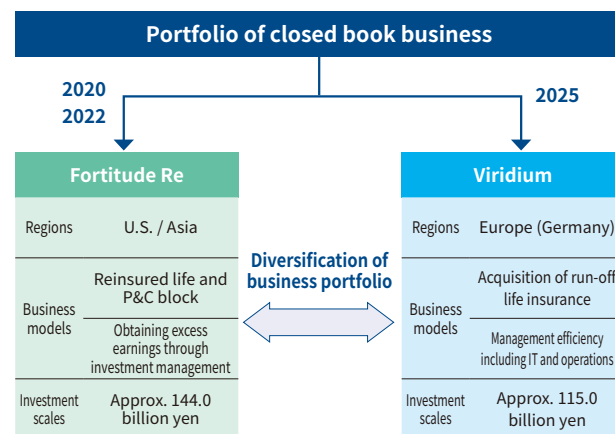
Closed book business*

T&D United Capital (TDUC) is focusing on the closed book business to build an earnings base for the Group that ranks second only to its life insurance business. Its principal investments are Fortitude, which operates mainly in North America (a cumulative investment of approximately ¥144.0 billion since June 2020), and Viridium in Europe (an investment of approximately ¥115.0 billion in August 2025).

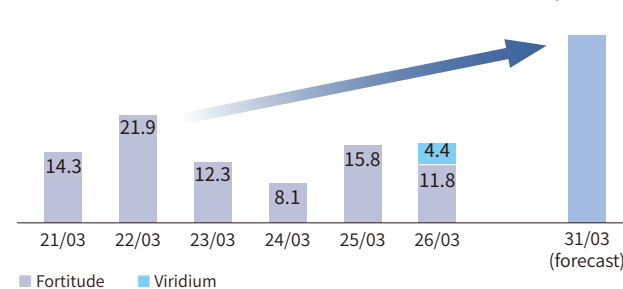
Fortitude seeks excess returns through acquisitions of life insurance companies, reinsurance transactions, and investments in low-liquidity credit assets and other assets, while Viridium seeks excess returns through acquisitions of life insurance companies and the consolidation and more efficient management of insurance policies. The two companies operate business models with different earnings structures, providing diversification in terms of both geography and business model.

* A type of insurance business that aims to generate profit by acquiring and consolidating other insurance companies' closed books (portfolios of in-force policies for products no longer sold) through mergers and acquisitions (M&A) and reinsurance transactions, and enhancing their value.

Investment in the closed book business: Diversification of earnings sources



Trends in profits and loss related to the closed book business
(¥ billions)



* Figures for the year ended March 2025 reflect the retrospective application of accounting adjustments following Fortitude's adoption of LDTI. For the year ended March 2026, Viridium's adjusted profit (equity-method profit/loss) for its fourth quarter (October to December) is recognized in the Company's fourth quarter.

Strategy during the Group Long-Term Vision period

In addition to further strengthening our core business, we position external growth as the second "pillar" of value creation.

To achieve this external growth, we will pursue further investment opportunities in life insurance businesses in advanced markets, while seeking to capture medium- to long-term growth potential through equity investments in life insurance companies in emerging markets. In addition, we will explore investment opportunities primarily in financial sector companies and life-insurance-related businesses that contribute to strengthening the Group's business portfolio.

We have established a new investment budget of ¥500.0 billion for growth investments and aim to increase the share of Group adjusted profit derived from businesses outside the domestic life insurance business to 20% or more.

Potential areas of focus for achieving external growth

Advanced-market life insurance businesses	Securing and expanding sources of cash generation Maximizing the strengths (including experience, organizational capabilities, and networks) derived from the existing diversified and differentiated closed-book investment portfolio, and pursuing additional investment opportunities.
Emerging-market life insurance businesses	Capturing growth potential Alongside investments in advanced-market life insurance businesses, pursue investments in areas with high growth potential driven by macroeconomic factors and other considerations.
Other areas	In other areas, explore investment opportunities primarily in financial sector companies and life-insurance-related businesses that contribute to strengthening the Group's business portfolio.

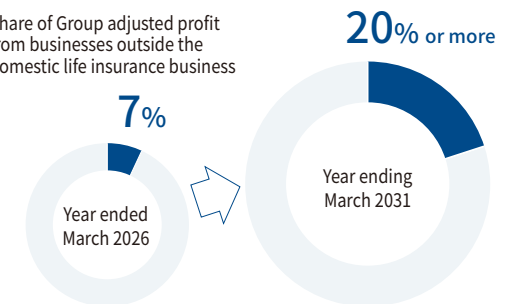
New investment budget

¥500.0 billion

Maintain investment discipline to secure returns exceeding the **hurdle rate (cost of equity + the interest rate differential between Japan and overseas markets, etc.).**

Diversification of earnings portfolio

Share of Group adjusted profit from businesses outside the domestic life insurance business



Strengthening Core Business Functions through Group Companies

In addition to its life insurance companies and TDUC, the T&D Insurance Group includes T&D Asset Management (TDAM) and T&D Investment Management North America (TDIM), which engage in asset management-related businesses; Pet & Family Insurance (P&F), which offers pet insurance; All Right, which provides services in healthcare and health-related fields; and T&D Information System, which is responsible for the development and operation of the Group's systems, among other Group companies.

Expansion of the Group's customer base

Pet & Family Insurance

Pet & Family Insurance sells pet insurance through pet shops and the Internet. It serves as a starting point for expanding customer contact points and contributes to strengthening the Group's customer base.

ALL RIGHT

All Right leverages digital technology and collaborates with a range of partners to provide products and services that cater to the needs of specific customers in specific markets*.

* People with specific lifestyles or interests

Strengthening the Group's asset management platform

T&D Asset Management

T&D Asset Management engages in the asset management business while working to enhance the Group's asset management capabilities and develop asset management personnel.

T&D Investment Management North America Inc.

T&D Investment Management North America manages non-Japanese credit investments, alternative investments, and other assets in the United States.

IT and system development

T&D INFORMATION SYSTEM

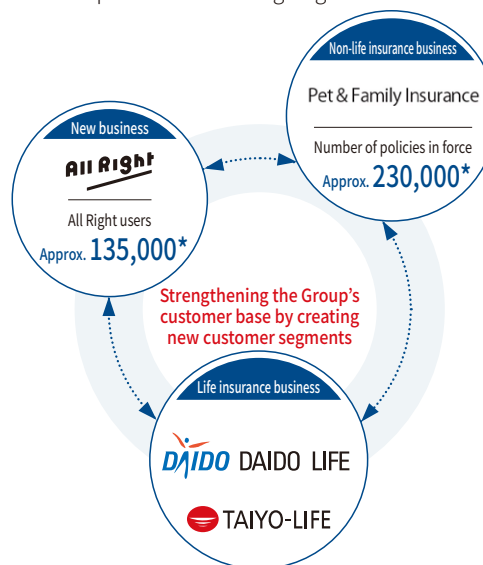
T&D Information System creates Group synergies in the fields of DX and IT and provides system support to Group companies.

Expansion of the Group's customer base

P&F is working to expand its market share by building on stable earnings from its existing pet shop channel and through initiatives such as increasing awareness of PayPay Insurance. The number of policies in force reached approximately 230,000 as of March 31, 2026.

All Right is expanding its partnerships through its strategic platform, Peer-Conne. In addition, its subsidiary, All Right Small Amount & Short Term Insurance, develops and provides insurance products, thereby strengthening its ability to meet both life and non-life insurance coverage needs. As of March 31, 2026, the number of All Right users reached approximately 135,000. Going forward, it will continue to expand its partnerships and develop new markets.

Through customer contact points built by P&F and All Right, which have unique channels, products, and services distinct from those of the life insurance companies, we will work to expand the Group's customer base going forward.



* As of March 31, 2026

The number of All Right users is the total of the following:

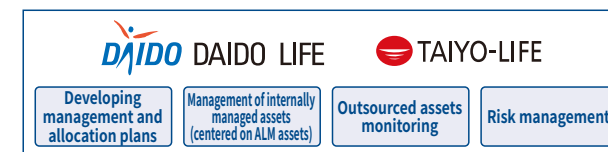
- Number of registered LINE friends
- Number of downloads of the original app Lookmeal
- Number of policyholders of All Right Small Amount & Short Term Insurance

Strengthening the Group's asset management platform

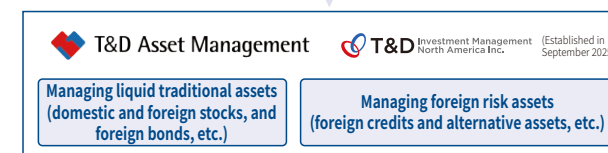
With regard to the Group's asset management, each life insurance company manages ALM assets in line with its liability characteristics. The Group has also established a framework in which T&D Asset Management serves as the platform for managing liquid traditional assets (domestic and foreign stocks, foreign currency-denominated bonds, etc.), while T&D Investment Management North America, established in September 2025, serves as the platform for managing non-Japanese credit investments, alternative investments, and other assets.

Under this framework, we will strengthen and improve the efficiency of the Group's asset management platform and develop and enhance the capabilities of asset management personnel, including overseas personnel.

Future operations resulting from the enhancement of Group asset management



- Discussing about the market outlook
- Coordinating management policies
- Reporting the status of investments



* The scope and scale of outsourcing are determined by T&D Holdings in consultation with each company.



Financial Capital

Message from the Executive Officer in charge of finance

Enhancing Corporate Value through Disciplined Capital Management

Under disciplined capital allocation, we aim to balance growth investment and shareholder returns and achieve sustainable enhancement of corporate value.

Takahiro Honda
Managing Executive
Officer



Outcomes of Financial Capital

TSR

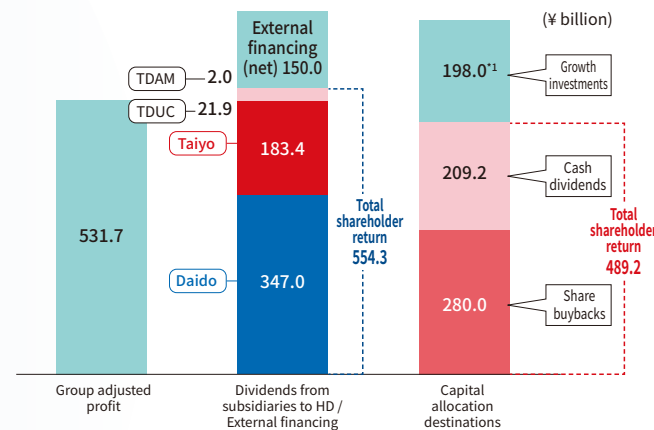
Enhancing Corporate Value by Advancing Group Capital Management

Under the previous Group Long-Term Vision (April 2021-March 2026), we worked to strengthen our earnings base and improve capital efficiency, building a financial foundation for enhancing corporate value.

Under the new Group Long-Term Vision (April 2026-March 2031), we will leverage the robust financial foundation we have

Dividends from subsidiaries / Capital allocation

Results from April 2021 to the End of March 2026



^{*1} Breakdown of growth investments: additional investment in Fortitude: ¥64.0 billion; investment in Viridium: ¥115.0 billion; others: ¥19.0 billion (FWD, All Right, CVC)

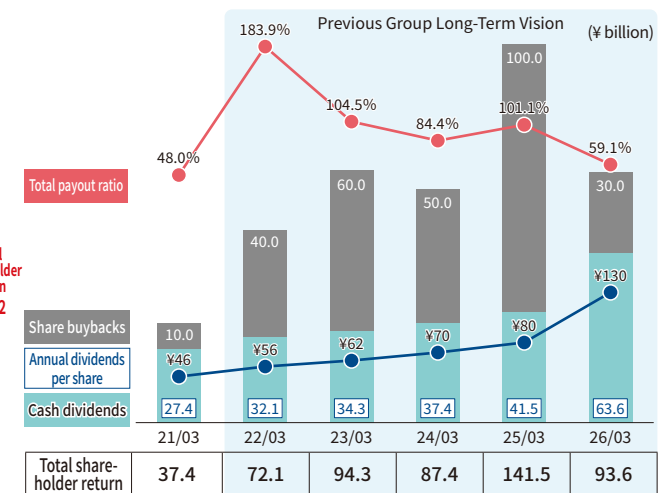
built, enforce disciplined capital allocation, and aim for sustainable enhancement of corporate value by balancing growth investments and shareholder returns.

Achievements in Capital Management under the Previous Group Long-Term Vision

Under the previous Group Long-Term Vision, we promoted Group capital management by allocating capital generated by the domestic life insurance business and through reductions in investment risk to growth investments in areas such as the closed book business and to shareholder returns.

As a result, over the five-year period, we received cumulative dividends of ¥554.3 billion from subsidiaries and allocated ¥198.0 billion to growth investments and ¥489.2 billion to shareholder returns, improving capital efficiency and enhancing corporate value.

Shareholder returns



Financial Capital

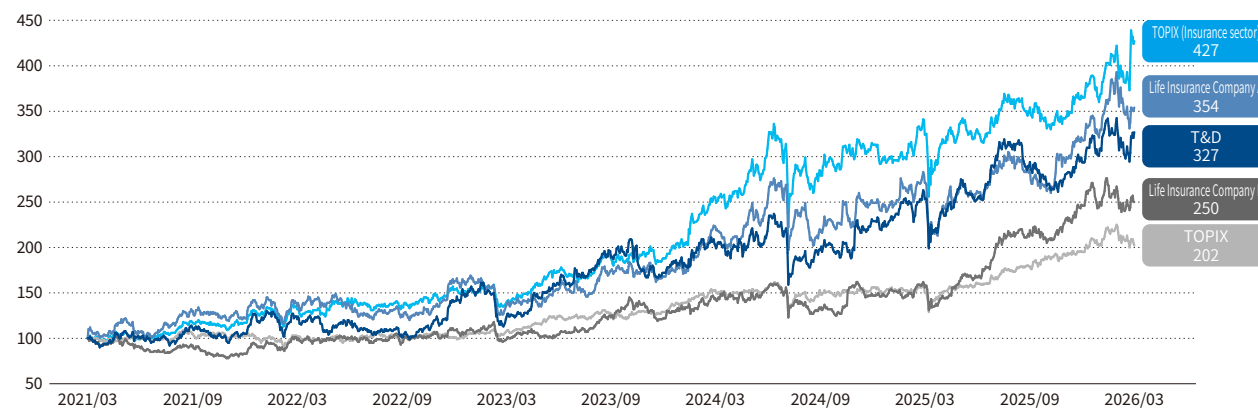
Message from the Executive Officer in charge of finance

Improvement in Valuation and Stock Price Performance (TSR)

As a result of these initiatives, Group adjusted profit, a financial KPI, reached ¥158.5 billion (vs. the initial target of ¥130.0 billion), and adjusted ROE reached 10.5% (vs. 8%), significantly exceeding the initial targets.

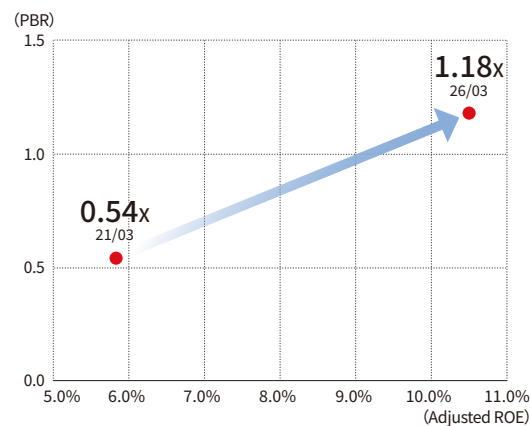
These achievements have also been recognized by the capital markets. Total shareholder return (TSR) significantly outperformed TOPIX, while PBR rose from 0.54x to 1.18x and the P/EV multiple improved from 0.26x to 0.45x.

Trend in TSR

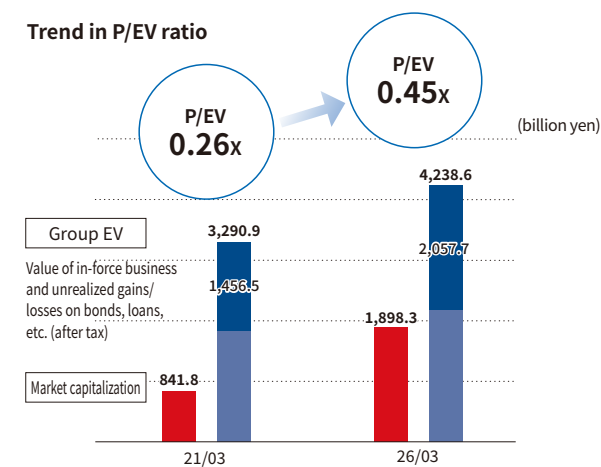


* Total shareholder return (TSR): (Profitability calculated pre-tax and assumes that all dividends are reinvested.) End of March 2021 set as 100.
(Source) Bloomberg

Adjusted ROE/PBR



Trend in P/EV ratio



Financial Capital

Message from the Executive Officer in charge of finance

Key Initiatives in Group Capital Management

I will now explain the specific initiatives we have undertaken to date and our policies going forward.

Initiatives to reduce risk

To improve our stock market valuation, it is important not only to raise adjusted ROE, an indicator of capital efficiency, but also to lower the cost of equity by improving earnings stability. To this end, we have reduced investment risk exposed to market fluctuations. Specifically, over the past five years, we have utilized reinsurance, reduced interest rate risk by investing in super long-term bonds, and reduced foreign currency-denominated bonds and domestic and foreign stocks.

Cost of equity

Our stock beta has declined as a result of reducing investment risk. At the same time, taking into account the recent rise in interest rates, we estimate our cost of equity to be around 8%-10%.

Trend in beta		
Our stock price β^*	21/03	26/03
1 year	1.63	1.19
3 years	1.51	1.10
5 years	1.50	1.03

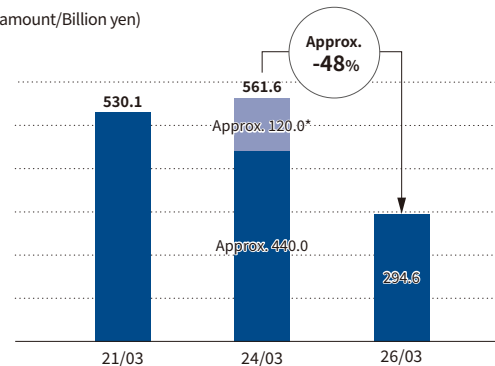
*Our stock price β is weekly, vs TOPIX.

Domestic interest rate risk

Through the promotion of ALM, we reduced domestic interest rate risk by 48% by the end of March 2026 compared with the end of March 2024, significantly exceeding our target.

Domestic interest rate risk

(Risk amount/Billion yen)

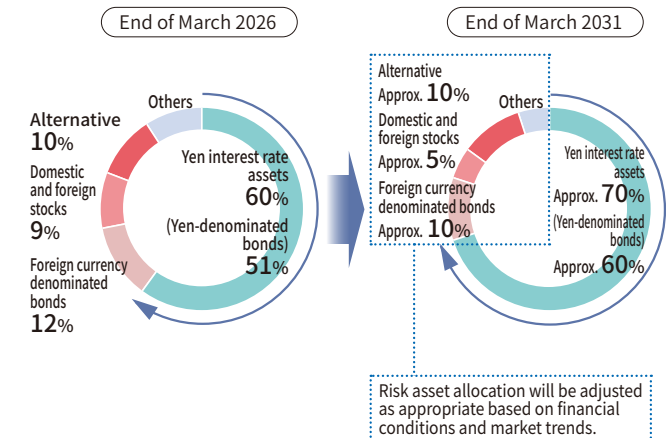


* Impact of change in ultimate forward rate

In the current rising interest rate environment, we will continue to promote cash flow matching of assets and liabilities while taking into account the potential increase in policy cancellations caused by higher interest rates. We plan to increase the share of yen interest assets from the current 60% to 70% by the end of March 2031.

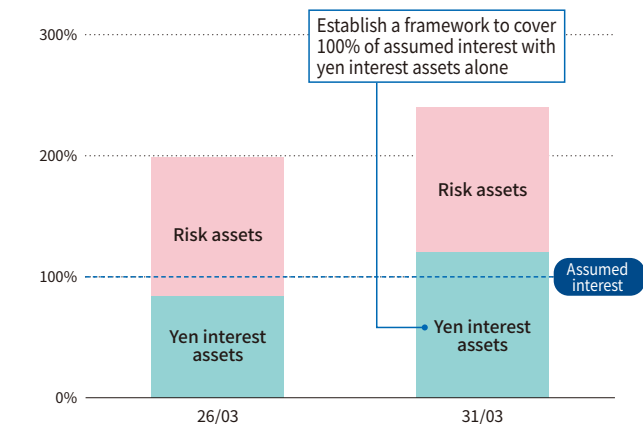
Through these initiatives, we aim to build an investment portfolio in which interest income from yen interest assets alone covers assumed interest.

Asset management portfolio



Core investment income (interest and dividend income, etc.) and assumed interest

Outlook for the coverage ratio of assumed interest (ratio of core investment income to assumed interest)



Financial Capital

Message from the Executive Officer in charge of finance

Reduction of equity risk and improvement of the asset portfolio

We also reduced our holdings of domestic and foreign stocks, but the reduction was limited to 12% due in part to increases in market value. We will continue to reduce equity risk while maintaining a certain level of equity holdings for diversification and inflation hedging purposes, and will shift toward yen interest assets and alternative assets.

For strategic shareholdings, in addition to our policy of reducing the balance, excluding shares held in business partners and collaboration partners, to zero by the end of March 2031, we have set a new interim target of reducing the balance by 40% from the end of March 2026 by the end of March 2028.

Capital management under the new Group Long-Term Vision

We will not rest on our achievements to date. Under the new Group Long-Term Vision, we will further advance capital

management to enhance corporate value. We expect cumulative Group adjusted profit of approximately ¥1 trillion over the next five years, and our basic policy is to allocate 60% of this profit to shareholder returns and 40% to growth investments.

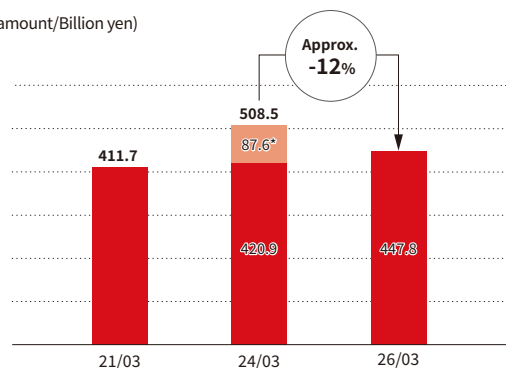
For cash dividends, we have adopted a dividend payout ratio of 60% of the five-year average of Group adjusted profit, under which profit growth will lead to growth in cash dividends. In addition to cash dividends, we will utilize share buybacks and aim for a total payout ratio of approximately 60% over the medium to long term. In addition to returns from periodic profit, we will consider additional share buybacks based on a comprehensive assessment of factors including the status of growth investment opportunities, ESR levels, and the share price. Rather than carrying out share buybacks according to a predetermined schedule, we intend to execute them flexibly while considering their effectiveness in improving capital efficiency.

For growth investments, we have established a new investment budget of ¥500.0 billion and aim to increase the share of adjusted profit from businesses outside the domestic life insurance business to 20% or more by FY2030. Rather than pursuing investment scale, we place emphasis on whether an investment can generate sustainable returns above our hurdle rate (cost of equity plus the interest rate differential between Japan and overseas, etc.) on invested capital. From this perspective, we will carefully select investments that contribute to enhancing corporate value and invest only in opportunities expected to generate sufficient returns.

If we cannot identify investment opportunities expected to generate sufficient returns, shareholder returns, including share buybacks, will also be an option as we consider the optimal allocation of capital. By rigorously implementing capital management with a strong awareness of capital market discipline, we aim to enhance the market's confidence in and evaluation of the Group.

Stock risk (domestic and foreign stocks)

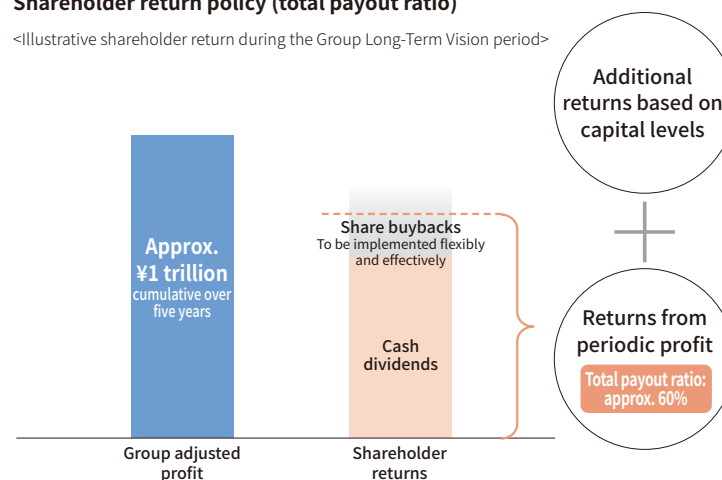
(Risk amount/Billion yen)



*Impact of new standard

Shareholder return policy (total payout ratio)

<Illustrative shareholder return during the Group Long-Term Vision period>



- When ESR consistently exceeds 225%:
A decision will be made taking into account:
 - Growth investment opportunities
 - Cash flow
- When other capital efficiency improvements, etc. are considered necessary

Total payout ratio

In addition to cash dividends, shareholder returns will be provided so that the total payout ratio relative to Group adjusted profit over the Group Long-Term Vision period is approximately 60% over the medium to long term, taking into account growth investment opportunities and ESR levels.

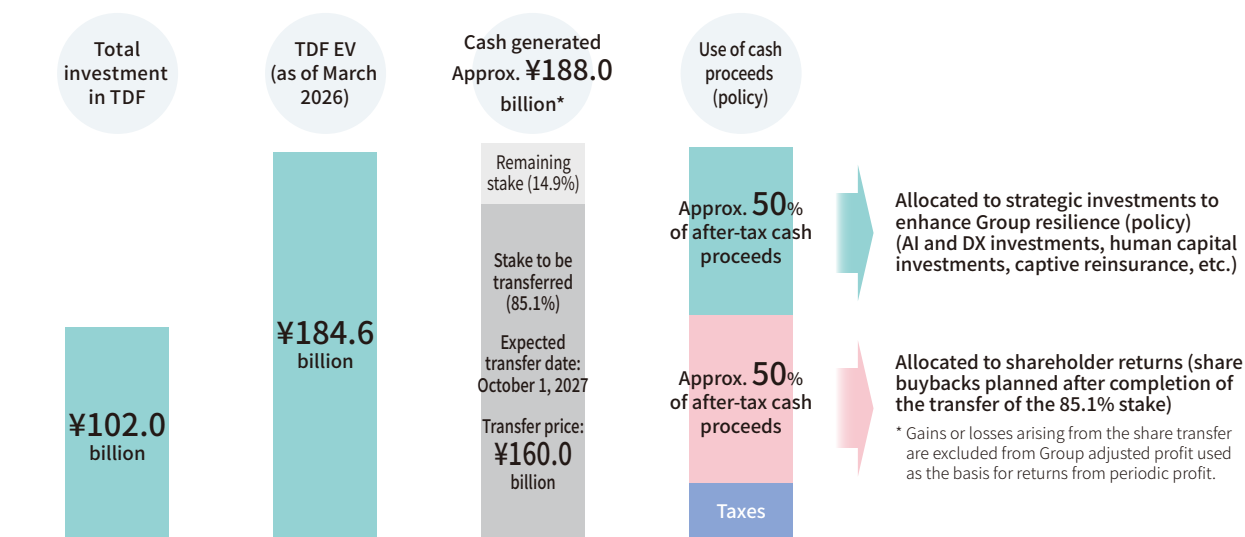
Financial Capital

Message from the Executive Officer in charge of finance

Use of Cash Proceeds from the Transfer of Shares in T&D Financial Life

The cash generated by the transfer of shares of T&D Financial Life Insurance Co., Ltd. will be allocated, separately from the policy described above, in a balanced manner between investments to enhance Group resilience and shareholder returns. Specifically, approximately 50% of after-tax cash proceeds from the sale will be allocated to strategic investments to enhance Group resilience, and the remaining approximately 50% will be used for shareholder returns, primarily through share buybacks. This allocation reflects our capital policy of placing equal importance on investment for future growth and shareholder returns.

Use of cash proceeds from the TDF share transfer (policy)



* This amount is an estimate based on an expected transfer date of October 1, 2027 and is not final.

In Closing: Toward Sustainable Enhancement of Corporate Value

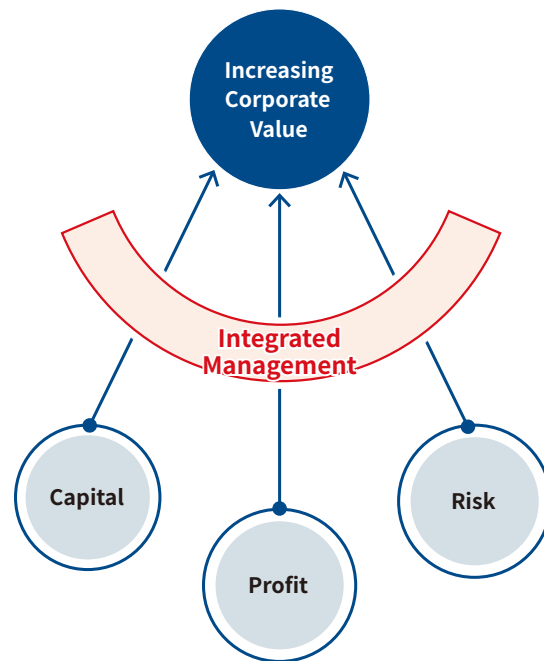
Under the new Group Long-Term Vision, we will steadily advance the three basic principles—"Further Strengthening of Our Core Business," "Growth through New Value Creation," and "Enhancing Group Resilience"—through the thorough implementation of disciplined capital management. By creating a virtuous cycle of profit growth, improved capital efficiency, and enhanced shareholder returns, we will contribute to further enhancing corporate value.

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

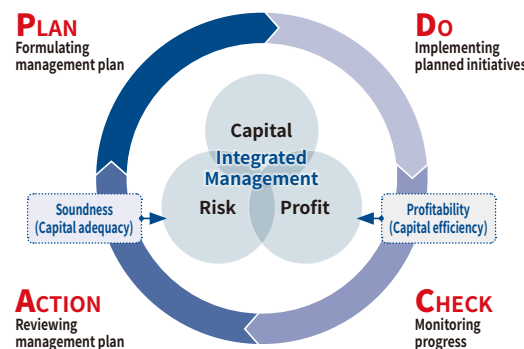
Expanding return on risk

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.

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).

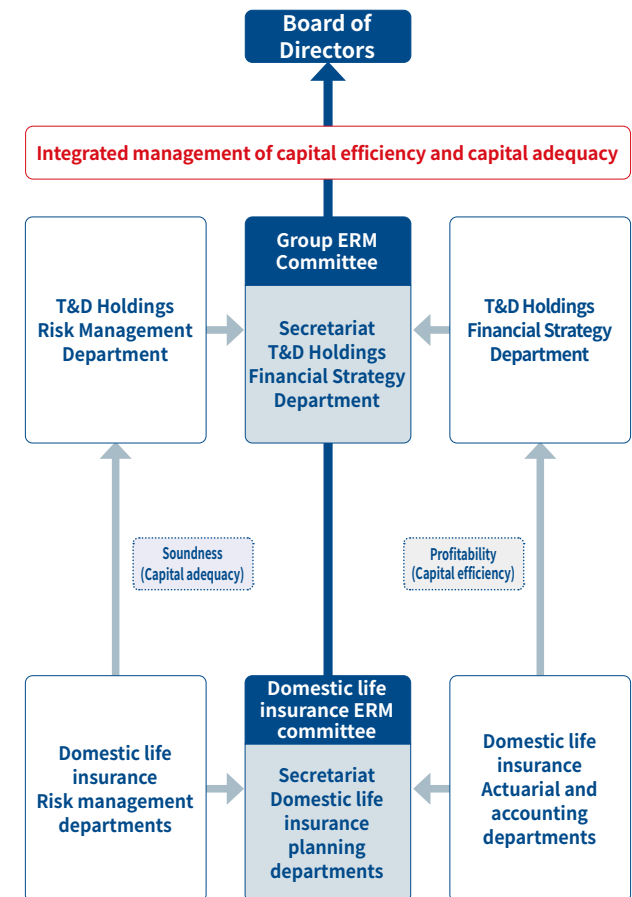
The Group evaluates capital, profit, and risk on an economic value basis and sets standards for soundness and profitability as the Group risk appetite. Then, it promotes the advancement of ERM through the above PDCA cycle in order to meet the Group risk appetite.



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.



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.

Outcomes of Intellectual Capital

Innovative products (products launched since 2025)

Daido Life

—Advanced Cancer Coverage J-type

—J-Wide Rider Plus

Taiyo Life

—Taiyo Life Savings Insurance

—Hoken Kumikyoku BestMYWAY Kisei Kanwa Plus

—Single-premium whole life insurance

Enhancement of asset management know-how

Expansion of business investment



Aiming to Enhance Intellectual Capital

Know-how built up by life insurance companies in their respective specialized markets

Daido Life and Taiyo Life have gained know-how in their respective business models and developed and launched valuable products and services.



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

- The industry's first made-to-order products for the diverse protection needs of SME owners: *L-type α*, *J-type α*, *T-type α*
- *Advanced Cancer Coverage J-type*, for rational coverage of high-severity cancers
- *Kaisha Minnade KENCO+*, a health-promotion type insurance product that integrates “prevention” and “protection” functions, etc.



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 BestMYWAY* is a pioneering insurance product that can be freely customized by customers so they get the coverage they need
- *Hoken Kumikyoku BestMYWAY Kisei Kanwa Plus* provides wide-ranging coverage, primarily for dementia, cancer, medical care, and death, to people with health concerns such as pre-existing conditions or a history of hospitalization

- *Taiyo Life Savings Insurance* and single-premium whole life insurance, developed in response to changes in the interest rate environment, etc.

Promotion of hybrid-style sales integrating face-to-face and non-face-to-face sales (Taiyo Life)

Taiyo Life has built its customer base through face-to-face sales centered on pairs of in-house sales representatives visiting households. In recent years, it has evolved this approach into hybrid-style sales featuring the integration of face-to-face and non-face-to-face sales by utilizing customer information obtained via promotions such as TV commercials and internet advertisements, thereby improving productivity. In addition, by utilizing accumulated customer information to develop product strategies tailored to customer segments and needs, the company is expanding its customer base and enhancing the value it provides.

Going forward, Taiyo Life will further evolve its business model by enhancing its information strategy through comprehensive alliances with PayPay Corporation and other partners.

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. In the survey, sales representatives interview SME managers, either in person or via Zoom. We compile reports based on the real voices of business managers from approximately 6,000 SMEs. These reports are



Intellectual Capital

then sent to SME managers nationwide to provide them with management tips. We also make the reports available to the general public. The data accumulated in the survey is also used in the development of new products and services.

Expansion of the *Dodai?* platform (Daido Life)

To work with SMEs in addressing social issues, Daido Life provides *Dodai?*, a free platform dedicated to SME owners. As of June 2026, the platform had more than 130,000 members. In March 2026, Daido Life launched a dedicated app, further enhancing convenience.

By strengthening both its “community function,” which helps alleviate the isolation and concerns of SME owners, and its “solution function,” which supports SMEs in solving issues and creating value, Daido Life is creating connections among business owners across regions and industries.

Through these initiatives, Daido Life is evolving *Dodai?* into an online platform that comprehensively supports the sustainable growth of SMEs, while building touchpoints with more SMEs by expanding its membership and user base.

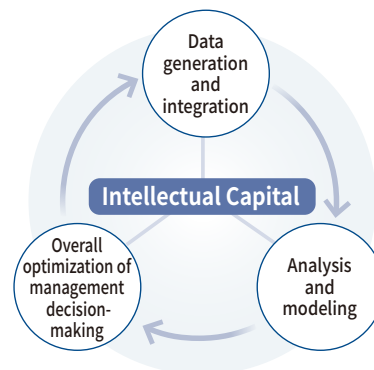


DX initiatives

Using the DX strategy as a starting point, the Group will organically integrate the Asset Management and ERM Strategy, the Organizational and Human Capital Strategy, and other strategies, thereby circulating not only financial capital but also human and intellectual capital across the Group.

Examples of intellectual capital include integrating and visualizing data from Group companies in real time to accelerate management decision-making, and using AI-based simulations and risk forecasting to improve the quality of decisions.

By integrating the Group's intellectual capital, we will enhance and accelerate human capital and financial capital management, thereby increasing Group value.



Strengthening the Group's asset management framework

Since FY2021, T&D Asset Management (“TDAM”) has been acting as a platform for Group collaborative management. We first collaboratively managed the Group's life insurance alternative assets. We have broadened this collaborative management to encompass traditional assets, including domestic and foreign stocks.

In September 2025, the Group established T&D Investment Management North America Inc. (“TDIM”), an asset management subsidiary in the United States. Through the establishment of a collaborative framework for managing foreign credits and alternative assets, among others, we aim to enhance the Group's asset management.

By expanding the platform to include TDIM in addition to TDAM and consolidating investment know-how and resources across the Group, we will enhance and streamline the asset management framework and improve investment yields.

To support these initiatives, we established the Group Asset Management Strategy Committee in FY2026 and will further promote Group collaborative management.

Expansion of business investment

In July 2019, the Group established T&D United Capital Co., Ltd. (“TDUC”), which focuses on investment activities. The company

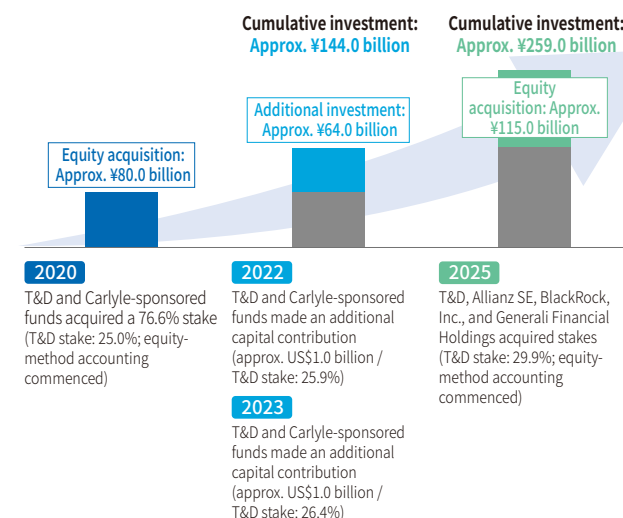
invests in growth areas that are compatible with the life insurance business.

In June 2020, the Group began investing in Fortitude, a U.S.-based insurance company that specializes in the closed book business. Since then, the Group has been collaborating with Fortitude, sending personnel to the company to accumulate expertise, knowledge and a track record in this area.

In August 2025, the Group acquired a stake in Germany-based Viridium, making two specialized insurance holding companies in the closed book business equity-method affiliates of the Group.

TDUC has also established local subsidiaries in the United States and Europe, strengthening the management and monitoring of investee companies and deepening its understanding of these markets. Based on the expertise and knowledge accumulated through these initiatives, the Group aims to expand its business domains and strengthen its earnings base, establishing a new significant revenue stream following the domestic life insurance business.

Status of investments in the closed book business



Human Capital

Message from the Executive Officer in charge of human resources

Human Resources Strategy Supporting the Long-Term Vision

We will promote human resources strategies linked to the Group Long-Term Vision and create value through the efforts and growth of diverse human resources.

Yasuhiro Mori
Senior Managing
Executive Officer



Outcomes of Human Capital

Employee engagement score (FY2025)
*5-point evaluation **3.92**

**Total human resource development
and training costs** (FY2025)
780 million yen

Training hours per person (FY2025)
152.3 hours

Ratio of female managers (as of April 1, 2026)
* The figure including junior managers is calculated with a view to systematic and stepwise development of female management executives.
[Companies covered] HD, Daido Life, Taiyo Life, TDF, TDAM, P&F, TDS **26.0%**

Recruitment and development of diverse talent
(FY2025) **32.8%**



The Group's Approach to Human Resources

Amid significant changes in the environment surrounding the insurance business, the Group believes that its source of competitiveness lies not only in products and capital but also in the human resources who put them to use. Based on this belief, we established the Basic Group Policy on Human Resources and promote human capital management linked to management strategy.

In recent years, the human resources the Group needs have also been changing due to changes in the social and economic environment, the diversification and globalization of our business portfolio, and advances in AI and data utilization. In addition to our existing human resource development initiatives, we are working to secure and develop highly specialized human resources and strengthen our human resources foundation so that we can adapt to environmental changes. We also believe that, in promoting integrated Group management, it is important to utilize human resources across the Group while leveraging the strengths of each company. We therefore promote personnel exchanges and knowledge sharing among Group companies to develop human resources with diverse experience and values and strengthen organizational capabilities across the Group.

To support these initiatives, we are creating an environment in which each employee can demonstrate their abilities and diverse human resources can work together with mutual respect. We believe that the growth of each employee leads to

stronger organizational capabilities, which in turn supports the Group's growth. We therefore continue to improve the workplace environment and develop human resources.

Group Human Resources Strategies Connected to Group Long-Term Vision

We believe that integrating human resources strategy with the Group Long-Term Vision is essential to achieving the Vision. The Group is currently reviewing its business portfolio and responding to new growth areas, and the human resources we need are changing along with these shifts in the business environment. Advances in AI and data utilization are also changing the way work is performed and the roles expected of employees.

To respond to these changes, the Group continuously reviews not only human resource development and placement but also its human resource portfolio and organizational structure. Through opportunities to gain broad experience within the Group, mid-career recruitment, and reskilling, we are securing and developing the human resources needed to execute our business strategies.

We position these initiatives as investments in human capital that support future growth and enhanced corporate value. Using indicators such as the employee engagement score, we continuously monitor progress in our human resources strategy and the state of our organization and use the findings to improve our measures.

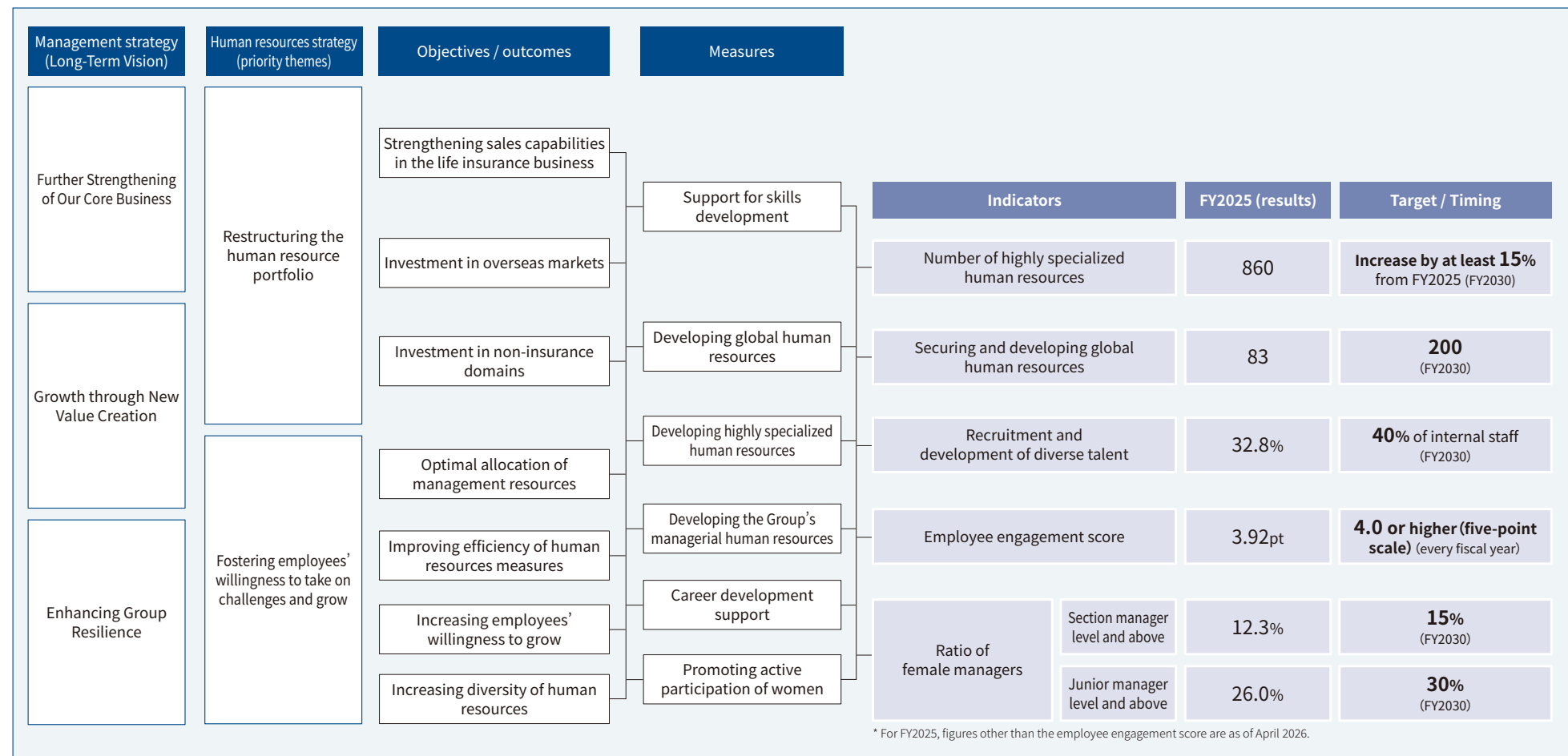
To promote human resources strategies across the Group, we have established the Group Human Capital Improvement Committee, comprising officers in charge of human resources and planning at T&D Holdings and Group companies. The Committee discusses the securing and development of human resources needed to execute management strategies and human resources issues common to the Group, and works to improve the direction of our human resources strategies and the effectiveness of initiatives.

Human Capital

Message from the Executive Officer in charge of human resources

Through these initiatives, we are creating an environment where diverse human resources can demonstrate their abilities, while also developing human resources who will lead Group management in the future. Through systematic development and opportunities to gain broad experience, we will strengthen our pool of managerial human resources and help realize the Long-Term Vision.

Overview of human resources strategy linked to management strategy



Human Capital

Message from the Executive Officer in charge of human resources

The Group believes that the growth of each employee leads to the growth of each Group company and the strengthening of the Group's overall business foundation. Based on this belief, we develop human resources at the individual, organization, and Group levels.

Autonomous Growth and Career Development of Individuals

The Group places importance on each employee proactively taking on challenges and growing. In a rapidly changing business environment, it is important not only for the organization to provide growth opportunities but also for employees themselves to think proactively about their careers and take action to realize them. We are therefore creating an environment in which employees can choose from diverse opportunities to take on challenges on their own initiative and experience personal growth. In addition to expanding internal recruitment and opportunities to gain experience both within and outside the Group and providing learning opportunities in new skill areas such as data analysis and AI, we are enhancing reskilling opportunities, including skill development centered on DX and digital fields and second-career training, to strengthen career development support so that diverse human resources can demonstrate their abilities. We also position the promotion of active participation of women, who make up a large proportion of our employees, as one of the key themes of our human resources strategy. To enable women to pursue diverse careers in line with their life stages and demonstrate their abilities, we are working to develop them for appointment to managerial positions and foster greater career awareness.

Through these initiatives, the Group aims to become an organization where all employees continue to unlock their own potential.

Feedback to the Group's women's career design seminar

Seminar overview

A seminar designed for female employees of the Group prior to their managerial appointment, aimed at supporting the development of a positive career vision, building networks within the Group, and acquiring the skills necessary for managerial positions

Participant feedback

- It was a very valuable opportunity to hear directly from senior colleagues.
- It gave me an opportunity to rethink my career and was very inspiring.
- It was good to be able to exchange information in a group with employees from other Group companies.

Feedback from participants' supervisors

- She became more positive about her work and developed a stronger sense of belonging to the Group.
- During her self-assessment interview, I could see her motivation to grow toward a more senior position.



Group's career design seminar for women

Engagement that Enhances Organizational Vitality

The Group positions the employee engagement score as an important indicator of its human resources strategy and works to make improvements based on the results of the annual survey. The latest survey identified issues including a gap in scores between managers and non-managers with respect to the workplace environment and relatively low scores for items related to challenge

and transformation. In response, we implemented one-on-one meetings, expanded opportunities for dialogue, and strengthened information sharing to embed the Management Philosophy. As a result, the overall score improved from 3.90 to 3.92, with particular improvement in "initiative/autonomy," "psychological safety," and "transformation/challenge." Going forward, we will continue the cycle of identifying issues, implementing measures, and making improvements to enhance organizational vitality.

* The results of joint research conducted with the Graduate School of Management, Kyoto University, are presented on page 43.

Mobilization and Collaboration of Human Resources Supporting Integrated Group Management

The Group aims to strengthen its overall business foundation while each company demonstrates its unique strengths. To achieve this, we are advancing the utilization of human resources and sharing of knowledge across the Group. By promoting the mobilization of human resources and expanding opportunities to gain broad experience, we are working to support individual growth and strengthen organizational capabilities across the Group. Through personnel exchanges among Group companies and placements at T&D Holdings, we are expanding opportunities to gain experience in diverse business domains.

We are also strengthening Group-wide information sharing and dialogue, including initiatives to embed our corporate philosophy and purpose and expand Group IR activities, thereby promoting the sharing of values beyond company boundaries. Through these initiatives, we are sharing knowledge and experience cultivated in different business domains. Going forward, we will continue to promote collaboration among human resources and advance integrated Group initiatives that leverage the strengths of each company.

Human Capital

Results of Joint Research on the Employee Engagement Score Survey with Professor Nobuyuki Isagawa and Associate Professor Kazuo Yamada of the Graduate School of Management, Kyoto University

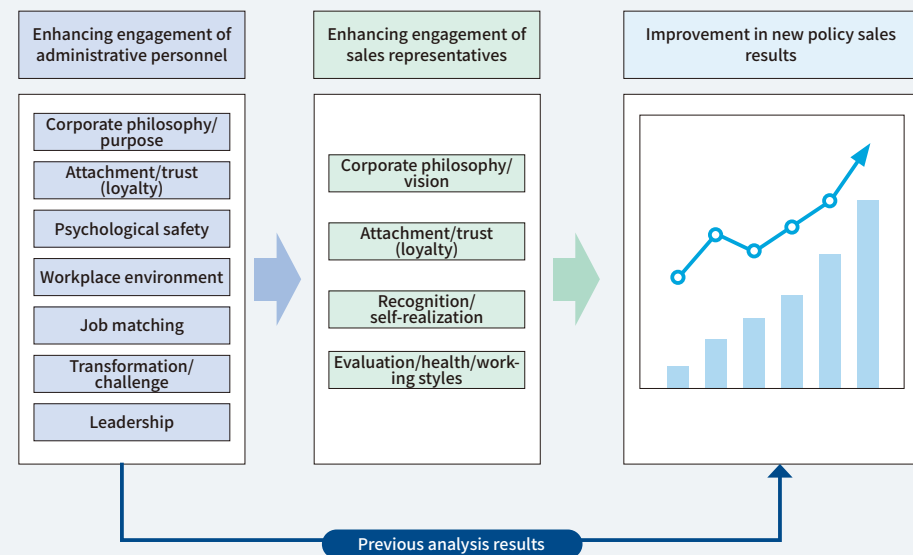
(Research continues in collaboration with Kyoto University Original Co., Ltd., a wholly owned subsidiary of Kyoto University)

The Group continues to conduct data-based analysis of the relationship between employee engagement and new policy sales results in collaboration with Professor Nobuyuki Isagawa and Associate Professor Kazuo Yamada from the Graduate School of Management, Kyoto University, and Kyoto University Original Co., Ltd.

Survey results

- Last fiscal year, we analyzed administrative personnel and found that branch offices with relatively high new policy sales results were characterized by high empathy for “corporate philosophy/purpose,” strong “corporate loyalty,” and a high level of “psychological safety.”
- This fiscal year, we expanded the scope of the analysis to sales representatives. The results showed that sales representatives at branch offices with relatively high new policy sales results were characterized not only by high empathy for “philosophy/vision” and high “attachment/trust,” but also by high scores for “recognition/self-realization” and “evaluation/health/working styles,” among other areas.
- We also found relationships between items for administrative personnel such as “workplace environment,” “job matching,” “psychological safety,” “transformation/challenge,” and “leadership,” and items for sales representatives such as “attachment/trust,” “recognition/self-realization,” and “evaluation/health/working styles.”
- These results suggest that improving new policy sales results requires not only the motivation and job satisfaction of individual sales representatives but also an organizational foundation across the branch office, including administrative personnel, such as ease of working, putting the right people in the right roles, psychological safety, and quality of management. Based on this analysis, the Group is working to enhance empathy for “corporate philosophy/purpose” and loyalty to the company, and to create a workplace environment in which administrative personnel and sales representatives support one another.

Relationship between engagement of administrative personnel and sales representatives and new policy sales results



Human Capital

Human Resource Development Supporting Value Creation

Through the growth of each employee, organizational vitality, and the utilization of human resources across the Group, we are advancing initiatives that support value creation. This page presents key human capital initiatives and outcomes.

Themes	Measures	Reference indicators	
Autonomous growth and career support for individuals	- Systematic human resource development by each Group company (OJT, group training, self-development, support for qualification acquisition, planned personnel rotations, etc.) - Internal recruitment (opportunities to take on roles at T&D Holdings) - Reskilling and career support - Recruitment for MBA and business schools - Promotion of active participation of elderly human resources and people with disabilities	- Total amount spent on development and training of human resources 2024 0.665 billion yen 2025 0.780 billion yen - Number of successful Group internal applicants/total applicants 2024 6/16 2025 6/16 - Training hours per employee 2024 125.7 hours 2025 152.3 hours - Ratio of employees with disabilities 2024 2.56% 2025 2.66%	- Personnel costs 2024 128.4 billion yen 2025 137.8 billion yen - Group adjusted profit to personnel costs* 2024 109.0% 2025 115.0% - Value of new business per employee* 2024 8.3 million yen 2025 8.3 million yen * Group adjusted profit / Personnel expenses * Value of new business / Number of employees working at the three life insurance companies (administrative personnel as well as sales representatives, etc.)
	 Daido Life and Taiyo Life were recognized as Certified Health and Productivity Management Organizations "White 500" for the 10th consecutive year. (T&D Financial Life was recognized as a Certified Health and Productivity Management Organization.)		
Engagement that enhances organizational vitality	- Implementation of one-on-one meetings - Implementation of a mentoring system - Employee Engagement Score survey - Improving support measures to enable employees to work while also caring for their children, caregiving, or recovery from injury and illness - Encouragement of uptake of paid leave - Promotion of health and productivity management	- Employee engagement score 2024 3.90 2025 3.92 - Percentage of male employees taking child-care leave 2024 100% 2025 105.4% - Average number of days of child care leave taken by male employees 2024 21.1 days 2025 28.5 days - Average number of days of paid leave taken 2024 18.1 days 2025 18.5 days - Number of participants in Group IR activities 2024 584 2025 593	* The figure includes employees who took childcare leave for children born in previous fiscal years, and may therefore exceed 100%.

*Results are presented by fiscal year

Human Capital

Themes	Measures	Reference indicators																
Utilization and collaboration of human resources across the Group	- Dispatch to and placement in overseas subsidiaries - Dispatch to overseas companies - Support for women's career development - Implementation of Group IR - Group officer training, Group Executive Officer system, etc.	- Recruitment and development of diverse talent ⁽¹⁾<table><tr><td>2025</td><td>32.8%</td></tr><tr><td>FY2030 target:</td><td>40% of internal staff</td></tr></table> - Ratio of female managers ⁽²⁾<table><tr><td>2025</td><td>26.0%</td></tr><tr><td>FY2030 target:</td><td>30.0%</td></tr></table> - Number of highly specialized human resources ⁽³⁾<table><tr><td>2025</td><td>860</td></tr><tr><td>FY2030 target:</td><td>Increase by at least 15% from FY2025</td></tr></table> - Number of global human resources<table><tr><td>2025</td><td>83</td></tr><tr><td>FY2030 target:</td><td>200</td></tr></table> *1 Calculated by dividing the number of employees with experience at multiple Group companies, employees with experience on assignment or secondment outside the Group, and mid-career hires currently employed by the number of internal staff. *2 Includes junior managers. *3 Covers actuarial, M&A, asset management, and accounting personnel.	2025	32.8%	FY2030 target:	40% of internal staff	2025	26.0%	FY2030 target:	30.0%	2025	860	FY2030 target:	Increase by at least 15% from FY2025	2025	83	FY2030 target:	200
	2025	32.8%																
FY2030 target:	40% of internal staff																	
2025	26.0%																	
FY2030 target:	30.0%																	
2025	860																	
FY2030 target:	Increase by at least 15% from FY2025																	
2025	83																	
FY2030 target:	200																	
	 Ririka Matsumoto (Accounting Department) Feedback from an employee who applied for T&D Holdings through Group internal recruitment As I considered my future career, I applied because I wanted to work in accounting and tax, areas I had long been interested in. Through my work at T&D Holdings, I hope to gain experience unique to a holding company while building my knowledge and continuing to grow.																	

* Companies covered by the reference indicators are T&D Holdings and its direct subsidiaries (Daido Life, Taiyo Life, T&D Financial Life, TDAM, P&F, TDUC, All Right, and TDS).

Human Capital

■ Respect for Human Rights

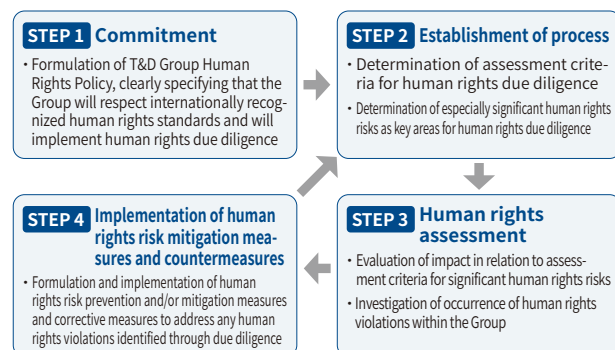
T&D Insurance Group Human Rights Policy

We mention “respect for human rights” in the T&D Insurance Group Sustainability 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>

Initiatives for respecting human rights: overall process



* In the recent due diligence process, with March 31, 2026 as the data reference date, we implemented STEP 2 - Establishment of process and STEP 3 - Human rights assessment.

Human rights due diligence

In accordance with the T&D Insurance Group Human Rights Policy, we implement human rights due diligence by following the PDCA cycle shown in the diagram, in order to identify, prevent, and mitigate any negative impact on human rights that may arise from our business activities.

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, 2026 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 an annual “Human Rights Seminar for Group Managers” with external lecturers. In FY2025,

the seminar focused on “Generation Gap.” In addition, each Group company conducts human rights awareness training on various issues such as different types of harassment and diversity, 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

Response to long working hours

Although no serious human rights issues arising from long working hours have occurred, there have been a certain number of cases in which overtime beyond statutory working hours exceeded 80 hours per month. The Group is promoting initiatives tailored to the circumstances of each company to prevent long working hours.

Cases of overtime beyond statutory working hours exceeding 80 hours per month

	FY2023	FY2024	FY2025
Over 80 hours per month of overtime beyond statutory working hours	20 employees	19 employees	24 employees

* T&D Holdings and eight direct subsidiaries

* Figures from FY2024 onward include T&D Information System, Ltd., which became a subsidiary in FY2024.

Roundtable Discussion Between Group Employees

Talent Mobility Drives Value Creation Across the Group

Under the new Group Long-Term Vision, “Try & Discover 2030,” the T&D Insurance Group is working to recruit and develop people with diverse experience and backgrounds. In this roundtable discussion, employees with current or past experience working at T&D Holdings (“HD”) discuss the learning, changes in perspective, and value that talent mobility can bring.



(Back row,
from left)

Takeshi Yamaguchi
Sales Planning
Department, Daido Life
Joined in 2007

Naoko Katou
Human Resources
Development
Department,
Daido Life
Joined in 2005

Hiroto Kometani
Business Development
Department, T&D
Holdings (concurrently
serving at T&D United
Capital)
Joined in 2008

(Front row,
from left)

Hana Takaoka
Risk Management
Department, T&D
Holdings
Joined in 2020

Yasuhiro Koba
Group Planning
Department, T&D
Holdings (concur-
rently serving at All
Right)
Joined in 2025

Yoshiyuki Zaizen
Group Planning
Department, T&D
Holdings
Joined in 2011

What Talent Mobility Brings

Please tell us about your career to date and your current responsibilities.

Yamaguchi After working in legal affairs at Daido Life, being seconded to the Life Insurance Association of Japan, and engaging in management planning and new business development, I transferred to HD's Group Planning Department in 2020. At HD, I was responsible for formulating the Group Long-Term Vision and launching the corporate venture capital (CVC) program. I am now in Daido Life's Sales Planning Department, where I work on marketing and channel strategies.

Katou At Daido Life, I worked in agency sales, the product department, and compliance, took maternity and childcare leave, and later gained experience in internal auditing. In 2022, I transferred to HD's Public Relations Department. There I handled a wide range of work, including financial results disclosure, media relations, social media operations, and commercial production. I am currently in Daido Life's Human Resources Development Department, where I am working to strengthen the company-wide development framework and support employees in taking ownership of their career development.

Koba I began my career as a civil servant, working on health-care policy and related areas. I then moved to an online life insurer, where I gained broad experience in legal affairs, risk management, business development, and venture investment. Through those experiences, I became interested in taking on the challenge of creating new businesses and customer touchpoints, and I joined HD as a mid-career hire one year ago. I currently work on growth investments and CVC in HD's Group Planning Department while also serving concurrently in the corporate function at All Right.

Takaoka After working in corporate lending and agency sales at Daido Life, I used the Group Internal Job Posting System to transfer to HD's Risk Management Department. As I approached 30 and began thinking about the next step in my career, I felt that nothing would change unless I tried something others had not

Roundtable Discussion Between Group Employees

done. That prompted me to take on the challenge of working at HD, where secondments of younger employees had been relatively rare. I am currently responsible for legal affairs, overseeing compliance across Group companies, and operating the whistleblowing system.

Kometani After gaining experience in sales, overseas business, and foreign bond investment at Taiyo Life, I transferred to HD's Business Development Department. I was involved in the investment in Fortitude and the establishment of a U.S. office responsible for managing that investment. I am now responsible for monitoring Viridium, supporting our German office, and working on a project to establish a reinsurance company.

Zaizen Since joining Taiyo Life, I have worked in sales, human resources, asset management, and on assignment in New York. I am currently in HD's Group Planning Department, where I am involved in management planning and advancing the Group Long-Term Vision. Drawing on my experience working with both human capital and financial capital, I am helping shape the direction of the Group as a whole.

Changing Perspective: The Value of Talent Mobility

How has your experience at HD changed you?

Yamaguchi Because I had experience in Daido Life's planning department, I was able to transition relatively smoothly into the work of HD's Group Planning Department. Once I actually started, however, I realized just how different the required perspective was.

The clearest example was the shareholder perspective. At Daido Life, I had many opportunities to think about the business from a viewpoint close to customers and sales personnel. At HD,

however, I also had to consider how to enhance corporate value across the Group and how to improve capital efficiency and productivity. Thinking about who a company exists to serve and how it should engage with its various stakeholders made me aware of perspectives I had previously lacked. That realization also deepened my understanding of discussions that emphasize capital efficiency indicators such as ROE.

Katou Moving into public relations, a field completely different from my previous career, was initially a succession of unfamiliar experiences. At the same time, having worked at Daido Life for many years meant that I understood the company's commitment to SME customers and the values it holds dear as an operating company. That became a strength when I moved to HD. HD requires a Group-wide optimization perspective, so there are times when its thinking differs from that of individual operating companies. In those situations, I came to appreciate the importance of understanding what each company values and engaging in careful, repeated dialogue.

Through the Group's 20th anniversary initiatives and the compilation of its 20-year history, I also gained a deeper understanding of how the different companies have each fulfilled distinct roles while creating value as a Group, and of the path our predecessors took in building the Group. I have come to feel a responsibility to build the next layer of value on top of that history.

Koba In my previous role, I was involved in dialogue with investors and in business operations, so I can draw on the ability to move back and forth between the perspectives of shareholders and investors and that of a business operator. At the same time, HD is not an operating company itself; its role is to set the direction of the Group as a whole and oversee management.

That has made me constantly conscious of the division of roles between HD and the operating companies. It was not something I had many opportunities to think about when I worked at an operating company, and I see it as a perspective unique to a holding company.

In partnerships with external companies, the other party may also have a different time horizon or way of thinking from our

■ Experience that gives you a view across the entire Group becomes a major asset.
(Takaoka)

Group. One of the interesting aspects of working at HD is understanding those differences while defining a shared goal.

Through these experiences, I have learned the importance of organizing complex issues in the simplest possible language and logic so that everyone involved can move in the same direction.

Takaoka In the investment division, I analyzed the creditworthiness of companies receiving loans and investments, while in sales I worked on the front lines with a constant awareness of compliance. Both experiences are proving useful in my current work in the Risk Management Department. For example, in operating the whistleblowing system, my frontline experience enables me to understand reports and investigation results in the context of actual business operations.

As secretariat of the Group Compliance Committee, I also gain a cross-Group view of the systems and challenges at each company. This makes me keenly aware every day that an issue arising at one company can have a major impact on the Group as a whole. I believe gaining this kind of experience while still young will be a major asset in my future career.

Kometani In my case, the experience of building overseas offices and operations from the ground up is directly connected to the new business initiatives I am now pursuing. Overseas, there were no established systems or precedents, so I had to decide for myself what needed to be done to achieve the objective and chart a path forward.

There is no predetermined right answer for new businesses or overseas projects at HD either. We need to identify what is required in each situation and work with many stakeholders to turn ideas into reality. In that sense, perhaps the overseas experience that helps me most is the mindset of confronting unfamiliar challenges.

At HD, I also have opportunities to work with shareholders, investors, and overseas partners with whom I had relatively little



■ I want to understand different perspectives and values and take on new challenges.
(Koba)

Roundtable Discussion Between Group Employees

contact when I worked at an operating company. One major change has been that these experiences have made me more conscious of how the Group is perceived from the outside.

Zaizen I transferred to HD in May last year, so it has only been a little over a year, but I feel that my broad experience in sales, human resources, asset management, and overseas assignments is closely connected to my current work. In discussions on the Group Long-Term Vision formulated last fiscal year, I was also able to contribute a practical perspective by asking whether the strategies would really work on the front lines.

At HD, meanwhile, we engage with stakeholders such as shareholders, investors, and analysts, with whom operating companies have fewer points of contact. Through those experiences, I have come to look beyond each department simply doing its best and to think about how we can enhance corporate value over the long term as a Group. That has been a major change for me.

Bringing Those Experiences Back to Their Respective Workplaces

How would you like to apply the experience you gained at HD to your future career?

Katou The greatest asset I gained at HD is the network of people I built across Group companies. Working in public relations gave me opportunities to engage with people in many departments and Group companies. Even in my current role, I often consult or collaborate through those connections, which has renewed my appreciation for the importance of personal networks.

Another major benefit was having the role, as part of HD public relations, of “telling the story of the Group’s future.” In public relations, I often had to think not only about current performance but also about how the Group would grow and create

value for society in the years ahead, and then communicate that story. Through that experience, I believe I also learned to think from a longer-term perspective.

I now work in human resources development, and I am able to consider initiatives from the perspective of how to develop people who can support the growth not only of Daido Life but of the entire Group. Going forward, I want to give more employees opportunities to take on the kinds of challenges that I experienced.

Koba Working at HD has given me many opportunities to encounter diverse values and ways of thinking. By engaging with people in a wide variety of positions both inside and outside the Group, I feel I have developed the ability to look at issues from multiple angles rather than from a single perspective.

Each Group company also has its own business model and corporate culture. Through my experience at HD, I have learned how important it is to understand those differences while identifying a common direction.

Going forward, I want to apply that experience to growth investments, partnerships with external companies, and the creation of new business opportunities. By deepening my understanding of different positions and values while taking on new challenges and creating value, I hope to contribute to the Group as a whole.

Takaoka The biggest lesson I gained at HD is the perspective of looking across the entire Group. When I worked in lending and sales, I tended to focus on my own responsibilities and organization. Now I have opportunities to view the challenges and initiatives of each company across organizational boundaries.

I have also realized that each organization has its own way of thinking and working. Having previously worked only at Daido Life, I found the way people at Taiyo Life work and their sense of speed very fresh, and there have been many things I would like to incorporate into my own work.

I believe this experience will be useful regardless of where I work in the future. If I eventually move into a management position and lead an organization, I want to be someone who can make decisions based not only on the interests of my own

■ The less precedent there is, the more important it is to chart the path yourself.
(Kometani)



organization but on what is best for the Group as a whole.

Kometani I have been involved in a number of new initiatives, including establishing a representative office in Myanmar, launching a U.S. base, and working on projects related to Fortitude and Viridium. Since coming to HD, I have had more opportunities to engage with people in different positions, including investors and overseas partners. Through these experiences, I feel I have developed a perspective on the value the Group as a whole is seeking to create and on how the Group is viewed from the outside.

I am still involved in a project aimed at realizing integrated Group management. Going forward, I want to use the experience and networks I have built to connect operating companies with stakeholders in Japan and overseas.

Zaizen At HD, I have had the opportunity to reconsider my previous experience from the perspective of enhancing corporate value across the Group.

In particular, being involved in formulating the Group Long-Term Vision has been an extremely valuable experience for me. It gave me the opportunity to consider where the Group should be headed and what role each company should play, taking into account changes in society, technological innovation, and social issues.

Going forward, I want to draw on both the broad perspective I gained at HD and the frontline experience I developed in operating roles to serve as a bridge between management and the front lines.

Yamaguchi If I were to name three things I gained from my experience at HD, they would be the ability to see the big picture, a sense of speed, and a long-term perspective.

At an individual operating company, there are many situations where the focus is on top-line measures such as new business. At HD, however, you also need to think about how much profit those activities generate and how to improve capital efficiency

■ I realized that HD’s role is to understand what each company values and keep the dialogue going.
(Katou)



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and productivity. The perspective I gained at HD is useful in my current role as well, and I now consciously think not only about short-term results but also about what kind of value we can create over the medium to long term.

Launching the CVC program also made me appreciate the importance of rapid decision-making. A long-term perspective is essential in the life insurance business, but at the same time we need the speed to respond to change. I want to continue putting that mindset into practice in my work and contribute to Daido Life's growth and to enhancing corporate value across the Group.

Further Accelerating Talent Mobility What initiatives do you think are needed to further advance talent mobility?

Takaoka I think the "Group Internal Job Posting System" that I used is an excellent mechanism for encouraging people who want to take on something new. At the same time, I do not think the transfer itself should become the objective.

Once you actually move, it takes longer than you might imagine to become accustomed to new work and a new environment. If there were a system that carefully supported what kind of experience employees should gain at their new assignment and how they should develop there, younger employees might feel more comfortable taking on the challenge.

It would also be easier for employees to picture their own future if there were more opportunities to share examples of the careers of people who have experienced secondments or transfers. I think it is important to build a framework that supports not only the first step into a challenge but also the growth that follows.

Katou I believe talent mobility is essential to the growth of the Group as a whole. Employees can bring the perspectives and

experience they developed at HD back to the operating companies and apply them in their respective workplaces, while the companies share their own know-how and knowledge. The accumulation of these exchanges should strengthen the Group as a whole.

At the same time, if the career path after a secondment or Group transfer is unclear, it can be difficult to judge how taking on the challenge will contribute to one's own growth. If the experience and results achieved on secondment are properly understood and evaluated, and employees can see the career opportunities available afterward, they will be able to take that first step with greater confidence. It is important not only to create a system, but also to show how careers can expand beyond it.

Zaizen From a human resources development perspective, I think it will be important to combine expertise with diverse experience.

As work becomes more specialized, the management environment will also become increasingly complex. In that environment, people need not only the ability to deepen their expertise in their own field but also the ability to collaborate with people from different fields and positions.

Even highly specialized professionals such as actuaries and asset management specialists can gain new perspectives by working in other departments or Group companies.

Rather than treating specialists and generalists as opposites, I think it is important to build a framework that enables everyone to acquire a broader perspective. More flexible personnel rotations could further strengthen the capabilities of the Group as a whole.

Toward Value Creation as One Group What role would you like to play going forward?

Kometani What I have learned from working overseas and at HD is that new value emerges when people with different positions and experiences work together.

Establishing a representative office in Myanmar, launching a U.S. base, and the Viridium-related work and reinsurance company establishment project I am currently involved in are all

■ Gaining a shareholder perspective enabled me to take a broader view of corporate value.
(Yamaguchi)



initiatives that can only be realized through collaboration among many stakeholders. Many of them also had no predetermined path at the outset, so we had to think for ourselves as we moved forward.

For the Group to grow further, I believe it is not enough for each company simply to demonstrate its own strengths; we also need to connect those strengths. People and knowledge should move across organizational boundaries, generating new challenges and value creation. I hope we can become a Group that creates that kind of virtuous cycle.

I also want to use the experience and networks I have built to turn initiatives that contribute to integrated Group management into reality.

Yamaguchi While working on management planning at HD, I had the opportunity to learn a great deal about the T&D Insurance Group. What left the strongest impression on me was hearing directly from officers and senior employees at each company about their commitment to the Group and its history. Listening to them helped me understand why the Group was created and the value it has delivered over more than 20 years.

Listening to everyone today, I am also grateful that Koba-san is taking the CVC program I helped launch to the next stage and Zaizen-san is doing the same with the Group Long-Term Vision. I believe the value of talent mobility lies not only in individual growth, but also in passing experience, knowledge, and commitment on to the next generation.

I think it is also important to play a role in passing those experiences and values on. I want to share with younger generations what I learned at HD, the history of the Group, and the commitment of our predecessors, while connecting people with one another and people with organizations. In a sense, I would like to become an "ambassador" for the T&D Insurance Group.

■ Formulating the Group Long-Term Vision greatly broadened my perspective.
(Zaizen)



Social and Relationship Capital

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.

Outcomes of Social and Relationship Capital

Customer satisfaction level

Daido Life	80.3%
Taiyo Life	91.6%
T&D Financial Life	80.2%

Number of cases using *Kaketsuke-Tai Service* (FY 2025)

123,102

Number of *Dodai?* members: (FY 2025)

Approximately 122,000

Amount of claims and benefits paid: (FY 2025)

Approximately 824.2 billion yen

Amount of CVC investment:

Approximately 3.1 billion yen

Cumulative amount of sustainability-themed investment and financing

Approximately 1.2 trillion yen

The Initiatives of Daido Life

Preparing for the risks that business owners face (total protection)

There are many cases in which SMEs rely on the reputation and technical capabilities of the business owners themselves for their viability. The business owner is responsible for both the corporation and the individuals (their family) as the head of the household. Daido Life offers comprehensive coverage for both corporations and families, ensuring they have the funds needed to protect themselves from financial losses in the event of an emergency that affects the business owners or a situation that prevents them from working. To achieve this, the company calculates standard coverage for corporations and daily life protection funds for individuals.

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.

As part of its activities, Daido Life holds the DAIDO KENCO AWARD annually to recognize companies that actively engage in Kenkokeiei (health and productivity management) based on its own criteria. In FY2025, 410 companies were recognized and announced.



Initiatives to support the management of SMEs

The number of users of *Dodai?*, an online community for business owners where SME owners gather and work together to

address social issues, exceeded 130,000 as of the end of June 2026. The website serves as a forum for business owners to exchange views and introduces management support services. It also contributes to revitalizing industries and society supported by SMEs through initiatives such as work experience events at SMEs for elementary school students. Having supported SMEs through insurance coverage, Daido Life is now giving shape to its aspiration to "create the future together with SMEs."



Enhancement of the customer support system

Daido Life has adopted a customer-focused approach, and it is implementing various initiatives to enhance the quality of the customer experience at every stage, from enrollment to the receipt of benefits.

Introducing Tsunagaru Tetsuzuki	Customers can complete procedures online at any time and from any location.
Offering services utilizing the digital transformation of society	Daido Life will communicate the necessary procedures using the My Number system.
Payment without claim documents	Daido Life provides maturity benefits and personal annuities to the customer's account without requiring claim documents.
Introduced AI Doctor for claims assessment	Use of generative AI trained on internal manuals and medical information reduces the time required for claims assessment

Social and Relationship Capital



Please refer to the Company's website for more details of T&D Insurance Group Basic Policy Related to Customer-oriented Business Operations
https://www.td-holdings.co.jp/en/information/business_operations.php

The Initiatives of Taiyo Life

Providing high-quality products and services

Taiyo Life's goal is to provide its customers with lifelong peace of mind by providing them with high-quality products and services.

On the product front, in August 2025, Taiyo Life launched *Taiyo Life Savings Insurance*, a principal-guaranteed savings insurance product, in response to growing interest in and needs for asset formation. In December, the company revised its flagship *Hoken Kumikyoku BestMYWAY Kisei Kanwa* and launched *Hoken Kumikyoku BestMYWAY Kisei Kanwa Plus*. The revision reduced the number of disclosure items and introduced new coverage through Relaxed Disclosure Cancer Diagnosis Insurance (Multiple-Payment Type), Selective Relaxed Disclosure Dementia Treatment Annuity Insurance, and Relaxed Disclosure Death Insurance (Whole Life Type), enabling the company to provide a broad range of coverage to customers with pre-existing conditions or a history of hospitalization. Taiyo Life provides *Himawari Dementia Prevention Insurance* and *Cancer and Critical Illness Prevention Insurance* as products that support disease prevention. These products have received positive feedback from a diverse range of age groups, including the elderly and people in their 40s and 50s.

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*. From April 2026, we have also offered, as optional services, a smartwatch (Google Fitbit) that records health indicators such as blood oxygen wellness and estimated skin temperature during sleep, and a bath mat (Smart Bath Mat) that measures body composition unobtrusively.

Taiyo Life provides customers with even greater peace of mind by proposing products and services that cater to their needs.

Efforts to enhance customer convenience	• <i>Taiyo Life My Page</i>, a dedicated web portal for customers, enables customers to perform various change procedures and check the status of their non-life insurance. • Taiyo Life has implemented a new contract application procedure (via the Internet) using the My Number Card (a public personal authentication service). • Policyholders may use cashless payment service PayPay for their initial insurance premium payment. • Taiyo Life has started to accept benefits claims via the <i>T-AI-Face</i> terminal for sales staff. • Policyholders can register with the LINE Official Account and conduct insurance procedures through the LINE app. • Taiyo Life has introduced a function on its My Page screen to assist customers with the performing of procedures. This function enables even people who are unfamiliar with the Internet to use My Page effectively.
Best senior services	• When providing insurance to senior citizens, Taiyo Life requests that their family members be present. • Taiyo Life has established the Senior Anshin (security) Support Desk system, where staff at the head office confirm senior citizens' intentions to contract and their applications for contracts using <i>T-AI-Face's</i> videophone function. • Taiyo Life offers the <i>Senior Follow-up Service</i>, which checks for missing claims and confirms contracts at least once a year.

The Initiatives of T&D Financial Life

Providing asset formation products that consider changes in the social and economic environment

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 2025, T&D Financial Life revised the variable insurance product *Hybrid Anshin Life* and launched *Hybrid Anshin Life 2*. The new product introduced the *Uketoru Course*, which combines a mechanism that allows policyholders to receive excess benefits with death coverage. In collaboration with investment trust management companies, the company also launched the financial service products *Tsumiyell* (June) and *THEO Tsumitate Anshin Hoken* (December), which combine installment investing and insurance coverage. In February 2026, it launched *Secure Flight*, a variable annuity insurance product that pursues growth potential through asset management while guaranteeing the basic insurance amount as the minimum amount of annuity funds, thereby offering products tailored to a wide range of customer needs.

Providing an AI fund prediction service

Since February 2024, T&D Financial Life has been providing 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.



Social and Relationship Capital

Initiatives to Respond to Customer Feedback

Initiatives on customer satisfaction

The T&D Insurance Group has established the “T&D Insurance Group Basic Policy on Customer-oriented Business Operations” in order to conduct sincere, honest, fair, and appropriate corporate activities that lead to the benefit of customers, with “customer-oriented” as the Group’s common value. Based on this policy, each Group company strives to provide customers with greater satisfaction by providing better products and services based on its own business model and by improving the quality of its operations. In addition, based on the results of customer satisfaction surveys and our response to changes in the social environment, we are constantly striving to provide more convenient services and improve our operations, aiming to become a group that can be trusted with confidence into the future.

Evaluation of the three life insurance companies’ customer-oriented business operations policy(FY2025)

Daido Life	Taiyo Life	T&D Financial Life
80.3%	91.6%	80.2%
(Overall satisfaction)	(Overall satisfaction)	(Overall satisfaction)

* Each company uses a different survey method.

System to reflect customer feedback in management

The three life insurance companies collect a wide range of customer feedback through various customer touchpoints, including sales representatives, agents, call centers, and the Internet, and conduct satisfaction surveys regarding products and services and after-sales follow-up. Collected feedback is centrally managed in a database, shared among relevant departments, and used to develop products and services, improve their quality, and improve operations. In addition, under dedicated departments that oversee customer-oriented business operations and committees that include outside members, the companies set specific targets and monitor progress, working to improve customer satisfaction at every stage from policy application through payment of insurance claims and benefits. In this way, they have established systems for reflecting customer feedback in management.

Examples of Reflecting Customer Feedback in Operations

Daido Life

In response to customer feedback requesting non-face-to-face procedures, Daido Life has introduced *Tsunagaru Tetsuzuki*, which enables customers to perform enrollment procedures remotely at any time and any place, when it is convenient for them. This initiative now covers procedures for claims for insurance payouts and benefits, policy cancellations, policy loans, and other procedures. Additionally, Daido Life has started to pay certain maturity benefits and personal annuities to customers without requiring claim documents to reduce the burden on customers.

Taiyo Life

Taiyo Life has reduced the minimum age for products with enhanced coverage options to three, responding to customers’ requests that we allow children to obtain insurance. To address customer requests for enhanced coverage for “*Hatarakenaku natta tokino hoken*” (insurance for individuals who become unable to work), Taiyo Life has established the 14-day continuous hospitalization benefit special provision which covers short-term continuous hospitalization, and the hospitalization/mild inability to work benefit, which provides coverage for long-term continuous hospitalization lasting 180 days or more. Furthermore, coverage is now available for specific mild disability conditions.

T&D Financial Life

T&D Financial Life introduced the *AI Voice Response System (Voicebot)* in response to customers wishing to request documents for procedures outside the call center’s operating hours, which are weekday daytime hours. Customers can now request procedural documents by phone 24 hours a day, including weekends and public holidays. In FY2025, guidance on reissuing life insurance premium deduction certificates was added to the services available through the system. The Internet service was also fully revamped with a design that is “more convenient and easier to navigate,” improving usability.

Number of complaints received at each company

Daido Life

Customer complaints* by type (Units: no. of complaints received; proportion: %)

Details	FY2022		FY2023		FY2024		FY2025	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	774	12.3	638	12.9	578	12.7	526	11.9
Payment of premiums	355	5.6	315	6.4	241	5.3	233	5.3
Conservation work	1,815	28.9	1,550	31.3	1,228	27.1	1,235	27.9
Insurance claims and benefits	1,556	24.8	936	18.9	782	17.3	843	19.1
Others	1,785	28.4	1,517	30.6	1,707	37.6	1,585	35.8
Total	6,285	100.0	4,956	100.0	4,536	100.0	4,422	100.0

* “Complaints” refers to expressions of dissatisfaction about the company’s operations that customers communicate to the company.

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

Reference: *Efforts to incorporate customer feedback into management practices* on Daido Life’s website (Japanese)
<https://www.daido-life.co.jp/company/satisfied/voice.html>

Taiyo Life

Customer complaints* by type (Units: no. of complaints received; proportion: %)

Details	FY2022		FY2023		FY2024		FY2025	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	1,919	20.8	1,854	26.5	1,966	26.5	2,356	29.1
Payment of premiums	375	4.0	431	6.1	452	6.1	529	6.5
Conservation work	1,067	11.6	1,280	18.3	1,292	17.4	1,335	16.5
Insurance claims and benefits	3,947	42.8	1,646	23.5	1,756	23.6	1,726	21.3
Others	1,918	20.8	1,791	25.6	1,962	26.4	2,155	26.6
Total	9,226	100.0	7,002	100.0	7,428	100.0	8,101	100.0

* “Complaints” refers to expressions of dissatisfaction that customers communicate to the company.

Reference: *Examples of improvements Taiyo Life has made by utilizing customer feedback* on Taiyo Life’s website (Japanese)

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

T&D Financial Life

Customer complaints* by type (Units: no. of complaints received; proportion: %)

Details	FY2022		FY2023		FY2024		FY2025	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	315	36.5	207	33.0	248	25.8	1,013	16.8
Payment of premiums	45	5.2	52	8.3	25	2.6	114	1.9
Conservation work	328	38.0	201	32.0	448	46.6	3,028	50.2
Insurance claims and benefits	105	12.2	85	13.6	94	9.8	433	7.2
Others	70	8.1	82	13.1	146	15.2	1,443	23.9
Total	863	100.0	627	100.0	961	100.0	6,031	100.0

* “Complaints” refers to customers’ complaints and dissatisfaction about products and services, and expressions of dissatisfaction.

* The number of complaints received from customers increased in FY2025. The main reason was that, with a view to further promoting customer-oriented business operations, the company revised its practices so that certain inquiries and other contacts previously categorized as inquiries are now aggregated as complaints, in order to better understand their content and background and use this information to improve services.

* Examples include inquiries about the date periodic payments are credited, when documents will arrive, and Internet services.

Reference: *Major initiatives pursued by T&D Financial Life in fiscal 2024 to make improvements based on customer feedback* on T&D Financial Life’s website (Japanese)

<https://www.tdf-life.co.jp/company/solvency/2025.html>

Social and Relationship Capital

Cooperation with Sales Agents and Cooperating Organizations

Daido Life

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.

Taiyo Life

To help partner agencies make optimal insurance proposals, Taiyo Life supports them through regular visits to their head offices (branches). In March 2026, the company also began joint solicitation of life insurance with credit unions that have strong community-based sales networks. Working together with its partner agencies, Taiyo Life provides local customers with peace of mind.

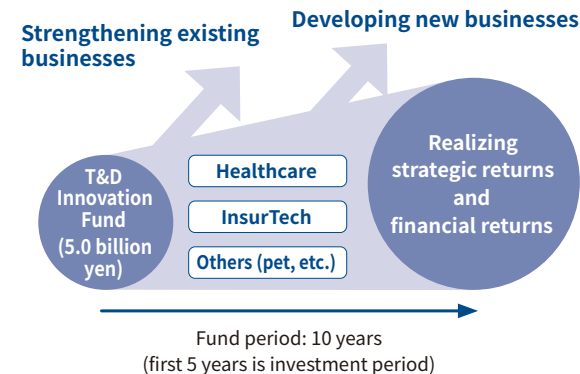
T&D Financial Life

T&D Financial Life provides support to sales agents through its wholesalers so that they can make the best proposals to customers. In addition, to win the trust of customers and sales agents, T&D Financial Life works to strengthen its support activities by providing practical training to wholesalers. This includes training to deepen their knowledge not only of insurance products but also of financial products, asset management, related laws and regulations, and systems, as well as presentation skills training to enable them to accurately explain the features of the company's 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 mainly on the priority investment areas of healthcare and InsurTech, the fund has so far invested approximately 3.1 billion yen in 20 companies (for example, companies that provide family trust services and pet health management devices).

Through open innovation and other initiatives with investee startups, we are strengthening the Group's existing businesses and developing new business domains.



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 Responsible 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 sustainability issues
2. Implementing constructive dialogue on sustainability issues with investees and borrowers
3. Collaboration on responsible investment and support for sound market development
4. Enriching information disclosure related to responsible investment initiatives

Social and Relationship Capital

Various Responsible Investment Initiatives

For all assets under management, the Group considers sustainability issues, including ESG factors, according to the characteristics of the assets held, and has introduced various responsible investment approaches.

Integration

In investments and financing involving listed equities, corporate bonds, loans, real estate, project finance, and other assets, we incorporate analysis and assessment of non-financial information relating to sustainability, including ESG factors, in addition to financial information.

Negative screening

As a general rule, we prohibit direct investments and financing to companies that manufacture specific weapons (companies that manufacture cluster bombs, biological and chemical weapons, antipersonnel mines, nuclear weapons, etc.) and to palm oil producers. We also have a policy of not making new direct investments and financing to coal-fired power generation projects*, coal mining projects, oil sands projects, and other projects with a significant impact on climate change.

* Excluding projects deemed to contribute to transition in accordance with international principles and other standards.

Sustainability-themed investment and financing

We undertake sustainability-themed investment and financing that can contribute to the realization of a sustainable society, taking sustainability issues into consideration. We will steadily increase the cumulative amount while assessing the profitability and risks of each individual investment.

Examples of key initiatives



Investment in Green Bonds —Proceeds are used to finance capital expenditures for the introduction of new, highly energy-efficient equipment by operating companies and other purposes.



Investment in Sustainability Bonds —Proceeds are used to finance renewable energy, green buildings, initiatives to revitalize local economies and communities, and other projects undertaken by operating companies.

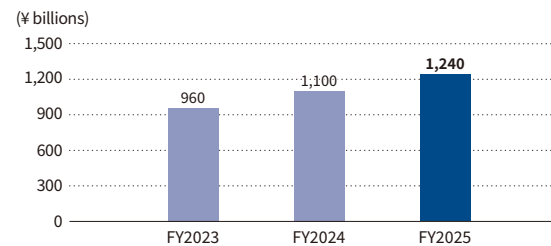


Investment in Social Bonds —Proceeds are used to finance infrastructure development projects such as roads undertaken by incorporated administrative agencies, as well as projects aimed at regional revitalization and community development.



Investment in Climate/Nature-Linked Bonds —Financing is provided on terms linked to the achievement of pre-established sustainability performance targets related to decarbonization and forest conservation.

Themed investment and financing



Dialogue (engagement) with investees and borrowers

We engage in dialogue with investees and borrowers about sustainability issues such as decarbonization, diversity and biodiversity to help them improve their corporate value and achieve sustainable growth. Since FY2025, Daido Life, Taiyo Life, and T&D Asset Management have also engaged in joint dialogue.

Addressing or preserving biodiversity	We gather information about the entities we invest in and provide loans to, including information related to the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations (including participation, risk and opportunity analysis, and information disclosure), their identification of the challenges they face, and the direction of their initiatives.
Human capital and diversity initiative	We assess the entities we invest in and provide loans to in terms of their development of human rights policies and the implementation and disclosure of human rights due diligence activities. We also encourage them to adopt additional initiatives.

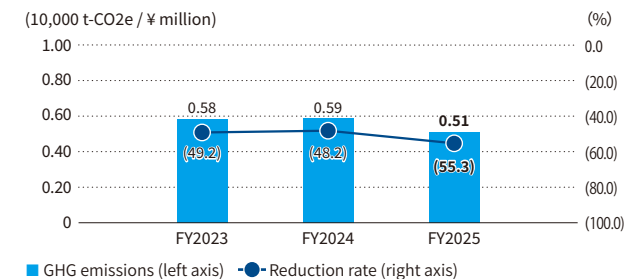
Initiatives toward Net-Zero Financed Emissions

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

At the end of March 2026, GHG emissions based on the investment and financing portfolio of Daido Life and Taiyo Life, covering stocks and corporate bonds issued by listed companies in Japan, as well as loans to such companies, amounted to 1.39 million t-CO₂e. On an intensity basis, as used for the interim target, emissions were 5,100 t-CO₂e per million yen, a 55.3% reduction from FY2020.

While encouraging investees and borrowers to transition toward decarbonization through dialogue, we will also continue to provide financing support through initiatives such as investments in green bonds and transition finance.

Financed emissions and reduction rate (vs. FY2020)



Natural Capital

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

GHG emissions reduction rate(Compared to FY2013)
(Scope 1 and 2) (FY2025)
62.8%

Financed emissions reduction rate
(Compared to FY2013) (FY2025)
55.3%

Renewable energy utilization rate (FY2025)
51.6%

*Covers stocks and corporate bonds issued by listed companies in Japan, as well as loans to such companies, held by Daido Life and Taiyo Life.

Our Approach

A globally shared long-term target was established by the Paris Agreement, adopted 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 protect the global environment, 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 expectation that we must do our part as a member of society.

The T&D Insurance Group formulated the T&D Insurance Group Environmental Policy* to clarify the Group's stance on the environment and the T&D Insurance Group ESG Investment Policy* to outline its approach to ESG investment in asset management. 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,

* Please refer to our website for the "T&D Insurance Group Environmental Policy" and the "T&D Insurance Group Responsible Investment Policy."
<https://www.td-holdings.co.jp/en/csr/csr-policy/environment.php>
<https://www.td-holdings.co.jp/en/csr/csr-policy/esg.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. The committee is chaired by the President and Representative Director and comprises officers and general managers responsible for sustainability and CSR departments and asset management departments at Group companies. It establishes basic policies on global environmental and social issues, including the SDGs, as well as targets and measures for addressing climate change. 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.

* 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	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.

More sophisticated climate change risk analysis: Quantitative analysis of effects on the Group

We collaborated with KPMG Consulting Co., Ltd. and the Japan Weather Association (called the JWA below) to conduct a quantitative analysis of effects on the Group in order to increase the sophistication of our climate change risk analysis.

Analysis methods

- The JWA developed a high-resolution climate scenario dataset by setting up a 1-km mesh for climate-change prediction data in order to analyze physical risks.
- Next, two models were developed for the Group—one for estimating the number of victims of flooding and another for estimating the number of people hospitalized/fatalities due to heat exhaustion—assuming that Japan's future average temperature increases by either 2°C (the RCP2.6 scenario) or 4°C (the RCP8.5 scenario) due to climate change. Five climate prediction models were utilized for our estimates.
- We divided the future period up through 2100 into two periods, the near future period from 2026 to 2050 and the distant future period from 2051 to 2100, and then conducted a physical risk analysis.

Analysis results

Disaster victims

- There is variation between regions in terms of future increases in rainfall (with rainfall decreasing in some regions).
 - In addition, although there will be an increased rate of powerful typhoons, the number of typhoons is expected to decrease.
- ⇒ In both scenarios, although there is a possibility of a sudden spike in the number of disaster victims in the case of extremely heavy rainfall, the number during the entire period is about the same.

Number of people hospitalized/fatalities due to heat exhaustion

- Regardless of the scenario, there is not that much of a change during the near future period.
- During the distant future period, the number of extremely hot

days and tropical nights will increase. In particular, in the RCP8.5 scenario, the number of extremely hot days is expected to increase by more than a month compared to the present.

⇒ In both scenarios, the number of people hospitalized/fatalities due to heat exhaustion is expected to increase during the distant future period.

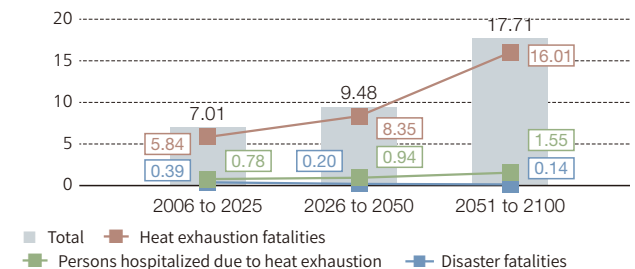
Impacts on the Group

- According to our calculations based on our analysis results, in the case of the RCP8.5 scenario—which has a greater effect—compared to the base period (2006 to 2025), both insurance claims and benefits will increase in the distant future period by ¥510 million to ¥1.63 billion (equivalent to approximately 0.1% to 0.3% of the Group's paid out insurance claims and benefits).

* The graph below shows the average of all five models. (Increase of ¥1.07 billion in the distant future period)

Monetary effect (RCP8.5 scenario)

(100 million yen)



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

Natural Capital

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 the mitigation of 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.

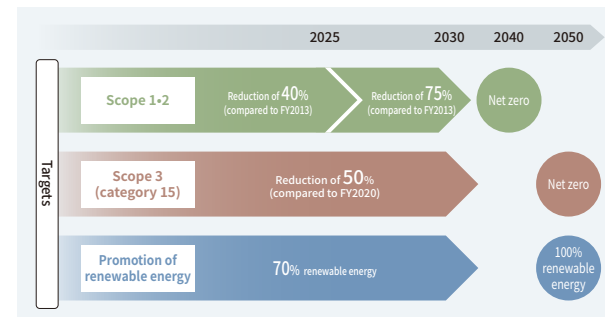
Metrics and Targets

- The Group sets environmental protection targets and works toward achieving them through its day-to-day business activities. The four targets are “reducing GHG emissions,” “reducing electricity consumption,” “reducing office paper consumption,” and “improving the green purchasing ratio.” The results are measured annually and disclosed in various reports and on our website.
- The Group continuously measures and discloses its GHG emissions across three categories: Scope 1 (direct emissions by the Group), Scope 2 (indirect emissions from purchased energy, including electricity), and Scope 3 (other indirect

Reducing GHG emissions

Subject	Targets	FY2025
Own emissions (Scope 1 and 2)	FY2030: 75% reduction (compared to FY2013) FY2040: Net zero	62.8%
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	55.3%

Roadmap to achieving net zero



emissions associated with activities such as raw material procurement, transportation, and waste disposal).

- The Group has set reduction targets for emissions from its own operations (Scope 1 and 2) and for emissions associated with investees and borrowers (Scope 3, category 15), aiming to achieve net-zero emissions from its own operations by 2040 and net-zero financed emissions by 2050.

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 70% of our electricity from renewable energy by fiscal 2030, and are actively promoting the use of renewable energy.



Initiatives for biodiversity conservation

Taiyo Life promotes forest conservation at three locations called “*Taiyo Seimei no Mori* (the Forests of Taiyo Life)” in Japan, where employees participate in these initiatives. In FY2023, the *Taiyo Seimei Kutsuki no Mori* (Kutsuki Forest of Taiyo Life) was certified as a Nationally Certified Sustainability Managed Natural Sites (an area where biodiversity is conserved through private initiatives) by the 30by30 Alliance for Biodiversity. Through these initiatives, Taiyo Life directly contributes to the conservation of biodiversity.



Natural Capital

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 through initiatives 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 taking steps in line with the TNFD framework and registered as a TNFD Adopter in September 2024. The Group's governance framework for natural capital is the same as the governance framework described on page 56. The Group recently also conducted an analysis of the nature-related risks of investees and borrowers according to the LEAP approach.*¹ In addition to conducting value chain and location analyses of specific sectors that account for a high proportion of our investment and financing portfolio and have significant dependencies and impacts, in FY2025 we newly conducted scenario analyses of the risks and opportunities in specific sectors and assessed their impacts on our investment and financing portfolio.*²

*¹ 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.

*² For details of these analyses, please refer to the Responsible Investment Reports published by T&D Holdings, Daido Life, and Taiyo Life (Japanese only).

Analysis methods

In this analysis, we quantified the degree of dependency and impact by industry in accordance with the dependency and impact models of ENCORE,*³ a tool for assessing nature-related risks.

*³ ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is an analytical tool for assessing investee companies' dependencies and impacts on natural capital and ecosystem services. It was jointly developed by international organizations including the Natural Capital Finance Alliance (NCFA) and the United Nations Environment Programme.

Analysis results

Dependencies Analysis results showed that the most dependent natural capital was “Land geomorphology” and “Structure and biotic integrity of ecosystem”

Impacts Analysis results showed that “Disturbance (e.g. noise, light)” and “Release of harmful pollutants into water and soil” had the greatest impact.

Dependencies heat map

	Atmosphere	Land geomorphology	Minerals	Ocean geomorphology	Soils and sediments	Species	Structural and biotic integrity	Water
Energy								
Materials								
Industrials								
Consumer discretionary								
Consumer staples								
Health care								
Financials								
Information technology								
Communication services								
Utilities								
Real estate								

Impacts heat map

	Disturbances (e.g. noise, light)	Area of freshwater use	Emissions of GHG	Area of seabed use	Emissions of non-GHG air pollutants	Other biotic resource extraction (e.g. fish, timber)	Other abiotic resource extraction	Emissions of toxic soil and water pollutants	Emissions of nutrient soil and water pollutants	Generation and release of solid waste	Area of land use	Volume of water use	Introduction of invasive species
Energy													
Materials													
Industrials													
Consumer discretionary													
Consumer staples													
Health care													
Financials													
Information technology													
Communication services													
Utilities													
Real estate													

* Analysis based on file downloaded from the ENCORE website updated October 14, 2024.

* 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)



Governance Framework Supporting Value Creation

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Roundtable Talk of Outside Directors



(Front row, from left)
Atsuko Taishido
Director
(Outside Director)

Masazumi Kato
Director
(Outside Director)

(Back row, from left)
Kensaku Watanabe
Director
(Outside Director)*

* Mr. Watanabe's title is as of the date of the roundtable discussion (retired June 25, 2026).

Koji Nitto
Director (Audit and Supervisory Committee Member)
(Outside Director)

Kenji Fuma
Director
(Outside Director)

Shinnosuke Yamada
Director (Audit and Supervisory Committee Member)
(Outside Director)

Looking Back on the Five Years of the Previous Group Long-Term Vision

Yamada Among the financial KPIs, we achieved our targets for Group adjusted profit, adjusted ROE, and ROEV, but unfortunately fell short of the target for value of new business due to the impact of revisions to insurance assumptions and the ultimate forward rate. Since value of new business is a source of future earnings, we will continue to strive to achieve the new target. I also feel that under the previous Group Long-Term Vision, we did not communicate clearly enough how non-financial KPIs such as customer satisfaction, the employee engagement score, and GHG emissions reductions were linked to financial KPIs and ultimately to enhanced corporate value. The new Group Long-Term Vision was formulated with these relationships in mind, so going forward we want to communicate them in a clear and accessible way.

Watanabe The previous Group Long-Term Vision was formulated in recognition of the issue that financial accounting profit had stagnated despite growth in economic value. I believe it is a testament to management's efforts that this issue was translated into KPIs and the targets were achieved. Integrated Group management has been discussed in many forums and is a topic often raised by investors, but it is important to demonstrate how integrated Group management contributes to corporate value and our businesses. I have participated in internal Group IR sessions, and I was impressed to see T&D Holdings executives directly convey the capital market perspective to younger employees at operating companies. Through the accumulation of such initiatives, I feel that awareness on the front lines is steadily changing.

Kato I also commend the early achievement of the financial KPIs. A major factor was the expansion of the closed book business, a growth area, into Europe as well as the United States, which established a new earnings base. Focusing on the

Enhancing Corporate Value through Offensive and Defensive Governance

In April 2026, the T&D Insurance Group announced a new Group Long-Term Vision. By establishing a ¥500 billion investment capacity and building new earnings foundations through disciplined growth investments, the Group aims to enhance corporate value over the medium to long term. In this roundtable discussion, outside directors look back on the previous Group Long-Term Vision and discuss from a range of perspectives the deliberations behind the formulation of the new Group Long-Term Vision, growth strategies for a changing business environment, and the future of governance.

* Date of roundtable discussion: April 30, 2026

* Following the roundtable discussion, the transfer of shares in T&D Financial Life was resolved. Outside Directors Kato and Nitto subsequently provided additional comments.

⇒ P. 73 Board of Directors Skills Matrix ⇒ P. 78 Management Organization

Roundtable Talk of Outside Directors

specialized business models of Daido Life and Taiyo Life also led to expansion in both positive spread and profit. I would especially emphasize the steady progress made in initiatives to improve capital efficiency. The cycle of using dividends from subsidiaries for growth investments and shareholder returns has been strengthened, and this has contributed to market confidence, as reflected in solid total shareholder return (TSR) performance. Going forward, it will be essential to strengthen profitability in the domestic life insurance business and further refine the governance that supports it. We will address these issues firmly under the Group Long-Term Vision.

Nitto From a financial perspective, I appreciate how, under President Moriyama's leadership, management has become even clearer in its focus on shareholder value and corporate value, contributing to an improvement in the share price. At the same time, Group synergies remain a challenge, and collaboration among businesses needs to be further accelerated and strengthened. Looking ahead to a future of population decline, we also need to build growth foundations beyond the closed book business. The challenge going forward will be to deploy the ¥500 billion new investment capacity established under the Group Long-Term Vision in a disciplined manner and translate it into effective growth.

Fuma In the two years since I became an outside director, I have seen progress in two areas. One is the strengthening of Group governance. T&D Holdings' leadership over the use of Group funds and the allocation of human resources has become more clearly defined, which is a major step forward. The other area is the development of a business entity that can

serve as a third arm alongside the major subsidiaries. Through the many proposals from the Business Development Department and discussions at Board meetings, we now have a framework for exploring new directions. At the same time, the remaining challenges are clear. We need concrete discussions about what kind of business portfolio we should aim to achieve five years from now while utilizing the growth investment capacity we have established. We also need to deepen our discussions on asset management in a rising interest rate environment, including how to address systemic risks closely related to the Group's businesses, and further refine our approach to asset management.

Taishido As a member of the Nomination and Compensation Committee, I have seen progress in governance during my tenure, including stronger processes and provision of human resources information to enable the Committee to take a leading role in nominating core Group talent. When Chairman Uehara handed over the top management role to President Moriyama in 2024, the Nomination and Compensation Committee conducted extensive discussions and ensured that the selection was based squarely on individual merit. There was no notion whatsoever that positions should rotate based on the executive's company of origin. Meanwhile, improving profitability in the insurance business, particularly how to translate Taiyo Life's strong sales channel into higher earnings, remains a challenge. Initiatives such as consolidation of asset management functions are progressing, but I feel the Group is still only partway toward realizing synergies. We also need to sharpen our strategy for where and how to allocate the growth investment capacity and present investors with a clear picture of the path to growth.

discussions was how to organize economic value and financial accounting and manage from both perspectives. The concept of translating the accumulation of economic value into financial results that can fund growth investments and shareholder returns is reflected in the KPIs of the Group Long-Term Vision. On governance, I have also stressed the importance of flexibly reviewing how discussions are conducted to improve Board effectiveness. We will continue to strengthen governance further through operational measures such as holding discussions exclusively for outside directors, setting dedicated intensive-discussion days, and expanding forums for discussion beyond Board meetings.

Kato From the perspective of aligning economic value and financial accounting, it is extremely important to accumulate high-quality new business. What we clarified through the discussions to formulate the Group Long-Term Vision was the path whereby the accumulation of high-quality new business generates high-quality EV, which in turn produces stable earnings that become the source of future growth investments and shareholder returns. The new KPIs were set to embed this logic. Discussions on improving Taiyo Life's profitability were also conducted from this perspective.

Taishido In formulating the Group Long-Term Vision, I assessed whether sufficiently thorough discussions were being held in light of the Group's strengths and challenges. The financial and non-financial KPIs that were established are important messages showing the market and the Group's officers and employees the direction in which the Group should move. They are the result of extensive discussion under an approach of management on both

■ Seeing women excel in positions of responsibility unquestionably changes the landscape of the organization. (Taishido)

Discussions on Formulating the Group Long-Term Vision

Watanabe One of the most memorable topics in Board

■ Outside directors are expected to bring a perspective that embraces challenges in uncharted areas. (Fuma)



Roundtable Talk of Outside Directors

a financial accounting basis and an economic value basis. As we shift to the phase of supervising strategy execution, the Board of Directors, as a monitoring board, will further strengthen both its offensive and defensive supervisory functions.

Yamada Regarding strategy execution, we held repeated discussions under the Group Long-Term Vision on the new investment capacity and significantly expanded it to ¥500 billion. A certain scale is essential to capture growth potential and vigorously promote DX investment and investment in human resources. Going forward, I will use my expertise to assess whether these growth investments are being made with discipline. Regarding accounting standards, while monitoring trends toward IFRS adoption, we will continue to examine which standards most appropriately reflect the Company's actual condition as the number of overseas investors grows.

Nitto Regarding the reduction of strategic shareholdings, I repeatedly pointed out the importance of implementing our policy firmly even in a rising stock market, as well as accelerating the pace of reduction. Going forward, we will continue to supervise whether the stated policy is being reliably executed.

Taishido Drawing on my expertise as a lawyer, I make recommendations on establishing a governance framework suited to the Group's actual circumstances while taking into account generally recognized best practices. For example, I actively participated in discussions on changing the chair of the Board of Directors from the Representative Director and President to the non-executive Chairman, and on revising the Group executive compensation system to strengthen KPIs that reflect a capital

market perspective as a listed life insurance group. We are currently discussing a move toward a majority of independent outside directors, based on the Board of Directors Skills Matrix.

Fuma I believe the true purpose of formulating the Group Long-Term Vision is to prepare for the future, looking ahead to changes in market structure through around 2040. I consistently kept that in mind when commenting during discussions on each strategy in the vision. For the future, optimizing human resources and organizational structures across the Group is essential, and areas such as AI strategy and cybersecurity measures need to be driven by T&D Holdings from the perspective of optimizing the Group as a whole rather than by individual operating companies. Further evolution of governance is also important. We have repeatedly discussed increasing the ratios of outside directors and female directors and enhancing the Skills Matrix. In particular, I believe the skills the Board should strengthen going forward are global business and AI. In addition to the ability to judge overseas investments and assess profitability, we need capabilities to realize productivity improvements through AI.

| The Group's Path to Growth

Kato I understand that in the natural sciences, "evolution" is also said to occur through the repurposing of existing functions, and I believe corporate growth likewise is built on the extension of a company's strengths. A good example is the closed book business, which leverages the expertise in alternative investments and reinsurance cultivated through our domestic life insurance business. Our cautious approach to investment, working with strong partners in the United States and Germany, is a distinctive feature of the Group. In Japan as well, the key will be how we transform our existing capabilities into solutions for the challenges faced by seniors and SMEs, markets in which the Group has strengths. Rather than remaining on the defensive, we need to accelerate the building of future growth foundations by exploring partnerships

with external parties through flexible thinking.

Taishido I believe new business initiatives should be developed on the foundation of the household and SME markets, where the Group has overwhelming strengths. For example, Daido Life operates *Dodai?*, a platform for business owners that now has more than 120,000 members, advancing value creation beyond insurance. I want to support growth while closely supervising the speed and effectiveness of such initiatives.

Fuma As the business portfolio diversifies, I feel the way we think about synergies is also changing. We need to consider Group synergies from the perspective of whether we can create a business structure that generates new synergies not only among domestic life insurance subsidiaries, but also with affiliates such as Fortitude Re and Viridium and through new investments. In particular, an important issue will be whether growth investments in non-insurance domains can create synergies that lead to long-term enhancement of corporate value in the Group's core markets of households and SMEs.

Kato From the perspective of reviewing the business portfolio, the transfer of shares in T&D Financial Life (TDF) was also one of the important issues we discussed. We engaged in discussions from the standpoint of whether the transaction would contribute to enhancing corporate value and shareholder value, how it would affect the future business portfolio, and whether it would be a desirable choice for stakeholders, including customers, employees, and market participants. In particular, we placed importance on how to reallocate the capital generated by the transfer to strengthen the competitiveness of

■ Going forward, I will use my expertise to assess whether these growth investments are being made with discipline. (Yamada)



■ T&D Holdings should be a catalyst that sparks new chemical reactions. (Kato)



Roundtable Talk of Outside Directors

core business and invest in AI, DX, and human capital to drive future growth. We also placed a high value on the comprehensive business alliance with PayPay, which offers the Group access to a customer base and digital capabilities it could not build on its own. I see the transaction not simply as a business divestiture, but as a strategic decision to strengthen the foundation for future growth.

Nitto What I considered most important was whether the decision to transfer the shares would lead to the enhancement of the Group's corporate value over the medium to long term. T&D Financial Life has played a part in the Group's core business, and its profitability has improved. The decision to transfer the business was therefore by no means an easy one. I repeatedly asked the executive team to ensure that the discussions were not proceeding on the assumption that a transfer was the predetermined outcome, and that they were comparing and examining both options: continuing to pursue growth on our own and entrusting the business to a "best owner." I believe this decision was highly significant in terms of reviewing the business portfolio based not only on current profitability but also on future potential.

Yamada Human capital is essential to the Group's sustainable growth. As the employee engagement score has reached a certain level, we have set a new target to raise the proportion of employees with diverse skills and experience from the current 30% to 40%. Going forward, we will also prioritize the enhancement of administrative personnel's skills and develop global and specialist human resources.

Taishido On the human resources front, the Group is taking

ambitious steps to promote women's advancement. Seeing women excel in positions of responsibility gives hope to those who follow and unquestionably changes the landscape of the organization. It goes without saying that enabling people, regardless of gender, to fully realize their potential and play active roles leads to corporate growth. I am encouraged to see male executives also actively expressing views on the advancement of women.

Fuma Like other financial institutions in Japan, the Group still has a low ratio of women in management positions and considerable room for improvement. However, the key is not to chase short-term numerical targets, but to resolve structural issues. During the period of the Group Long-Term Vision, we need to steadily remove the factors that discourage women from seeking promotion and create an environment in which more women can move into management positions.

Nitto Ultimately, I think it comes down to putting "Try & Discover," which is embedded in our corporate philosophy, into practice. If something does not work the first time, we should change the approach. Taking on challenges and making new discoveries through them—that, I believe, is what makes our Group distinctive.

Further Improving the Effectiveness of the Board of Directors

Taishido Strengthening the supervisory function is essential to improving the effectiveness of the T&D Holdings Board of Directors. With operating subsidiaries responsible for business operations, the role of T&D Holdings naturally centers on supervision, but strengthening the supervisory function also helps drive strategy execution. Through dialogue with the executive team based on mutual trust, I will actively engage in improving the quality of strategy execution while closely monitoring the speed and progress of initiatives. We also hold discussions among outside directors only, and I believe reflecting our deeper understanding of issues gained through those discussions back in Board delibera-

tions will further strengthen the supervisory function.

Kato To improve Board effectiveness, I intend to fulfill my supervisory role based on my expertise in corporate management, finance and capital markets, and global business. We are now at a historic turning point of nominal growth and the normalization of interest rates, and management of financial institutions is entering a competitive phase that has shifted from "defensive" to "offensive." The Group needs to sharpen its distinctive strengths: its strong presence in specific channels and products that meet the needs of those channels. More specifically, I believe we should strengthen product development and asset management capabilities by further advancing ALM and increasing our risk-taking capacity.

Nitto The Board of Directors is required to provide both "defensive governance," which maintains discipline, and "offensive governance," which encourages management to take appropriate risks. It is not enough to view governance simply as monitoring and supervision. Risk management is important for preventing the erosion of corporate value, but the fundamental purpose of governance is to enhance corporate value. Outside directors with diverse expertise are expected to broaden existing boundaries and encourage breakthroughs. We can only say we have truly fulfilled our role if corporate value grows, so I want to pursue governance that encourages challenge and growth.

Fuma I believe the role of outside directors is to guide organizations that tend to focus on the "exploitation of knowledge" toward the "exploration of knowledge"—taking on challenges in unexplored domains—and thereby realize ambidextrous

■ Putting "Try & Discover" into practice is, I believe, what makes our Group distinctive.
(Nitto)



■ It is important to demonstrate that integrated Group management contributes to enhancing corporate value.
(Watanabe)



Roundtable Talk of Outside Directors

management. Particularly in identifying new domains, it is important to offer perspectives that are difficult to see from inside the organization, broadening the range of Board decision-making. As a prerequisite, we ourselves must continue learning. I believe this accumulation of knowledge will support further improvement in Board effectiveness.

Yamada During the period of the previous Group Long-Term Vision, we faced the unprecedented challenge of the COVID-19 pandemic, but we fulfilled our responsibility as an insurance company providing the necessary benefits in accordance with our mission. Going forward, it will be extremely important to strike a balance between staying close to policyholders and paying the benefits they need as an insurer, while also achieving sustainable growth. I will rigorously monitor the financial indicators that underpin that balance.

Watanabe Six years have passed since I became an outside director. The current outside directors share with the executive team the goal of sustainably enhancing corporate value while offering frank opinions from their respective positions, and I feel we are providing constructive supervision. This has given me a strong sense that governance is functioning effectively. This fiscal year, we revised the Group executive compensation system and further strengthened value sharing between management and stakeholders by increasing the weight placed on TSR and sustainability indicators. I expect these mechanisms to support the execution of management strategy and contribute to greater Board effectiveness.

Kato An important role of T&D Holdings is to function as a catalyst. It should bring together the strengths of Group companies and generate new synergies. The same applies to us as outside directors. We will continue to provide oversight and recommendations as catalysts, bringing incisive perspectives to the organization from our respective areas of expertise, to unlock the Group's full potential.

Message from a Newly Appointed Outside Director

Ryoko Ueda, who was appointed an Outside Director in fiscal 2026, shares her views on the challenges facing the Group and how she hopes to contribute to enhancing its corporate value.



Supporting the Sustainable Enhancement of Corporate Value through Offensive and Defensive Governance

Ryoko Ueda Outside Director

In my work at financial institutions and universities, I have been engaged in both practice and research relating to corporate governance and sustainability, primarily from a capital markets perspective. Throughout this work, I have consistently focused on the sustainable enhancement of corporate value from a medium- to long-term perspective.

The sustained enhancement of corporate value requires both “offensive governance,” which creates an environment in which management can perform to its full potential, and “defensive governance,” which ensures management soundness through appropriate risk management and effective monitoring. I believe that maintaining a balance between the two leads to sustainable growth and enhanced corporate value.

Under the Group Long-Term Vision, Try & Discover 2030 -Breaking Beyond-, the T&D Group aims to achieve sustainable growth and create value by leveraging its diverse business foundations. As a listed corporate group, we are expected to live up to the trust placed in us by our shareholders and work to enhance corporate value over the medium to long term in a way that translates into shareholder value.

Insurance companies also play a role as part of the social infrastructure that supports people's lives. The insurance business is built on long-term relationships of trust with customers. It is therefore an important mission for us to conduct our insurance business on a stable basis over the medium to long term and continue to live up to the trust of our customers and society.

Sound governance is an important foundation not only for ensuring sustainable management but also for building trust among stakeholders, including shareholders and investors, customers, employees, and local communities. Even amid major changes in the business environment, I believe that balancing soundness and growth while continuing to create sustainable value will contribute to the further development of the T&D Group.

As an Audit and Supervisory Committee Member, I will draw on a capital markets perspective and engage in constructive dialogue with stakeholders as I work to ensure the effectiveness of both offensive and defensive governance. By meeting the expectations of stakeholders, including shareholders and investors, I will contribute to the sustainable enhancement of the T&D Group's corporate value.

Corporate Governance

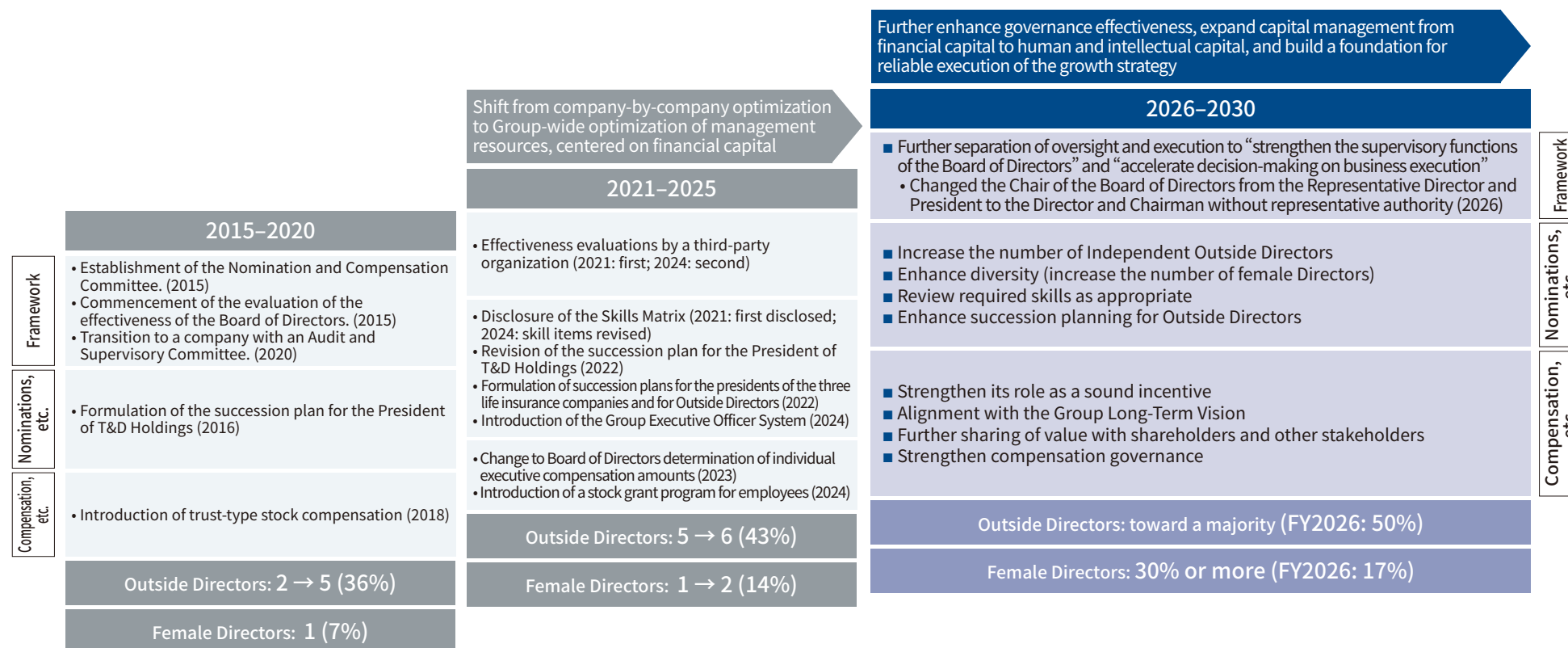


Please refer to the Company's website for more details of the Basic Policy on Corporate Governance.
<https://www.td-holdings.co.jp/en/company/governance/>

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 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.

Progress in Strengthening Governance

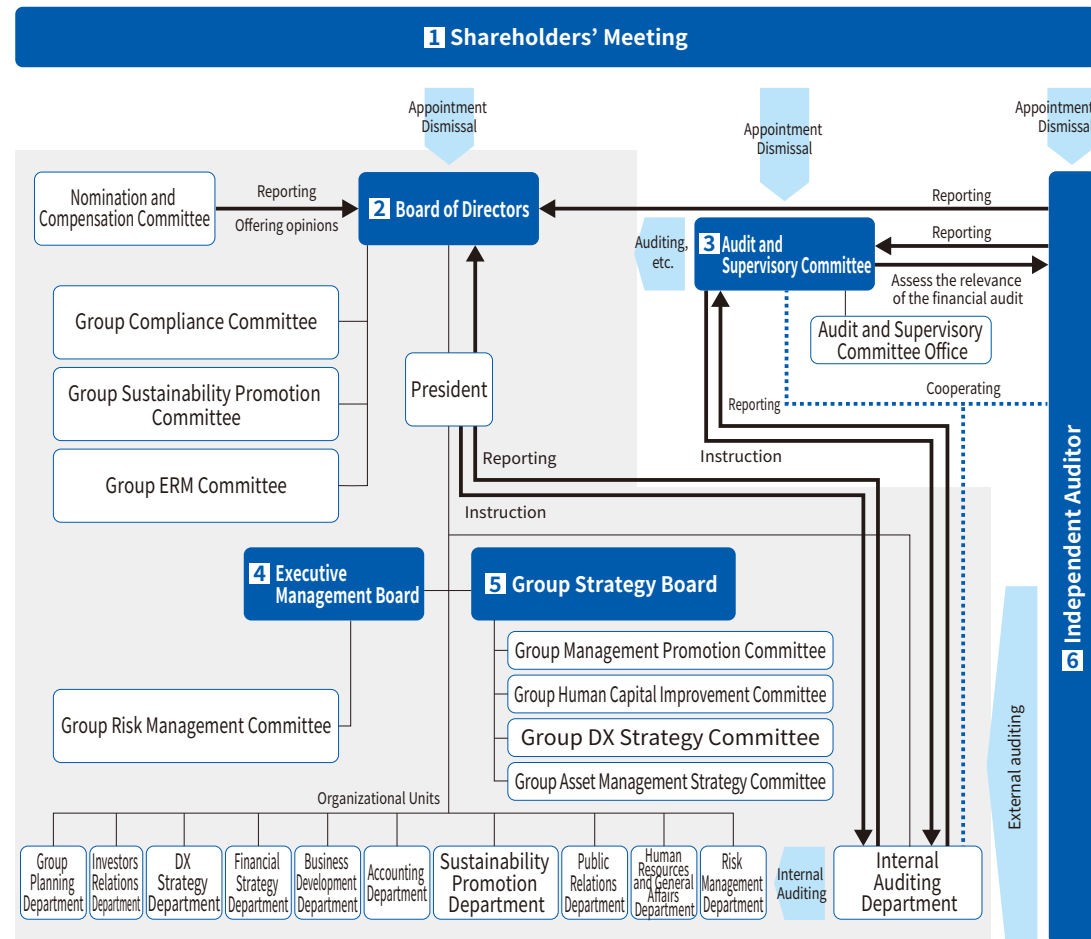
The Group has enhanced the supervisory functions of the Board of Directors and the transparency of its decision-making process through initiatives including the establishment of the Nomination and Compensation Committee, the introduction of evaluations of the effectiveness of the Board of Directors, and the transition to a company with an Audit and Supervisory Committee. From fiscal 2026, to realize the new Group Long-Term Vision, we will further enhance the effectiveness of Group governance by strengthening the functions of the Board of Directors (including a review of its composition and a shift toward oversight), enhancing succession planning, and revising the executive compensation system.



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 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 (FY2025)	<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>273</td><td>121</td></tr> <tr> <td>Consolidated subsidiaries</td><td>510</td><td>15</td></tr> <tr> <td>Total</td><td>783</td><td>137</td></tr> </tbody> </table>		Category	Remuneration for audit certification services (¥ millions)	Remuneration for nonaudit certification services (¥ millions)	Submitting company	273	121	Consolidated subsidiaries	510	15	Total	783	137
Category	Remuneration for audit certification services (¥ millions)	Remuneration for nonaudit certification services (¥ millions)												
Submitting company	273	121												
Consolidated subsidiaries	510	15												
Total	783	137												

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, etc. Along with this, the Company accurately grasps the management risks faced by its nine Group companies, including Daido Life Insurance Company, Taiyo 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, All Right Co., Ltd., T&D Information System Ltd. and T&D Investment Management North America Inc. (the “direct subsidiaries”) and works to build a Group business management system that ensures thorough risk-return management for the Group as a whole. Since April 2024, we have adopted a framework under which the presidents of each group company manage their own companies from a group optimization perspective and aim to improve the corporate value of the Group as a whole. We have also introduced a group executive officer system (system where the president of each direct subsidiary concurrently serves as an officer of T&D Holdings) to implement measures for effective utilization of the Group’s management resources in an organic and integrated manner. 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.

Roles of the holding company	Roles of direct subsidiaries
- Expanding the Group’s corporate value - Using a strong governance system for the entire Group management	Expanding business profit
- Determining Group strategies - Profit and risk management - Optimizing the allocation of business resources - Determining capital strategies	- Determining marketing strategies - Undertaking the business execution of each business unit

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.

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.

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

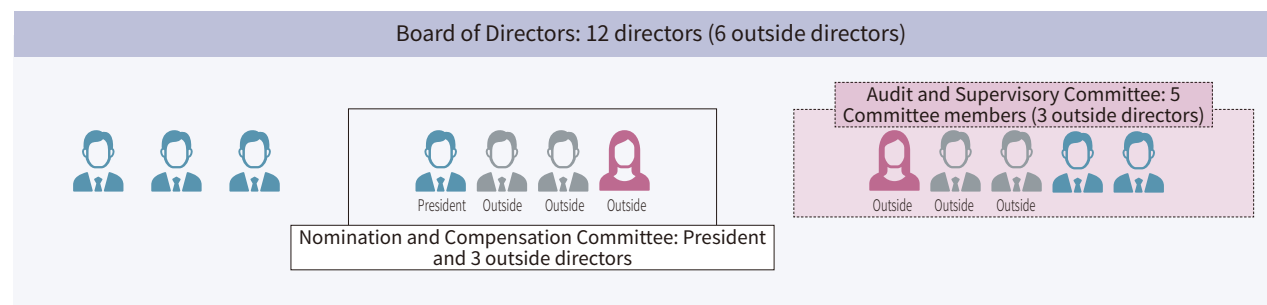
improve accountability, thereby reinforcing the corporate governance framework of our Company and the Group as a whole.

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, as well as diversity of characteristics, including gender, age and nationality, 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



Corporate Governance

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 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.

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. This separates management and oversight from business execution, further strengthening the Board of Directors' management functions (determining management policy and overall strategy) and supervisory functions while

enhancing the agility and efficiency of business execution. In fiscal 2025 in particular, the Board devoted substantial time to active discussions toward the formulation and disclosure of the Group Long-Term Vision beginning in fiscal 2026.

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 2025, we provided training on topics such as DX and cybersecurity as well as risk management training (training on the ORSA Report), to update officers on the latest developments. In addition, as measures to support Outside Directors, we held exchanges of views with the Accounting Auditor and the representative directors and Audit & Supervisory Board Members of major subsidiaries, meetings bringing together outside officers from across the Group, and visits to offices of Direct Subsidiaries.

Key themes discussed at the fiscal 2025 Board of Directors meeting

Management Strategy and Growth Strategy	- Monitoring of the Group Long-Term Vision (April 2021–March 2026) - Group-wide Business Portfolio Management	- Strengthening Group Capital Management - Monitoring and future planning of subsidiary businesses - Planning and monitoring of investment in new businesses	- Strategic shareholdings reduction policy and progress - Initiatives to increase human capital - Sustainability initiatives	Consideration toward the formulation and disclosure of the next Group Long-Term Vision (April 2026–March 2031)
Finance and Account Settlement	Budget planning and monitoring	Verification of appropriateness of financial results		
Shareholder Returns and Dialogue with Shareholders	Dividends and share buybacks	Status of investor relations and shareholder relations activities	Formulation of operating policies for Shareholders' Meeting	
Corporate Governance	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	Summary of discussions of the Nomination and Compensation Committee	Operating status of the internal control system
Risk Management	Internal audit policy and verification of results	Compliance status of the Group		

Corporate Governance

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.

Summary of the evaluation of the effectiveness of the Board of Directors as a whole in fiscal 2025

Evaluation Procedures	The Company conducts an annual assessment of the effectiveness of the Board of Directors. In fiscal 2025, we conducted questionnaires and interviews with Directors to review the initiatives we identified as critical to further improving effectiveness in the previous fiscal year, as well as to identify new challenges and areas for improvement.										
Evaluation Method	Based on the findings of the evaluation by a third-party organization conducted in the previous fiscal year, the questionnaire included additional questions designed to assess the progress of initiatives identified as important in the previous fiscal year, and the contents and structure of the survey were discussed at the Board of Directors meeting held in December 2025. All Directors completed the survey anonymously on a dedicated website, and the results were tabulated and analyzed by the Board Secretariat. Interviews were conducted with Outside Directors and full-time Audit and Supervisory Committee Members from the perspective of incorporating the views of the supervisory and executive sides as well as Internal and Outside Directors in a balanced manner, and to verify the effectiveness of the Board of Directors from an audit perspective. In addition, as in the previous fiscal year, we conducted a self-evaluation survey of individual Directors.										
Evaluation Items	The survey items for fiscal 2025 were as follows. Each question is evaluated on a scale of one to five, and an open-ended section is provided to collect detailed opinions. <table border="0"> <tr> <td>1. Composition of the Board of Directors</td><td>6. Training</td></tr> <tr> <td>2. Operation of the Board of Directors</td><td>7. Dialogue with shareholders</td></tr> <tr> <td>3. Discussion by the Board of Directors</td><td>8. Questions to outside directors</td></tr> <tr> <td>4. Supervisory function of the Board of Directors</td><td>9. Nomination and compensation</td></tr> <tr> <td>5. Fulfillment of roles as the Board of Directors</td><td>10. Summary</td></tr> </table> In the interview, we also confirmed the reasons for the evaluation in the survey and issues related to the effectiveness of the Board of Directors.	1. Composition of the Board of Directors	6. Training	2. Operation of the Board of Directors	7. Dialogue with shareholders	3. Discussion by the Board of Directors	8. Questions to outside directors	4. Supervisory function of the Board of Directors	9. Nomination and compensation	5. Fulfillment of roles as the Board of Directors	10. Summary
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5. Fulfillment of roles as the Board of Directors	10. Summary										

Overall Assessment

The results of the evaluation of the effectiveness of the Board of Directors for fiscal 2025 are as follows.

- Based on the evaluation and opinions of each Director and the results of the survey, the Board of Directors is generally evaluated to be functioning effectively.
- The initiatives identified in the previous fiscal year as important for further enhancing effectiveness have also generally been implemented steadily as described below, and the Board's effectiveness was assessed to have improved from the previous level.
 - Enhanced discussions on medium- to long-term business strategies, etc.
 - Several separate meetings outside of the Board of Directors were scheduled to discuss key agenda items, such as the next Group Long-Term Vision (April 2026–March 2031), which has helped deepen discussions at Board of Directors meetings.
 - Ensured effective and efficient meetings
 - By expanding the scope of preliminary briefings, we promoted a deeper understanding among Outside Directors, while also clarifying key issues through improvements in the presentation of materials.
 - Deepened discussions on the role of the Board of Directors
 - After re-evaluating the role of the Chair of the Board of Directors, the position was transferred from the Representative Director and President to the Director and Chairman without representative authority, effective April 1, 2026.

Initiatives to Further Enhance Effectiveness

Based on the results of the questionnaires and interviews, the Board of Directors held discussions and concluded that, in order to further enhance the supervisory functions of the holding company's Board of Directors during the next Group Long-Term Vision period (April 2026–March 2031), the following initiatives are critical, and we will therefore prioritize these efforts.

- Enhance the Board of Directors' role through more substantive discussions
 - The Board of Directors will take the lead in formulating an annual agenda and will schedule multiple opportunities for discussion of key issues during Board of Directors meetings and individual meetings. By doing so, we will enhance discussions that contribute to increasing corporate value and strive to further strengthen the role of the Board of Directors.
- Leverage the roles of Outside Directors and external expertise to further enhance the supervisory functions of the Board of Directors
 - To further enhance supervisory functions, we will work to establish a framework that enables Outside Directors to gain a deeper understanding of the discussions taking place on the executive side and will create opportunities for Outside Directors to share their views with one another. In addition, we will arrange opportunities for external experts with advanced knowledge in various specialized fields to provide useful advice and information to the Board of Directors.
- Management of well-structured Board meetings (strengthen the functions of the Board Secretariat)
 - We aim to conduct well-structured meetings that focus on substantive discussions of key agenda items by shortening presentation times at Board of Directors meetings and extending the time allotted for questions, while also appropriately delegating authority from the Board of Directors to Executive Directors.

Corporate Governance

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.

At Board of Directors meetings in fiscal 2025, balanced discussions were held on a wide range of topics, including Group management strategy and Group governance. In particular, in preparation for the formulation and disclosure of the Group Long-Term Vision beginning in fiscal 2026, a total of 36 agenda items were submitted and active discussions were held over a substantial amount of time.

In addition to Board of Directors meetings, we have also taken steps to enhance discussions on medium- to long-term management strategies, including setting dedicated intensive-discussion days and holding discussions among Outside Directors only. Outside Directors also participate directly in SR meetings and engage in constructive dialogue with capital markets. Throughout these discussions, Outside Directors have drawn on their specialized expertise in areas such as finance and accounting, overseas M&A, business portfolio management, and asset management to provide numerous opinions and multifaceted recommendations from perspectives including the direction of growth strategies and capital policy, improvement of capital efficiency, and an appropriate balance between risk and return. In this way, they exercise a high level of supervision toward enhancing the Group's corporate value.

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.
Opinion exchange meetings Between the Representative Directors of the holding company, the presidents of direct subsidiaries and Outside Directors Between the independent auditor and Outside Directors	The Company exchanges opinions with the management teams of directly managed subsidiaries and with the independent auditor about management issues and the risks surrounding the Company.

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.

Evaluation of the Effectiveness of the Audit and Supervisory Committee

The Company conducts an assessment of the effectiveness of the Audit & Supervisory Committee in order to confirm whether the Committee is fulfilling its role and to improve audit quality by reviewing audit activities conducted during the year and addressing issues that were identified.

Summary of the evaluation of the effectiveness of the Audit and Supervisory Committee in fiscal 2025

Evaluation Procedures / Evaluation Method	The Company conducted surveys of Audit and Supervisory Committee Members, Directors who are not Audit and Supervisory Committee Members, and Executive Officers, and the results were used as the basis for the assessment. The survey items for fiscal 2025 included "supervision of Directors," "corporate group audits," and "cooperation with related departments, etc." The content and structure were discussed at the Audit and Supervisory Committee meeting held in January 2026. The survey was anonymous, and all participants submitted their responses via a dedicated website using a five-point rating scale and free-description fields.
Overall Assessment	The evaluation results for fiscal 2025 are as follows. - According to the results of the survey, it has been assessed that the Audit and Supervisory Committee has generally fulfilled the above roles, as it has been able to appropriately cooperate and collaborate with the Board of Directors and supervise the execution of duties by Directors through its annual audit activities. - Regarding "further cooperation in the three-way auditing process," which was recognized in the effectiveness assessment in fiscal 2024, we strengthened information sharing by receiving timely reports from the Internal Auditing Department on the status of discussions between the internal audit departments of the Company and its Group companies, thereby enhancing the quality of audits across the entire Group. - On the other hand, with regard to "enhancing discussions on important management issues," although we have worked to narrow down priority audit items and enhance opportunities for reporting on initiatives by the executive departments, we recognize this as an ongoing challenge, as there is room for improvement in delving deeper into discussions on more specific, individual topics.
Initiatives to Further Enhance Effectiveness	Based on the issues identified in the survey, the Audit and Supervisory Committee discussed future measures and will take the following actions. ○ Enhance discussions on important management issues In addition to setting priority audit items in the fiscal 2026 audit plan, we have designated topics where challenges are particularly acute and require in-depth discussion as priority deliberation items. Furthermore, by incorporating the exchange of views on these priority deliberation items into the agenda of the Audit and Supervisory Committee at an appropriate time and conducting discussions, we will further enhance our audit and supervisory functions with respect to management.

Corporate Governance

Nomination and Compensation Committee

Role of the Nomination and Compensation Committee

The Nomination and Compensation Committee scrutinizes the fairness and appropriateness of appointments and dismissals of the Company's and the three life insurance companies' directors and executive officers, including succession plan, as well as their executive compensation, to strengthen the Group's corporate governance systems by ensuring management transparency and improving accountability. The committee then reports its opinions to the Board of Directors.

Composition of the Nomination and Compensation Committee

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.

The main topics discussed by the Nomination and Compensation Committee (FY2025)

The main topics discussed by the Nomination and Compensation Committee in fiscal 2025 were as follows.

	Nominations, etc.	Compensation, etc.
April	- Selection, etc. of candidate Directors (including interviews with candidates proposed by shareholders) - Appointment of Director and Audit & Supervisory Board Member candidates for Direct Subsidiaries	
May	Board of Directors' opposition to the shareholder proposal	Amendment of internal rules concerning monthly compensation and bonuses for Directors and other officers
June		- Evaluation of individual Directors not serving as Audit and Supervisory Committee Members and Executive Officers, and determination of their individual compensation - Evaluation of the Representative Directors of direct subsidiaries
	(Ordinary General Meeting of Shareholders)	
July	- Composition of the Board of Directors under the new Long-Term Vision (first meeting) - Review of the list of Outside Director candidates (first meeting)	

September	- Succession plan (first meeting) - Review of the list of outside director candidates (second meeting)	Revision of the executive compensation system effective from fiscal 2026 (first meeting)
October	- Succession plan (second meeting) - Changes in representative directors of direct subsidiaries in fiscal 2026 (first meeting)	
November	- Changes in Representative Directors of Direct Subsidiaries in fiscal 2026 (second meeting) - Composition of the Board of Directors under the new Long-Term Vision (second meeting)	Revision of the executive compensation system effective from fiscal 2026 (second meeting)
December	Changes in representative directors of direct subsidiaries in fiscal 2026 (third meeting)	Revision of the executive compensation system effective from fiscal 2026 (third meeting)
January	- Succession plan (third meeting) - Composition of the Board of Directors under the new Long-Term Vision (third meeting)	
February	- Selection of the Chair of the Board of Directors and change in Representative Director (composition of the Board of Directors under the new Long-Term Vision (fourth meeting)) - Amendment of the Executive Officer Regulations - Appointment of Executive Officers of the Company and direct subsidiaries	Revision of the executive compensation system effective from fiscal 2026 (fourth meeting)
March	Composition of the Board of Directors under the new Long-Term Vision (fifth meeting)	Revision of the executive compensation system effective from fiscal 2026 (fifth meeting)

* From fiscal 2026, when the Committee deliberates agenda items concerning the President himself (appointment, evaluation, etc.), the Chairman is scheduled to attend in place of the President.

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.

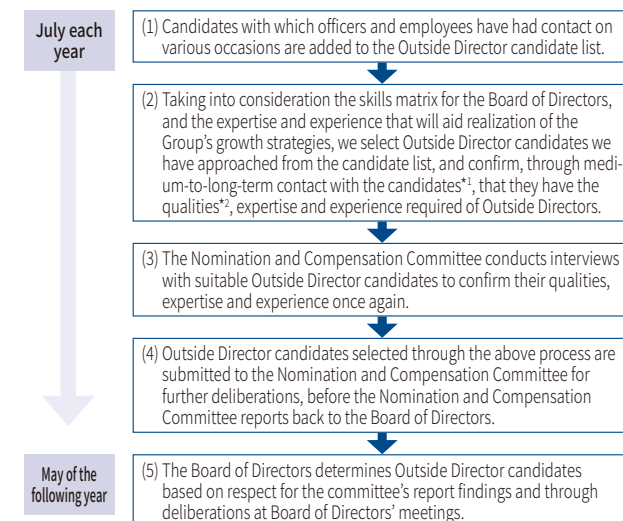
Development of successor candidates and future group management talent

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, 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. Through these initiatives, we aim to develop talent equipped with a Group management perspective, strategy execution capabilities, and other skills.

Process for Selection of Outside Directors

Outside director candidates are selected from among individuals approached based on an Outside Director candidate list (hereinafter referred to as the "candidate list") that reflects the opinions of the Nomination and Compensation Committee. Candidates are selected based on confirmation, through medium- to long-term contact with our officers and employees, that they have the qualities, etc. stipulated in "Qualities, expertise and experience required of Outside Directors" (resolution of the Board of Directors at a meeting in December 2022).



¹ Outside experts on committees, etc. established by the Company, outside lecturers at training, etc. organized by the Company, etc.

² Qualities such as the ability to actively communicate and build trust with the executive side including the president, while at the same time maintaining a suitable level of tension, and the ability to maintain independence from business execution and to speak and act from a shareholder perspective in dealings with the management team.

Corporate Governance

Skills Matrix

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.

[Roles of the Board of Directors]

Clear indication of the direction of the overall strategy of the Group	
Monitoring the execution of the overall strategy of the Group and supervising the earnings and risk management of subsidiaries	Encouraging appropriate risk taking by management
Election and compensation determination of management of the Company and its subsidiaries	

■ Board of Directors Skills Matrix

To enable the Board of Directors to fulfill its roles, the Company has selected nine skills from the three perspectives of “Overall Strategy of the Group,” “Medium- to Long-Term Value Creation,” and “Reliability and Discipline.” Based on each Director's professional experience, capabilities, and knowledge, the skills for which each Director is particularly expected to contribute are shown below.

Name	Position at the Company	Gender	Nomination and Compensation Committee Member	Overall strategy of the Group			Medium- to long-term value creation			Credibility and discipline		
				Group management and business strategy	Capital and financial markets	Global	Sustainability management	AI and DX	Human resource strategies (Human capital management)	Finance and accounting	Risk management	Legal affairs and compliance
Hirohisa Uehara	Director and Chairman Chairman of the Board of Directors	Male		●	●	●	●		●			●
Masahiko Moriyama	Representative Director and President	Male	●	●	●		●	●	●		●	●
Masazumi Kato	Outside Director	Male	●	●	●	●			●	●		
Kenji Fuma	Outside Director	Male	●	●	●	●	●	●			●	
Atsuko Taishido	Outside Director	Female	●						●		●	●
Yasuro Tamura	Director	Male		●	●		●		●		●	
Hiroyuki Fujita	Director	Male		●			●	●	●		●	
Takashi Tojo	Director (Full-time Audit & Supervisory Committee Member)	Male			●					●	●	●
Kogo Suzuki	Director (Full-time Audit & Supervisory Committee Member)	Male			●	●				●	●	
Shinnosuke Yamada	Outside Director (Audit & Supervisory Committee Member)	Male			●					●	●	●
Koji Nitto	Outside Director (Audit & Supervisory Committee Member)	Male		●	●	●	●	●		●		
Ryoko Ueda	Outside Director (Audit & Supervisory Committee Member)	Female			●	●	●			●		●

* The Company utilizes outside knowledge to further improve the functions of the Board of Directors by inviting persons with the necessary expertise and experience to serve as outside members of advisory committees established as necessary in each field, and by reporting the content of each committee meeting to the Board of Directors.

Corporate Governance

Definitions and reasons for selection of the expertise and experience

Items	Definitions	Reasons for selection
Group management and business strategy	The ability to determine basic policies and priorities and supervise management from the perspective of enhancing corporate value over the long term, while focusing on strengthening the competitiveness of the Group's core domestic life insurance business, and including external growth investments and the sophistication of the management base across the entire business portfolio.	Because expertise and experience in Group corporate management and business strategy independent of specific businesses is necessary to make management decisions and supervise management that is optimal for the entire Group based on the Group Long-Term Vision, taking into account the characteristics and roles of each business.
Capital and financial markets	The ability to make important management decisions and supervise their implementation, based on an understanding of asset management and the overall structure and trends of the financial market, in addition to the expectations from the capital market regarding capital allocation, shareholder returns, and growth investments.	Because expertise and experience in financial and capital markets is necessary to balance stable shareholder returns with growth investments, and to enhance the capital efficiency and capital discipline of the entire Group.
Global	The ability to judge and supervise the appropriateness of investment policies and management from a global perspective regarding domestic and global investments, taking into account the business characteristics of the investee, the regulatory environment, geopolitical risks, and other factors, as well as the balance of risk and return and governance responsibilities.	Because the skills to govern disciplined external growth investments based on global knowledge and management experience are necessary to create new value that contributes to the sustainable growth of corporate value, and to acquire growth opportunities through domestic and global investments, etc.
Sustainability management	The ability to appropriately incorporate actions to address sustainability-related issues into management as medium- to long-term growth opportunities and risks, and to judge and supervise whether these are reflected in Group management.	Because the Group Long-Term Vision emphasizes management that integrates financial and non-financial aspects, and expertise and experience in sustainability management is necessary to achieve sustainable corporate value enhancement.
AI and DX	The ability to judge the appropriateness of investments and transformations based on the impact of digital technologies such as AI on management strategies, competitive advantage, and organizational structure, and to supervise the appropriateness of governance, including the diverse and unique risks associated with them, such as human rights and ethics.	Because the ability to make management decisions and govern AI and DX from the perspective of opportunities and risks, which is a priority theme in the Group Long-Term Vision, is necessary to utilize digital technologies, such as AI, across the Group and to implement advanced management and value creation.
Human resource strategies (Human capital management)	The ability to judge and supervise whether human capital management, designed in conjunction with management strategies, is contributing to the enhancement of corporate value over the medium- to long-term, including investments in human resources, DE&I, and organizational and institutional structures.	Because expertise and experience in human resource strategies is necessary to effectively utilize human capital in conjunction with our management strategies and to strengthen synergies and competitiveness across the Group based on the Group Long-Term Vision.
Finance and accounting	The ability to understand the Group's overall revenue structure and financial soundness from both financial accounting and economic value based perspectives, ensure the reliability of information that forms the basis of management decisions, and fulfill appropriate disclosure and accountability responsibilities.	Because expertise and experience in finance and accounting that take into account the characteristics of the life insurance business are necessary for the fulfillment of appropriate auditing and supervisory roles from the perspective of protecting investors and ensuring credibility in the capital markets.
Risk management	The ability to judge and supervise whether risk management, capital management, and risk-taking are managed integrally across the Group on an economic value basis, based on an ERM framework.	Because expertise and experience in risk management is necessary to appropriately manage Group-wide risks and returns so as to maintain and enhance corporate value by balancing the acquisition of growth opportunities with the avoidance or reduction of losses.
Legal affairs and Compliance	The ability to judge and supervise whether an effective governance system has been established and is being operated in accordance with various laws and regulations and social norms.	Because expertise and experience in legal affairs and compliance is necessary to implement fair and trustworthy corporate management under an appropriate governance system to support the sustainable growth of the Group.

Corporate Governance

Compensation System

Revision of the Executive Compensation System

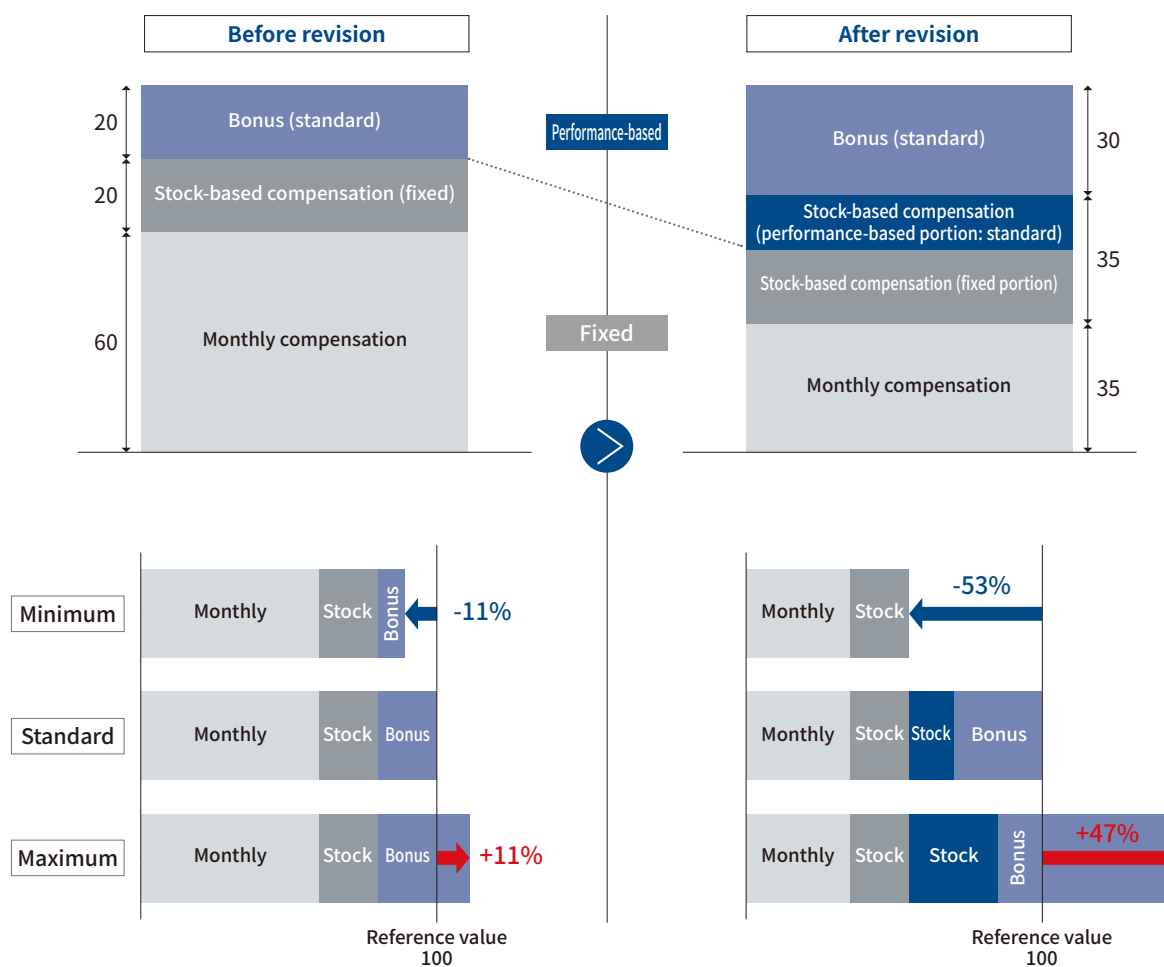
With the formulation of the Group Long-Term Vision beginning in fiscal 2026, we revised the executive compensation system to encourage management to exercise leadership and to function as an appropriate incentive toward enhancing corporate value and achieving sustainable growth over the medium to long term.

Objectives of the Revision

1. Set appropriate compensation levels
Compensation levels shall be set to contribute to sound management, the enhancement of corporate value over the medium to long term, and sustainable growth.
2. Strengthen its role as a sound incentive
Determine compensation fairly and rigorously, taking into account each executive's role, level of responsibility, and contribution to performance.
3. Alignment with the Group Long-Term Vision
By designing a compensation system that is closely linked to the Group Long-Term Vision and its key performance indicators, it will support the achievement of Group KPIs and promote the further strengthening of integrated Group management and Group governance.
4. Sharing value with stakeholders
Under a medium- to long-term perspective, the Company will introduce a performance-based stock compensation plan to share value with its shareholders and other stakeholders.
5. Strengthen compensation governance
The Company will ensure independent, objective, and transparent compensation governance through appropriate deliberations on compensation design, evaluation, and other matters by the Nomination and Compensation Committee.

Composition of executive compensation, etc.

To increase the proportion of performance-based compensation for senior executives and to foster a greater focus on enhancing corporate value over the medium to long term, the proportion of stock-based compensation has been set higher than that of bonuses. (For the President, the ratio of monthly compensation, bonuses, and stock-based compensation is set at approximately 35:30:35.)



Corporate Governance

Methods for Calculating Individual Executive Compensation Amounts (After Revision)

The Company designs its compensation system and compensation amounts to function as a sound incentive toward improving the Group's medium- to long-term performance and enhancing corporate value.

Type	Payment timing	Method for calculating individual executive compensation amounts	Payment method
Monthly compensation	Monthly	Fixed compensation based on the compensation table determined by the Board of Directors, in accordance with the roles and responsibilities assigned to each position.	
Bonus	Once a year	- The amount calculated for each executive based on an individual evaluation reflecting the Company performance assessment and evaluation of the division each officer is in charge of, in accordance with evaluation criteria determined by the Board of Directors, is deliberated by the Nomination and Compensation Committee and determined by the Board of Directors. - For the Company performance assessment portion, an evaluation weighting that emphasizes single fiscal year evaluation items has been established as a short-term incentive. (Fluctuation range: 0-200%) - The evaluation of the division each officer is in charge of assesses progress toward achievement of the divisional execution plan. (Fluctuation range: 50-150%)	Cash
Trust-type stock compensation	Shares: once a year Cash: upon retirement	- Standard points corresponding to each position are allocated in a 1:1 ratio between a fixed portion and a performance-based portion (standard evaluation). The performance-based portion is calculated based on the Company performance assessment, with evaluation weighting that emphasizes medium- to long-term evaluation items and market evaluation items, in accordance with evaluation criteria determined by the Board of Directors. The amount is deliberated by the Nomination and Compensation Committee and determined by the Board of Directors. (Fluctuation range: 0-200%) - Each year, the Company issues restricted shares equivalent to 70% of the total points for the fixed and performance-based portions. The remaining 30% is accumulated annually and paid in cash at a specified time after the relevant executive's retirement, in an amount corresponding to the accumulated points. - Malus and clawback provisions have also been established for this system.	Shares 70% Cash 30%

- Compensation for Directors (excluding part-time Directors, including Outside Directors, and Directors who are Audit and Supervisory Committee Members), Executive Officers, and Group Executive Officers comprises monthly compensation, bonuses, and trust-type stock compensation (excluding non-residents in Japan).
- Compensation for part-time Directors, including Outside Directors, and Directors who are Audit and Supervisory Committee Members, who are independent from business execution, comprises fixed compensation only.

Key Performance Indicators and Evaluation Weightings for Performance-based Compensation (After Revision)

The main performance indicators and weightings used to evaluate bonuses (Company performance assessment portion) and trust-type stock compensation (performance-linked portion) are shown below.

Performance-based compensation is evaluated annually based on the Group Long-Term Vision, focusing on four key areas critical to the sustainable growth of the Group's corporate value, including target achievement rates and progress.

Performance indicator		Evaluation criteria, etc.	Evaluation weighting	
			Bonus (Company performance assessment portion)	Stock-based compensation (performance-linked)
Single fiscal year evaluation items	Group adjusted profit	Evaluate the achievement rate of the single fiscal year targets toward the fiscal 2030 targets	50	10
	Value of new business			
Medium- to long-term evaluation items	Adjusted ROE	Evaluate progress toward achievement of the fiscal 2030 targets	25	30
	Policy in force (*1)		—	10
Market evaluation items	Total shareholder return (*2)	Scores are calculated taking into account factors such as actual performance and the deviation rate from listed life insurance companies used as benchmarks.	12	37
Sustainability evaluation items	Customer satisfaction level	Evaluation based on the status of achievement and progress toward the targets set for each indicator	13	13
	Reduction of GHG emissions			
	Employee engagement score			
	Status of recruiting and developing talent with diverse experiences and backgrounds			
	Ratings from major ESG rating agencies			
Total			100	100

(*1) Evaluation based on the performance of policies held by each Group life insurance company

(*2) Total Shareholder Return (TSR)

Corporate Governance

Total Amounts of Compensation by Officer Category and Compensation Type (FY2025: Before Revision)

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)	7	166	4	61	4	48	7	276
Directors serving as Audit and Supervisory Committee members (excluding Outside Directors)	2	81	0	—	0	—	2	81
Outside Directors not serving as Audit and Supervisory Committee members	3	35	0	—	0	—	3	35
Outside Directors serving as Audit and Supervisory Committee members	3	38	0	—	0	—	3	38
Total	15	321	4	61	4	48	15	431

- Monthly compensation and the reserve for bonuses for Directors who are not Audit and Supervisory Committee Members (excluding part-time Directors, including Outside Directors) are performance-linked compensation, and trust-type stock compensation is non-monetary compensation. For four Directors who are not Audit and Supervisory Committee Members (excluding part-time Directors, including Outside Directors), performance-linked compensation totals ¥209 million and non-monetary compensation, etc. totals ¥48 million.
- The number of persons receiving compensation and the amounts above include one Director who was not an Audit and Supervisory Committee Member and who retired at the conclusion of the 21st Ordinary General Meeting of Shareholders held on June 26, 2025. As of the end of fiscal 2025, there were nine Directors who were not Audit and Supervisory Committee Members and five Directors who were Audit and Supervisory Committee Members.
- The amount of trust-type stock compensation represents the expense recorded for points granted during fiscal 2025 under the system.
- In addition to the above, during fiscal 2025, the Company paid bonuses of ¥10 million, which were not included in the reserve for bonuses recorded in fiscal 2024, to three Directors who were not Audit and Supervisory Committee Members.
- Compensation for individual officers is not disclosed because no officer received total consolidated compensation of ¥100 million or more.

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. The individual evaluations and amounts of performance-linked compensation for Directors (excluding part-time Directors, including Outside Directors, and Directors who are Audit and Supervisory Committee Members) are deliberated by the Nomination and Compensation Committee, which reports its opinion to the Board of Directors, and are determined by resolution of the Board of Directors.

Key Performance Indicators for Company Performance Assessment (FY2025: Before Revision)

Key performance indicators of Company performance assessment are as follows.

Financial performance indicators are evaluated based on the targets set forth in the previous Group Long-Term Vision formulated in fiscal 2021.

① Single fiscal year evaluation items

	Target in FY2025	Actual	Achievement ratio
Group adjusted profit	¥145.5 billion	¥158.5 billion	108.9%
Value of new business	¥168.3 billion	¥177.4 billion (*)	105.4%

* Because the method for calculating EV was partially revised during the fiscal year, the evaluation uses figures that exclude the impact of the change in calculation method.

② Medium- and long-term evaluation items

	Target in FY2025	Actual
Adjusted ROE	10.9%	10.5%
ROEV	7.5%	11.8%(*)

* Because the method for calculating EV was partially revised during the fiscal year, the evaluation uses figures that exclude the impact of the change in calculation method.

③ Market evaluation items

	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 305.3% over five years.

Note: TSR is calculated as follows:

- Five years: (Share price on March 31, 2025 + cumulative total of dividends per share from FY2021 to FY2025) / share price on March 31, 2020

④ ESG evaluation items

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

- The customer satisfaction and employee engagement results fulfilled the evaluation criteria. In addition, GHG emissions are expected to have decreased by 29.1% from the previous fiscal year level.

Management Organization (as of August 31, 2026)

*1 As of March 31, 2026 *2 FY2025

Board of Directors



Director and Chairman
Hirohisa Uehara

Number of the Company's shares held^{*1} 66,300
Attendance to the Board of Directors' meetings^{*2} 16 / 16

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 the Company
Jun 2024 Director of Taiyo Life Insurance Company (current)
Apr 2026 Director and Chairman of the Company and Chairman of the Board of Directors (current)
Significant concurrent positions
Director of Taiyo Life

Reasons for selection

Mr. Hirohisa Uehara has 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 and Chairman, he is currently serving as Director and Chairman of the Company and Chairman of the Board of Directors. Considering these factors, Mr. Hirohisa Uehara is proposed as a candidate for Director who is not an Audit & Supervisory Committee Member, as 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.



Outside Director
Atsuko Taishido

Number of the Company's shares held^{*1} 0
Attendance to the Board of Directors' meetings^{*2} 14 / 17
Attendance to Audit and Supervisory Committee meetings^{*2} 17 / 17

Oct 2001 Registered as an Attorney
Jan 2010 Partner of Mori Hamada & Matsumoto (current)
Jun 2015 Outside Auditor of KANDA HOLDINGS Co., Ltd.
Apr 2019 Outside Audit & Supervisory Board Member of Pigeon Corporation (current)
Jun 2022 Outside Director (Audit & Supervisory Committee Member) of the Company
Jun 2026 Outside Director of T&D Holdings (current)

Significant concurrent positions

Attorney
Outside Audit & Supervisory Board Member of Pigeon Corporation
Reasons for selection

Ms. Atsuko Taishido possesses abundant experience, a proven track record, and broad insight as an attorney at law specialized in corporate legal affairs and governance. She has also built up knowledge and experience as a Director who is an Audit & Supervisory Committee Member of the Company. Ms. Atsuko Taishido is proposed as a candidate for Outside Director who is not an Audit & Supervisory Committee Member because she 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. 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 her 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} 39,600
Attendance to the Board of Directors' meetings^{*2} 16 / 16

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
Yasuro Tamura

Number of the Company's shares held^{*1} 33,600
Attendance to the Board of Directors' meetings^{*2} 13 / 13

Apr 1987 Entered Taiyo Mutual Life Insurance Company
Apr 2014 Executive Officer of Taiyo Life Insurance Company
Jun 2015 Director and Executive Officer of Taiyo Life Insurance Company
Apr 2017 Director and Managing Executive Officer of Taiyo Life Insurance Company
Apr 2018 Managing Executive Officer of the Company
Jun 2018 Director and Managing Executive Officer of the Company
Apr 2020 Director and Senior Managing Executive Officer of Taiyo Life Insurance Company
Apr 2020 Director and Senior Managing Executive Officer of the Company
Jun 2020 Senior Managing Executive Officer of the Company
Jun 2024 Representative Director and Senior Managing Executive Officer of Taiyo Life Insurance Company

Apr 2025 Representative Director and President of Taiyo Life Insurance Company (present)
Jun 2025 Director of T&D Holdings (current)

Significant concurrent positions

Representative Director and President of Taiyo Life Insurance Company

Reasons for selection

Mr. Yasuro Tamura has experience within the Group including human resources, planning and sales. He currently serves as Representative Director and President of Taiyo Life Insurance Company. In addition, he has been in charge of General Affairs and Internal Auditing Department of the Company. Mr. Yasuro Tamura is proposed as a candidate for Director who is not an Audit & Supervisory Committee Member, as 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.



Outside Director
Masazumi Kato

Number of the Company's shares held^{*1} 300
Attendance to the Board of Directors' meetings^{*2} 16 / 16

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 Outside 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 continue to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.



Director
Hiroyuki Fujita

Number of the Company's shares held^{*1} 11,200
Attendance to the Board of Directors' meetings^{*2} -

Apr 1988 Entered Daido Mutual Life Insurance Company
Apr 2017 Executive Officer of Daido Life Insurance Company
Apr 2020 Managing Executive Officer of Daido Life Insurance Company
Jun 2020 Director and Managing Executive Officer of Daido Life Insurance Company
Apr 2024 Director and Senior Executive Officer of Daido Life Insurance Company
Apr 2025 Director and Executive Vice President of Daido Life Insurance Company
Jun 2025 Representative Director and Executive Vice President of Daido Life Insurance Company

Apr 2026 Representative Director and President of Daido Life Insurance Company (current)

Jun 2026 Director of T&D Holdings (current)

Significant concurrent positions

Representative Director and President of Daido Life Insurance Company

Reasons for selection

Mr. Hiroyuki Fujita has experience within the Group including human resources, sales planning, and systems. He currently serves as Representative Director and President of Daido Life Insurance Company. Mr. Hiroyuki Fujita is proposed as a candidate for Director who is not an Audit & Supervisory Committee Member, as he is expected 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 an insurance company.

Management Organization (as of August 31, 2026)

*1 As of March 31, 2026 *2 FY2025

Directors who are Audit and Supervisory Committee Members



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

Takashi Tojo

Number of the Company's shares held^{*1} 16,500
Attendance to the Board of Directors' meetings^{*2} 16 / 16
Attendance to Audit and Supervisory Committee meetings^{*2} 17 / 17

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 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 Risk Control Department. Considering these factors, Mr. Takashi Tojo is proposed as a candidate for Director who is an Audit & Supervisory Committee Member, as 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.



Outside Director (Audit and Supervisory Committee Member)

Koji Nitto

Number of the Company's shares held^{*1} 600
Attendance to the Board of Directors' meetings^{*2} 16 / 16
Attendance to Audit and Supervisory Committee meetings^{*2} 17 / 17

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 Outside Director of Wacoal Holdings Corp. (current)
Jun 2024 Outside Director of GS Yuasa Corporation (current)
Jun 2024 Outside Director (Audit and Supervisory Committee Member) of T&D Holdings (current)

Significant concurrent positions

Outside Director of Wacoal Holdings Corp.

Outside Director of GS Yuasa Corporation

Reasons for selection

Mr. Koji Nitto has a 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 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.



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

Kogo Suzuki

Number of the Company's shares held^{*1} 5,500
Attendance to the Board of Directors' meetings^{*2} -
Attendance to Audit and Supervisory Committee meetings^{*2} -

Apr 1995 Entered Daido Mutual Life Insurance Company
Apr 2020 Executive Officer of Daido Life Insurance Company
Apr 2026 Executive Officer of the Company
Jun 2026 Director (Audit and Supervisory Committee Member (full-time)) of T&D Holdings (current)

Significant concurrent positions

-

Reasons for selection

Mr. Kogo Suzuki has experience within the Group, including accounting and asset investment, and he has considerable expertise in finance and accounting. In addition, he has been in charge of the Risk Control Department of the Company. Mr. Kogo Suzuki is proposed as a candidate for Director who is an Audit & Supervisory Committee Member, as he is expected to serve his role in making key 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.



Outside Director (Audit and Supervisory Committee Member)

Ryoko Ueda

Number of the Company's shares held^{*1} 1,300
Attendance to the Board of Directors' meetings^{*2} -
Attendance to Audit and Supervisory Committee meetings^{*2} -

Oct 2001 Entered Mizuho Securities Co., Ltd.
Jul 2008 Entered Japan Investor Relations and Investor Support, Inc. (current Mizuho Investor Relations Co., Ltd.)
Feb 2020 External Director of Money Forward, Inc.
Apr 2022 Commissioner of Certified Public Accountants and Auditing Oversight Board (current)
Jun 2022 Professor of SBI Graduate School (current)
Jun 2022 Outside Director of HIRATA Corporation (current)
Oct 2022 Visiting Professor of Graduate School of Management, Kyoto University (current)
Jun 2023 Director (Outside) of TOKAI Holdings Corporation (current)
Jun 2024 Outside Director of KOEI CHEMICAL COMPANY, LIMITED
Jun 2025 Outside Director of Eisai Co., Ltd. (current)
Jun 2026 Outside Director (Audit and Supervisory Committee Member) of T&D Holdings (current)

Significant concurrent positions

Outside Director of HIRATA Corporation

Director (Outside) of TOKAI Holdings Corporation

Outside Director of Eisai Co., Ltd.

Reasons for selection

Ms. Ryoko Ueda has wealth of knowledge and experience as an expert in corporate governance and ESG, including expertise in finance and accounting, gained through her experience at domestic and international financial institutions, research institutes, and universities, as well as her service on government committees. Ms. Ryoko Ueda is proposed as a candidate for Outside Director who is an Audit & Supervisory Committee Member because she can be expected to capitalize on this knowledge and experience to serve her role in making key 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. Ryoko Ueda has not been engaged in corporate management other than as an outside director, the Company believes that she can perform her duties appropriately as an Outside Director who is an Audit & Supervisory Committee Member for the reasons above.



Outside Director (Audit and Supervisory Committee Member)

Shinnosuke Yamada

Number of the Company's shares held^{*1} 3,600
Attendance to the Board of Directors' meetings^{*2} 16 / 16
Attendance to Audit and Supervisory Committee meetings^{*2} 17 / 17

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
Jul 2018 President of Yamada Shinnosuke Certified Public Accountant Office (current)
Jun 2020 Outside Director (Audit & Supervisory Committee Member) of the Company (current)
Jun 2020 Outside Auditor of Kyowa Exeo Corporation (current EXEO Group, Inc.)
Dec 2021 Outside Audit and Supervisory Board Member of RAKUTEN BANK LTD. (current)

Significant concurrent positions

President of Yamada Shinnosuke Certified Public Accountant Office
Outside Audit and 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.

Executive Officers

- Senior Managing Executive Officer **Hotaka Nagai**
- Senior Managing Executive Officer **Tomoyasu Isobe**
- Senior Managing Executive Officer **Yasuhiro Mori**
- Managing Executive Officer **Iwao Kanazawa**
- Managing Executive Officer **Shuichi Nakamura**
- Managing Executive Officer **Yoshitaka Moriya**
- Managing Executive Officer **Osamu Ikebata**
- Managing Executive Officer **Takahiro Honda**
- Executive Officer **Kazunori Watanabe**
- Executive Officer **Tomohiko Ichibagase**
- Executive Officer **Yoshimasa Yamamoto**
- Executive Officer **Keiichirou Ooishi**
- Group Executive Officer **Kanaya Morinaka**
- Group Executive Officer **Junjiro Ishii**
- Group Executive Officer **Norihiko Morichika**
- Group Executive Officer **Takaaki Sato**

Stakeholder Engagement

The Group proactively engages in dialogues with all of its stakeholders as set out in the T&D Insurance Group Sustainability 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.

Stakeholders	Means of Interaction	Stakeholder Relations	Expectations from Stakeholders	FY2025 Initiatives
Shareholders and Investors	- Shareholders' meetings - IR briefings for institutional investors - Meetings with individual shareholders and investors - Corporate briefing for individual investors	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 (IR Day events) that focus on themes that are of interest to shareholders and investors. 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.	- Enhancing corporate value - Returns to shareholders that exceed the cost of equity - Enhancing corporate governance - Timely and appropriate disclosure of information	See P.81.
Customers	- 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, enabling access to a wide range of customer feedback. The Group has also established a committee to improve customer satisfaction and incorporates the opinions of outside committee members, including attorneys and experts in consumer issues, in its management.	- Offering optimal, high-quality products and services that meet customer needs - Appropriate information disclosure	Gathered a wide range of customer feedback through new contract procedures survey and customer satisfaction survey, inquiring about customer services of sales representatives and the understandability of documentation.
Employees	- Education and training - Human rights training - Employee engagement score surveys - Group IR activities - 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. Through dialogues with its labor unions, the Group has opportunities to discuss a wide range of subjects, including management policies, wages, working hours, leave, human resource systems and benefits.	- Offering suitable rewards based on performance - Creating an environment where employees feel empowered to take on challenges - Enhancing the workplace environment - Respect for human rights and elimination of discrimination - Respect for diversity and inclusion - Health and productivity management	See P.81.
Agents and Tie-up Organizations	- 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.	- Cordial and high-quality support - Providing value that exceeds expectations to customers through tie-up organizations and agents	Provided the Group's own e-learning materials and conducted training to enhance various skills. Reported the Company's business developments to tie-up organizations and gathered their feedback on our management practices.
Environment and society	- 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.	- Reducing environmental impact and protecting the natural environment - Creating initiatives to tackle local issues	Participated in the UN Global Compact and other initiatives and exchanged views in a wide range of areas through study sessions and dialogues with participating companies. Supported the Japan Down Syndrome Society. Implemented conservation initiatives in the Forests of Taiyo Life.

Stakeholder Engagement

Communication with shareholders and investors

The Company aims to gain the trust and fair evaluation of shareholders and investors, as well as other stakeholders, by proactively promoting investor relations activities based on the principles of timeliness, fairness, and accuracy. The Company regularly reports information and views it obtains through this communication to achieve the Group's sustainable growth and enhance corporate value in the medium to long term.

Activities conducted in FY2025

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 under the previous Group Long-Term Vision (FY2021–FY2025) and an overview of the new Group Long-Term Vision (FY2026–FY2030).
IR Day	Three times	1) The presidents of Daido Life and Taiyo 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 sustainability management based on the integrated report.
Presentations for individual investors	Five times	Conducted both online and in-person by the president and IR responsible officer.
Conferences sponsored by securities firms	Five times	The officer in charge of IR and other members of management held one-on-one meetings with participants.

Number of interviews conducted

Total 479 companies

Number of interviews conducted by officers: 178 companies

Number of interviews conducted by IR departments: 301 companies

Evaluations by External Assessment Organizations

- 2025 Internet IR Award (Daiwa Investor Relations Co. Ltd.)
- Evaluated 4,122 listed companies* Selected as one of 131 winners of the Commendation Award
- FY2025 All Japanese Listed Companies' Website Ranking Survey (Nikko Investor Relations Co., Ltd.)
- Evaluated all 3,937 listed companies* Selected as one of 201 companies with grade AAA websites in the Overall Ranking for nine consecutive years

* The number of evaluated companies differs depending on the timing of surveys, etc.



Main contents of dialogue

Top management and other executives, as well as the IR department, engage in dialogue with investors in Japan and overseas through briefings, one-on-one meetings, and other opportunities, and have received a wide range of feedback from shareholders and investors. T&D Holdings reports this feedback to the Board of Directors and other bodies and reflects it in various initiatives.

We also hold IR Day events focusing on themes of particular interest to shareholders and investors and, based on the feedback received, have enhanced disclosure mainly in the following areas.

- Initiatives to improve capital efficiency and capital allocation results
- Medium- to long-term KPIs and targets (for the fiscal year ending March 31, 2031)
- External growth strategy (new investment budget, priority investment areas, etc.)
- Approach to business portfolio management (in connection with the transfer of T&D Financial Life shares)
- Initiatives to improve profitability in the life insurance business (Taiyo Life)
- Status of surrender and lapse rates
- Status of private credit and private equity investments
- Impact of rising domestic interest rates
- Initiatives to enhance Group resilience
- Approach to shareholder returns and the total payout ratio during the Group Long-Term Vision period

*Results current as of the IR Meeting held in June 2026

Engagement with employees

In addition to improving the workplace environment, we undertook the following initiatives to address issues identified through the employee engagement score survey.

Group IR activities — Group IR —

Since FY2022, we have been strengthening IR activities within the Group to share the Group's direction and reinforce market

discipline. This initiative received the “Most Liked!” IR Award at the Japan Investor Relations Association's 2025 IR Awards.



Main activities

① Group internal IR meetings

Viewing employees as individual shareholders, T&D Holdings' top management explains the Group's challenges and policies, as well as market views, to Group officers and employees.

② Small meetings

Management holds dialogue-based small meetings with employees from the Group's head office and branches. Management communicates the purpose and significance of the Group's listing, its challenges from the market's perspective, and its initiatives and considerations. Participants voice opinions about workplace issues, as well as their expectations and challenges concerning the integrated Group management. Small meetings offer a chance to strengthen interactions among the Group companies.

Results for FY2025

In FY2025, 593 people participated in 89 events.

A cumulative total of 2,833 people participated in 333 events.

③ Publication of Group IR Newsletter

The Group posts the Group IR Newsletter on T&D TALK, the Group's common comprehensive information portal site, to introduce, in a timely and proactive manner, content communicated externally.

Employee stock ownership plan

In addition to supporting employees' asset building, as a measure that contributes to building a stable shareholder base, the special incentive payment rate for the employee stock ownership plan was raised from 5% to 10% in FY2025. We also promoted understanding of the program and fostered employees' awareness as shareholders through small meetings and other initiatives, resulting in increases in both the number of participants and contribution amounts.

Risk Management

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 the risks surrounding the Group in order to respond to increasingly diverse and complex risks. We comprehensively identify risks by risk category, ascertain and assess them, and use an overall assessment of factors including the materiality and impact of each risk and the status of controls to prioritize initiatives and reflect them in management plans and other measures as necessary. As a rule, we review risk profiles every six months to accurately recognize and ascertain new material risks, significant changes to previously recognized risks, and divergences between internal or industry practices

and societal expectations. We report the results to the Group Risk Management Committee, the Board of Directors, and other bodies. In reviewing risk profiles, T&D Holdings and its directly owned subsidiaries coordinate with all relevant divisions, including business execution divisions such as sales and asset management. Directly owned subsidiaries also report the results of their risk profile reviews to T&D Holdings.

- * Risk profiles are a general risk management tool to characterize risks in terms of various factors, such as their nature and magnitude.
- * The risk profiles of Group companies and the Group as a whole include responses to sustainability-related issues, including environmental issues (climate change risk), social issues (human rights, labor practices, anti-corruption, etc.), and corporate governance.

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, human rights issues, cyberattacks, corruption, and money laundering and terrorist financing. 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.

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.	Risks are properly controlled by categorizing the status of financing depending on its severity level, determining a controlling method according to each category and securing a certain level of liquidity and by establishing a structure that enables the smooth securitization of assets for fund procurement.
(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.

Risk Management

The risks we consider important in connection with the Group's business and other activities 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 of the three life insurance companies change significantly, or if there are significant changes in their roles or positioning, the Group's performance and financial condition could be adversely affected. In addition, the planned transfer of T&D Financial Life shares on October 1, 2027 may affect the Group's performance from that point onward.

■ 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.

Integrated risk management activities

The T&D Insurance Group undertakes integrated risk management to help achieve its management objectives by quantifying the various risks surrounding the Group by risk type and assessing the impact of potential losses, while appropriately controlling risks across its operations, including risks that are not quantified.

1. Risk quantification

The Group measures investment risk, insurance underwriting risk, operational risk, and other risks using internal management models. Specifically, these risks are measured using Value at Risk (VaR), with the loss amount at a 99.5% confidence level over a one-year measurement period defined as the risk amount.

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.

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.

(billion yen)	As of March 31, 2025 (1)	As of March 31, 2026 (2)	Change (2) - (1)
Insurance risk (domestic)	1,375.3	1,620.6	+245.2
Counterparty risk	4.3	36.6	+32.3
Investment risk	1,448.8	1,365.1	(83.6)
Operational risk	97.5	99.6	+2.0
Subsidiaries and affiliates risk	31.7	293.0	+261.3
Investment/insurance diversification effect, etc.	(593.9)	(644.9)	(50.9)
Tax effect, etc.	(694.0)	(813.7)	(119.7)
Total risk amount ¹	1,669.8	1,956.3	+286.5
Surplus	4,051.1	4,342.1	+290.9

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

Risk Management

Initiatives to protect personal information

T&D Holdings, the three insurance companies in Japan and other Group companies have each established and published a privacy policy, clearly setting out matters such as the purpose of use, policy on provision to a third party, and safety management measures, and we strictly protect personal information.

We also implement appropriate information management in accordance with our Compliance Code of Conduct, Information Security Policy and regulations on handling personal information.

As the company responsible for the Group's information systems, T&D Information Systems utilizes data including personal information in an appropriate manner, and carries out strict data protection and management. In May 2005, we received Privacy Mark certification, which is awarded to enterprises that take appropriate measures to protect personal information.

Our privacy policy can be viewed on our website.
<https://www.td-holdings.co.jp/en/information/privacy.php>

Information security and cyber security

The T&D Insurance Group regards the information assets entrusted to it by customers, business partners, and shareholders as important management resources. In light of the highly public nature and social responsibility of a corporate group engaged in the life insurance business, the Group works to ensure the confidentiality, integrity, and availability of information and treats information security and cyber security as important management issues. As cyberattacks become increasingly sophisticated and complex, the Group is continuously strengthening its measures under a Group-wide management framework.

Governance

The Group has appointed a Chief Information Security Officer to oversee information security across the Group and promote the formulation of information security policies and risk management. It has also established a framework for promptly reporting and responding when incidents or vulnerabilities are identified.

The status of information security and cyber security management is reported regularly to the Board of Directors, and continuous improvements are made through the PDCA cycle. The Internal Auditing Department also verifies the effectiveness of the management framework and reports the results to the Board of Directors.

Technical measures

To address increasingly sophisticated cyberattacks, the Group continuously monitors threats with security tools. A Group-wide CSIRT (Computer Security Incident Response Team) and company-level CSIRTs gather and analyze cyberattack information, respond to incidents, investigate impacts, and develop recurrence-prevention measures. The Group also uses multi-layered security measures (entrance, exit, and internal) and regularly undergoes third-party vulnerability assessments of information systems and networks, with corrective action taken according to severity.

Human resources and organization

The Group continuously conducts training for officers and employees, including group training and e-learning, as well as drills on handling suspicious emails, in an effort to improve security literacy.

The Group also provides cyber security training for senior management led by external experts and strengthens its incident response capabilities through drills at Group companies and participation in cross-industry exercises.

Third-party management

The Group considers ensuring the security of third parties, including outsourcing partners, external vendors, and other parties in the supply chain, an important initiative. It verifies compliance with information security standards not only when selecting new business partners but also regularly thereafter.

For service providers entrusted with important operations, the Group conducts security assessments and audits and requests improvements as necessary. It assesses risks according to the nature of the outsourced operations and the materiality of the information assets handled, and works to enhance third-party security.

Compliance

Basic Compliance Policies

The Group has formulated the T&D Insurance Group Sustainability 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 its officers and employees are well aware of these basic compliance policies and standards to enhance compliance efforts.

You can find the T&D Insurance Group Sustainability Charter on the Company's website.
<https://www.td-holdings.co.jp/en/csr/csr-policy/charter.php>

Group Compliance Promotion Structure

The T&D Insurance 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, T&D Holdings has established the Group Compliance Committee as a subordinate body of the Board of Directors. The Risk Management Department serves as the department responsible for overseeing compliance promotion. Working in collaboration with the compliance management departments

of the three life insurance companies and other Group companies, it conducts periodic monitoring, receives reports on material matters, and provides guidance, advice, and instructions to each company as necessary. The three life insurance companies and other Group companies also maintain compliance promotion structures centered on their compliance committees and compliance management departments.

Compliance Implementation

The Group companies take proper steps aligned with their size and characteristics in accordance with the basic policy to increase compliance awareness within their organizations. For example, T&D Holdings, the three life insurance companies, and other Group companies have established a Compliance Program, which serves as a detailed action plan, and a Compliance Manual, which provides specific guidelines, to ensure thorough compliance in 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.

For details on the measures taken to exclude antisocial forces, please refer to the Corporate Governance Report posted on the Company's website.
<https://www.td-holdings.co.jp/en/company/governance/>

Measures against Money Laundering, Terrorist Financing, etc.

The three life insurance companies and other Group companies position measures against money laundering, terrorist financing, and proliferation financing as important management issues. In

accordance with laws and regulations and the Financial Services Agency's guidelines, they conduct customer due diligence and analyze and assess risks in light of their business characteristics and other factors, thereby establishing effective management systems. T&D Holdings also monitors the three life insurance companies and other Group companies, including their status of compliance with the guidelines and the status of suspicious transaction reports submitted to the authorities.

Internal Reporting System

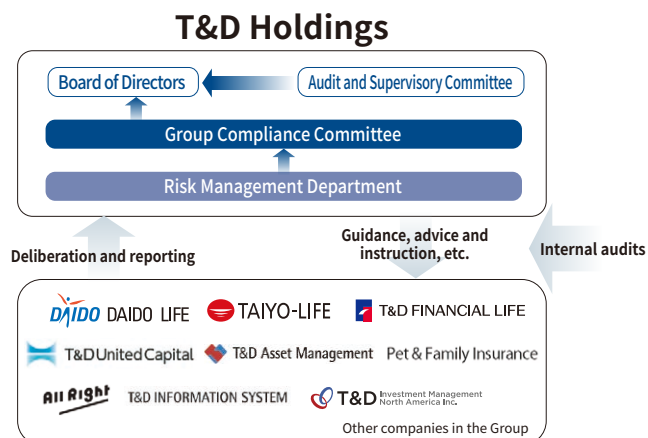
The T&D Insurance Group has created a Group-wide internal reporting system, the T&D Group Help Line, which is intended to serve as a conduit for reports from any executive or Group employee (including retirees) on instances of illegal behavior and other compliance infractions that may damage the Group's 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 opens 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.

Internal Control System

The Company has established an internal control system to ensure the appropriateness of its business operations. The goal of this system is to achieve sustainable growth for the Group and enhance its corporate value over the medium to long term, while protecting policyholders and other stakeholders by ensuring the soundness and compliance of the entire Group.

For details, please refer to the Corporate Governance Report posted on the Company's website.
<https://www.td-holdings.co.jp/en/company/governance/>



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Selected Financial Data

T&D HOLDINGS Consolidated Statements of Income

(¥ millions)

Years ended March 31	2016	2017	2018	2019	2020	2021 ^{1,2}	2022	2023	2024	2025 ^{1,2}	2026
Statement of Operation Data											
Ordinary revenues	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	3,730,479	3,482,214
Income from insurance premiums	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	2,579,821	2,635,783
Investment income	379,707	402,709	372,753	393,901	369,419	453,706	476,904	500,793	642,076	488,335	747,973
Other ordinary income	71,665	67,838	71,813	70,076	75,001	73,963	338,770	535,113	91,359	662,322	96,489
Equity in earnings of affiliates	46	1	72	—	—	49,431	16,749	—	—	—	1,967
Ordinary expenses	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	3,531,884	3,225,023
Insurance claims and other payments	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	2,968,213	2,309,106
Provision for policy and other reserves	194,387	259,134	262,894	469,615	431,011	484,929	1,945	2,902	246,726	14	259,444
Investment expenses	77,477	130,277	96,288	112,285	164,819	110,235	82,332	191,076	305,210	216,038	296,040
Operating expenses	198,999	197,600	202,366	201,563	212,453	214,509	229,279	251,301	250,726	265,445	273,747
Other ordinary expenses	80,727	71,186	64,159	68,086	70,424	67,988	69,602	77,621	77,994	80,968	86,684
Equity in losses of affiliates	—	—	—	24	287	—	—	217,383	2,397	1,202	—
Ordinary profit	171,434	157,227	156,475	146,949	125,422	174,649	57,029	(74,144)	159,809	198,595	257,191
Net extraordinary gains (losses)	(29,274)	(35,067)	(16,485)	(17,890)	(6,055)	(12,591)	(9,816)	(7,449)	320	(3,982)	(40,571)
Provision for reserve for policyholder dividends	31,920	25,374	30,331	27,144	21,883	24,429	24,284	22,378	25,050	25,917	25,459
Income before income taxes	110,239	96,786	109,657	101,915	97,483	137,628	22,928	(103,972)	135,080	168,695	191,160
Income taxes (current)	46,075	33,316	34,106	32,383	31,768	28,969	3,730	34,605	34,048	53,704	60,199
Income taxes (deferred)	(8,561)	(11,895)	(2,044)	(3,316)	(1,425)	(744)	4,779	(6,806)	990	(12,386)	(9,014)
Total income taxes	37,513	21,421	32,061	29,066	30,343	28,224	8,510	27,799	35,038	41,318	51,185
Profit attributable to non-controlling interests	179	177	19	22	36	890	237	378	1,264	992	1,006
Profit attributable to owners of parent	72,547	75,187	77,577	72,825	67,103	108,512	14,180	(132,150)	98,777	126,384	138,968
Comprehensive income	(84,492)	(69,598)	93,236	48,596	2,341	418,061	(36,079)	(335,943)	493,358	(1,589)	373,945

*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 adjustments related to Fortitude's reorganization announced in October 2021 and its adoption of LDTI announced in August 2025.

T&D HOLDINGS Consolidated Balance Sheet

(¥ millions)

As of March 31	2016	2017	2018	2019	2020	2021 ^{1,2}	2022	2023	2024	2025 ^{1,2}	2026
Balance Sheet Data											
(Assets)											
Total assets	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	16,712,943	17,318,329
(Liabilities)											
Policy reserves	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	13,721,161	13,979,640
Total liabilities	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	15,303,878	15,700,692
(Net assets)											
Total shareholders' equity	775,208	794,554	833,779	863,933	889,817	960,015	898,301	706,952	714,342	730,762	705,720
Total accumulated other comprehensive income	435,331	298,302	313,645	289,181	226,124	533,641	482,949	279,647	689,220	672,276	906,208
Total net assets	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	1,409,064	1,617,637

*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 adjustments related to Fortitude's reorganization announced in October 2021 and its adoption of LDTI announced in August 2025.

Selected Financial Data

T&D HOLDINGS

(¥ millions)

Years ended March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Policy Results:*											
Policy amount in force	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	61,564,919	61,532,368
New policy amount	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	6,485,418	6,583,055
Surrender and lapse amount	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	4,810,226	4,743,331

* 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	153,097	159,985	148,466	149,638	166,227	161,039	184,059	93,088	125,825	162,075	239,894
Group EV**¹	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	3,945,700	4,238,600
Value of New Business**¹	56,300	119,500	129,400	140,300	115,800	143,400	166,900	167,000	161,700	166,100	169,000
Consolidated solvency margin ratio**²	1155.8%	1105.1%	1061.8%	1093.1%	1107.0%	1094.7%* ⁴	1026.3%	920.1%	995.7%	960.7%	216.5%
ESR*³	162%	175%	168%	159%	198%	227%* ⁴	236%	230%	239%	243%	222%

*¹ Group EV, Value of New Business is shown rounding down to the hundred million yen. Based on the 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 years to 41 years, convergence year: from 60 years to 70 years.

*² Effective from the fiscal year ended March 31, 2026, the calculation method for the solvency margin ratio and the regulatory supervisory standards were revised. Figures from the fiscal year ended March 31, 2026 onward are calculated using the new calculation method.

*³ 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 years to 41 years, convergence year: from 60 years to 70 years.

*⁴ Figures reflect the retroactive application of the accounting treatment of Fortitude's reorganization announced on October 1, 2021.

Selected Financial Data

DAIDO LIFE

(¥ millions)

Years ended March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Statement of Operation Data											
Ordinary revenues	935,739	944,431	988,070	1,045,561	1,015,124	1,022,834	1,032,690	1,233,042	1,183,799	1,148,473	1,246,730
Income from insurance premiums	748,914	766,336	790,852	828,003	818,070	808,161	808,083	810,311	843,749	841,262	855,326
Investment income	165,153	154,066	171,830	191,065	165,137	185,876	191,249	259,241	306,335	274,492	354,670
Other ordinary income	21,671	24,029	25,387	26,492	31,916	28,796	33,357	163,489	33,713	32,718	36,733
Ordinary expenses	845,431	861,736	898,672	956,290	928,967	926,928	909,910	1,148,962	1,082,136	1,034,911	1,112,050
Insurance claims and other payments	502,896	484,881	496,329	510,573	522,146	511,604	516,795	887,660	588,397	611,074	652,126
Provision for policy and other reserves	181,357	204,770	232,739	259,032	214,775	221,616	211,578	639	167,477	134,278	107,592
Investment expenses	34,443	48,244	46,233	61,342	61,569	66,440	44,781	114,923	179,117	133,575	185,992
Operating expenses	102,531	103,099	103,602	103,883	107,649	106,644	116,139	121,827	124,068	131,712	140,437
Other ordinary expenses	24,203	20,739	19,767	21,458	22,826	20,622	20,614	23,912	23,076	24,271	25,901
Ordinary profit	90,307	82,695	89,397	89,270	86,157	95,905	122,780	84,079	101,662	113,562	134,680
Net extraordinary gains (losses)	4,413	(12,450)	(11,698)	(11,956)	(3,703)	(7,123)	(5,267)	(4,313)	(4,966)	(2,898)	(14,286)
Provision for reserve for policyholder dividends	13,788	13,636	14,668	14,005	11,687	11,854	11,711	11,530	11,441	11,518	10,847
Income before income taxes	80,932	56,608	63,031	63,308	70,766	76,927	105,800	68,236	85,254	99,144	109,545
Income taxes (current)	29,351	20,777	22,854	21,414	21,646	25,029	29,892	20,962	25,579	31,532	36,994
Income taxes (deferred)	(2,896)	(7,286)	(4,396)	(3,634)	(1,330)	(2,965)	(313)	(2,035)	(1,235)	(5,001)	(9,676)
Total income taxes	26,455	13,491	18,458	17,779	20,315	22,064	29,578	18,926	24,343	26,530	27,318
Net income	54,476	43,116	44,572	45,528	50,450	54,863	76,222	49,309	60,910	72,613	82,227

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

DAIDO LIFE

(¥ millions)

As of March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Balance Sheet Data											
(Assets)											
Total assets	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	7,964,439	8,224,988
(Liabilities)											
Policy reserves	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	6,788,734	6,895,018
Total liabilities	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	7,029,948	7,200,712
(Net assets)											
Total shareholders' equity	433,499	448,016	466,141	489,267	513,114	541,184	532,210	546,647	543,981	565,723	549,875
Total valuation and translation adjustment	230,323	195,996	194,380	173,165	130,743	311,942	326,517	223,686	441,071	368,767	474,400
Total net assets	663,823	644,013	660,521	662,433	643,858	853,127	858,727	770,334	985,053	934,490	1,024,276

* 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Policy Results:*											
Policy amount in force	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	46,967,563	47,336,084
Individual term life insurance	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	34,041,734	33,988,394
J-type product, T-type product, and Kaigo Relief Alpha, etc.	2,415,881	3,166,600	5,426,922	10,057,448	10,899,535	11,056,124	11,267,202	11,466,536	11,633,540	12,021,653	12,449,154
New policy amount	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	5,145,279	5,322,158
Individual term life insurance	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	3,419,170	3,303,501
J-type product, T-type product, and Kaigo Relief Alpha, etc.	786,609	934,940	2,523,252	5,085,094	1,332,445	1,125,997	1,282,960	1,394,866	1,550,549	1,810,809	2,060,833
Surrender and lapse amount	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	3,651,347	3,716,418
Surrender and lapse rate	6.48%	6.44%	6.30%	7.70%	6.31%	6.06%	6.37%	6.96%	7.92%	7.83%	7.91%

* 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	104,829	105,677	100,781	99,245	116,903	111,604	131,632	75,039	86,551	108,512	143,344
EV *¹	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	2,731,900	2,845,700
Solvency margin ratio*²	1341.9%	1252.6%	1206.2%	1271.9%	1335.3%	1293.5%	1203.8%	1116.1%	1193.5%	1168.0%	229.2%
Number of in-house sales representatives	3,867	3,843	3,714	3,786	3,746	3,766	3,699	3,577	3,628	3,747	3,785
Number of agents	13,793	13,878	13,992	14,132	14,413	14,775	15,137	15,406	15,679	16,021	16,414

*1 EV is shown rounding down to the hundred million yen. Based on the 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 years to 41 years, convergence year: from 60 years to 70 years

*2 Effective from the fiscal year ended March 31, 2026, the calculation method for the solvency margin ratio and the regulatory supervisory standards were revised. Figures from the fiscal year ended March 31, 2026 onward are calculated using the new calculation method.

Selected Financial Data

TAIYO LIFE

(¥ millions)

Years ended March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Statement of Operation Data											
Ordinary revenues	873,887	897,955	738,716	917,610	802,538	797,301	1,439,893	961,343	989,290	1,716,301	1,279,966
Income from insurance premiums	657,185	654,379	511,900	715,120	593,679	619,721	598,144	643,308	702,821	805,591	983,087
Investment income	202,909	228,058	189,495	190,444	196,911	165,283	174,377	214,741	233,094	209,177	274,332
Other ordinary income	13,792	15,517	37,319	12,044	11,947	12,296	667,370	103,292	53,374	701,532	22,547
Ordinary expenses	794,763	831,312	675,925	863,413	765,756	765,695	1,526,535	913,198	933,976	1,636,814	1,163,378
Insurance claims and other payments	604,261	535,387	522,746	521,457	542,912	569,480	1,381,684	726,570	692,392	1,435,236	873,554
Provision for policy and other reserves	39,860	99,991	885	183,693	43,421	46,414	1,649	255	917	1,120	51,303
Investment expenses	36,540	83,109	45,292	52,386	76,173	46,919	36,965	71,514	124,570	74,737	109,697
Operating expenses	76,424	77,189	76,698	76,730	75,077	76,509	80,675	88,495	90,562	96,975	97,743
Other ordinary expenses	37,676	35,635	30,301	29,147	28,171	26,371	25,560	26,361	25,533	28,744	31,080
Ordinary profit (loss)	79,124	66,642	62,790	54,196	36,782	31,606	(86,642)	48,144	55,314	79,486	116,588
Net extraordinary gains (losses)	(20,251)	(18,995)	(4,254)	(5,370)	(1,594)	(4,592)	(3,665)	(2,754)	5,934	(963)	(28,727)
Provision for reserve for policyholder dividends	18,135	11,738	15,664	13,138	10,197	12,574	12,572	10,847	13,606	14,396	14,612
Income (loss) before income taxes	40,736	35,909	42,870	35,687	24,990	14,440	(102,881)	34,542	47,642	64,126	73,248
Income taxes (current)	17,624	11,120	10,238	10,798	10,391	5,956	(23,042)	6,011	7,016	17,742	19,897
Income taxes (deferred)	(3,722)	(4,178)	2,151	(657)	(1,218)	(1,800)	(5,691)	1,699	1,641	(5,474)	1,088
Total income taxes	13,902	6,941	12,390	10,140	9,172	4,156	(28,734)	7,710	8,658	12,267	20,986
Net income	26,834	28,967	30,480	25,547	15,817	10,284	(74,147)	26,832	38,983	51,859	52,262

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

TAIYO LIFE

(¥ millions)

As of March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Balance Sheet Data											
(Assets)											
Total assets	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	6,692,604	6,754,113
(Liabilities)											
Policy reserves	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	5,199,904	5,251,508
Total liabilities	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	6,319,150	6,295,197
(Net assets)											
Total shareholders' equity	279,336	279,765	290,945	304,203	303,647	302,568	186,925	203,799	187,667	196,963	191,492
Total valuation and translation adjustment	202,382	101,224	117,742	111,109	87,476	223,923	154,538	42,479	231,554	176,489	267,424
Total net assets	481,718	380,989	408,687	415,312	391,123	526,491	341,464	246,278	419,221	373,453	458,916

* 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Policy Results:*											
Policy amount in force	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	10,399,315	9,511,933
New policy amount	2,134,199	2,084,818	1,686,796	1,196,690	540,573	243,585	179,669	237,128	240,923	593,196	594,297
Surrender and lapse amount	1,255,956	1,255,824	1,236,078	1,240,097	1,149,490	941,331	915,627	775,953	920,873	857,733	821,616
Surrender and lapse rate	5.67%	5.71%	5.69%	5.86%	5.76%	5.22%	5.62%	5.34%	7.09%	7.48%	7.90%

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

Other Data:

Core profit	53,812	53,464	48,547	51,859	54,387	52,703	55,122	21,294	40,761	52,424	89,533
EV * ¹	725,700	777,500	825,000	856,200	895,800	1,114,600	1,134,500	1,084,200	1,171,800	1,133,200	1,159,400
Solvency margin ratio* ²	890.6%	848.6%	835.1%	849.7%	805.5%	852.8%	734.2%	580.9%	716.2%	678.6%	184.3%
Number of in-house sales representatives	8,631	8,902	8,942	8,440	8,071	8,473	8,534	9,016	9,319	9,550	9,764

*¹ EV is shown rounding down to the hundred million yen. Based on the 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 years to 41 years, convergence year: from 60 years to 70 years.

*² Effective from the fiscal year ended March 31, 2026, the calculation method for the solvency margin ratio and the regulatory supervisory standards were revised. Figures from the fiscal year ended March 31, 2026 onward are calculated using the new calculation method.

Selected Financial Data

T&D FINANCIAL LIFE

(¥ millions)

Years ended March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Statement of Operation Data											
Ordinary revenues	218,035	155,834	196,492	150,758	354,495	460,661	485,311	980,991	1,028,260	959,073	912,827
Income from insurance premiums	165,436	80,918	176,474	127,853	335,910	348,020	367,118	714,695	917,540	921,711	784,664
Investment income	14,232	23,041	12,982	17,221	11,924	106,851	113,353	28,023	106,264	6,361	123,090
Other ordinary income	38,365	51,874	7,036	5,683	6,660	5,789	4,839	238,272	4,455	31,000	5,072
Ordinary expenses	216,822	149,634	193,948	148,694	352,249	463,608	479,644	969,937	1,020,955	951,290	900,499
Insurance claims and other payments	194,324	138,311	124,953	106,894	125,135	222,904	270,745	928,437	878,574	915,265	775,806
Provision for policy and other reserves	2	0	50,164	26,791	174,312	216,631	183,641	1,911	109,578	0	99,748
Investment expenses	7,950	213	4,888	1,941	30,117	127	840	3,536	2,037	8,220	148
Operating expenses	12,705	9,745	12,349	11,453	19,373	20,216	20,543	30,084	24,771	22,727	20,314
Other ordinary expenses	1,840	1,363	1,592	1,612	3,309	3,727	3,873	5,966	5,992	5,077	4,480
Ordinary profit	1,212	6,199	2,543	2,064	2,246	(2,947)	5,667	11,054	7,305	7,783	12,328
Net extraordinary gains (losses)	(621)	(3,612)	(461)	(552)	(756)	(868)	(880)	(713)	(632)	(595)	(907)
Provision for reserve for policyholder dividends	(3)	(1)	(1)	0	(0)	0	(0)	0	1	1	(0)
Income before income taxes	593	2,587	2,083	1,511	1,490	(3,816)	4,788	10,340	6,671	7,186	11,420
Income taxes (current)	(1,735)	874	199	(456)	(754)	(2,212)	(3,115)	5,060	530	3,516	2,472
Income taxes (deferred)	1,837	(427)	295	956	1,178	1,180	4,704	(2,660)	1,328	(1,915)	726
Total income taxes	101	446	494	500	424	(1,031)	1,589	2,399	1,859	1,600	3,199
Net income	492	2,141	1,588	1,011	1,065	(2,784)	3,199	7,940	4,812	5,585	8,221

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

T&D FINANCIAL LIFE

(¥ millions)

As of March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Balance Sheet Data											
(Assets)											
Total assets	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	1,861,932	1,960,191
(Liabilities)											
Policy reserves	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	1,726,859	1,826,581
Total liabilities	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	1,782,150	1,874,879
(Net assets)											
Total shareholders' equity	67,886	70,027	71,616	72,627	73,693	70,909	74,108	82,048	86,860	92,445	100,667
Total valuation and translation adjustment	2,373	874	1,306	4,693	7,240	(2,628)	(10,155)	(13,306)	(13,298)	(12,664)	(15,355)
Total net assets	70,260	70,901	72,922	77,321	80,934	68,280	63,952	68,742	73,561	79,781	85,312

* 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Policy Results:*											
Policy amount in force	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	4,198,040	4,684,350
New policy amount	236,231	235,449	354,705	314,183	446,898	426,624	421,257	687,586	867,147	746,942	666,598
Surrender and lapse amount	61,559	56,368	66,174	89,152	79,846	103,847	118,758	305,852	205,468	301,145	205,295
Surrender and lapse rate	3.41%	3.12%	3.52%	4.34%	3.67%	4.34%	4.39%	10.20%	6.31%	7.62%	4.89%

* The total of individual insurance and individual annuities.

Other Data:

Core profit (loss)	(5,545)	843	(863)	(1,466)	(5,063)	(3,268)	(2,694)	(3,245)	(1,487)	1,138	7,016
EV * ¹	93,400	97,400	102,600	98,500	66,500	108,100	111,300	126,600	153,400	171,700	184,600
Solvency margin ratio* ²	1260.7%	1295.6%	1258.3%	1101.7%	1033.6%	826.8%	749.5%	659.4%	567.6%	575.3%	182.3%

*1 EV is shown rounding down to the hundred million yen. Based on the 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 years to 41 years, convergence year: from 60 years to 70 years.

*2 Effective from the fiscal year ended March 31, 2026, the calculation method for the solvency margin ratio and the regulatory supervisory standards were revised. Figures from the fiscal year ended March 31, 2026 onward are calculated using the new calculation method.

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 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 investment yield	One of the forecast rates used in the calculation of insurance premiums. It is the predetermined discount rate based on the expected earnings from the investment of insurance premiums.

C

Closed book business	A business model in which an insurance company generates profit by obtaining and consolidating blocks of policies in force for products that are no longer sold (closed book) and enhancing their value. In Western countries, there has been an increase in the number of closed books separated as a part of revisions of the business strategy and the product portfolio according to changes in the business environment.
Contingency reserve	A reserve included as part of the policy reserve to account for the risk of insurance payment events occurring at a higher-than-expected rate due to higher-than-expected mortality and morbidity rates, and the risk of actual investment yields being lower than the assumed investment yields related to outstanding policies. Contingency reserve can be classified into: Contingency reserve I Corresponds to insurance risk Contingency reserve II Corresponds to assumed investment yield risk Contingency reserve III Corresponds to minimum guarantee risk relating to variable annuity and others Contingency reserve IV Corresponds to insurance risk of Third Sector insurance

Core profit

An indicator showing core period earnings of life insurance companies, made up of insurance income and expenses (which include income from insurance premiums and insurance benefits and business expenses), and investment income and expenses (which include mainly interest, dividends and income from real estate for rent). It is not an item on the Company's statement of operation, but is calculated by deducting capital gains, such as gains (losses) on sales of securities and other one-time gains (losses), from ordinary profit.

Cost of equity

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.

D

DX (Digital Transformation)

DX stands for "Digital Transformation."
It refers to transforming business models, organizations, operations, corporate culture, and other aspects of a company by leveraging advancing digital technologies, big data, and AI to understand the needs of customers and society and create new value.

E

Earnings per share (EPS) growth rate

A measure of the growth in earnings per share (EPS) over a certain period.
The Group calculates EPS by dividing group adjusted profit by the weighted-average number of common shares outstanding during the period.

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)

The Group has introduced ESR (Economic Solvency Ratio) as an economic value-based indicator of financial soundness and manages it within a certain range to ensure financial soundness and capital adequacy. ESR is calculated by dividing economic value-based net assets (surplus), valued using assumptions consistent with those used for EV, by the amount of risk (economic capital) quantified using an internal management model.

Glossary

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.

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.

GHG (Greenhouse Gas)

An abbreviation for greenhouse gas. Greenhouse gases are gases that contribute to global warming, including carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

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 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.

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.

P

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

Glossary

R

Reserve for policyholder dividends	A reserve used to fund the payment of policyholder dividends. The reserve for policyholder dividends is one of the three reserves comprising the reserve for policy and other reserves. For a mutual life insurance company, a transfer to reserve for policyholder dividends is treated as a disposition of net surplus. For a joint stock corporation, provision for reserve for policyholder dividends is treated as an expense.
Reserve for price fluctuations	Pursuant to provisions of the Insurance Business Act, companies maintain reserves to cover losses due to price fluctuations in assets subject to market price volatility, particularly investments in domestic and foreign stocks, yen-denominated bonds, and foreign currency-denominated bonds. This reserve may be used only to reduce deficits arising from price fluctuations of those assets.
ROEV/Core ROEV	ROEV stands for Return on Embedded Value, which is an indicator for measuring capital efficiency by assuming an increase in EV as profit in consideration of the 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.
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	“Solvency margin” refers to an insurer’s ability to meet its payment obligations. Insurers maintain policy reserves to prepare for future insurance claim payments and other obligations, enabling them to adequately address risks within the range of normal expectations. However, risks beyond normal expectations may arise from events such as major disasters, sharp declines in stock prices, and pandemics. The solvency margin ratio is one of the indicators used by regulatory authorities to assess whether an insurance holding company or insurance company has sufficient financial capacity to withstand such risks. If the solvency margin ratio of an insurance holding company or insurance company falls below 100%, the regulatory authorities will take prompt corrective action.

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.
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V

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

I. Standards and ways of thinking by category in investments

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

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

The purpose of holding non-pure investment stocks/strategic shareholdings is to maintain and strengthen relationships with business alliance partners, collaborative business partners, and other business counterparties.

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

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

- a. The purpose of holding strategic shareholdings shall be to maintain and strengthen business partners, collaborators and so forth. Shareholdings held for purposes other than those outlined above will, in principle, be reduced.
- 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 are 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 mentioned in above (a) and (b), 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 May 2024, the Group announced its policy to reduce strategic shareholdings to zero by the end of March 2031, excluding shares of business partners and collaborators. With respect to strategic shareholdings that have been held for the purpose of maintaining and expanding long-term and stable business relationships in the insurance field, the Group has conducted a thorough reassessment of the rationale for such holdings. Based on this review, the Group has decided to proceed with a continuous reduction of the balance.

In FY2025, the balance was reduced by ¥23.1 billion based on market value at the time of sale. On the other hand, the balance was increased by ¥78.7 billion due to rising share prices at the end of the fiscal year. As a result, the ratio of strategic shareholdings to net assets stood at 19%.

Please refer to page 22 for the chart titled “Trend in strategic shareholdings (on a market value basis).”

Regarding investment stocks held for pure investment purposes, including those whose holding purpose has been changed from strategic shareholdings, both Taiyo Life and Daido Life entrusted the management of these stocks to T&D Asset Management - its Group's asset management company under a discretionary investment management agreement.

The asset management company makes decisions on whether to continue holding each individual stock based on factors, such as the dividends and stock price outlooks along with medium- to long-term performance growth.

With respect to the exercise of voting rights, strategic shareholdings are managed by departments that are independent from those responsible for lending and corporate sales activities (Taiyo Life: Securities Investment Department; Daido Life: Investment Planning Department).

Investment shares held for pure investment purposes are managed by T&D Asset Management Co., Ltd. (TDAM).

In exercising voting rights, each company has established a committee involving external experts and other third parties to review voting decisions and the voting process.

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 carrying amount on the balance sheet (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, etc. about the appropriateness to hold individual stocks

Every year, the boards of directors of the Company and Taiyo Life Insurance Company verify the appropriateness of holding all investment stocks held for purposes other than pure investment by specifically examining whether the purpose of holding remains appropriate, whether the benefits and risks associated with the holding are commensurate with the cost of capital, and other relevant factors.

Regarding the verification method, the Company comprehensively assesses the status and results of its business alliances and collaborative initiatives from both quantitative and qualitative perspectives. The acquisition and retention of insurance policies are not included in the assessment. In addition, due to confidentiality obligations with our business partners and collaborators, we refrain from disclosing the specific details of the assessment for individual shareholdings. In the verification conducted by the Board of Directors and other relevant bodies regarding the appropriateness of holding individual shareholdings as of March 31, 2025, it was confirmed that the continued holding of all shareholdings was appropriate.

b. The number of stocks and the amounts on balance sheets

	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	6	2,871
Stocks other than unlisted stocks	4	72,359

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

	The number of stocks	Total of acquisition cost related to the increase in the number of shares (¥ millions)	The reasons for increasing the number of shares
Unlisted stocks	0	—	—
Stocks other than unlisted stocks	0	—	—

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

	The number of stocks	Total of sale price related to the decrease in the number of shares (¥ millions)
Unlisted stocks	0	—
Stocks other than unlisted stocks	3	1,647

Status of Stock Holdings

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

Specified Investment Shares

Stock	Current Fiscal Year	Previous Fiscal Year	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of shares	Whether the counterpart company 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 maintain and expand collaborative relationships. In FY2024, we entered into a basic agreement with Daiwa Connect Securities, a member of the Daiwa Securities Group, regarding customer referrals and mutual promotion. Through initiatives, such as introducing NISA to our clients and conducting online mutual promotions, we have contributed to supporting asset formation for our customers and providing diverse and comprehensive financial services to clients of both companies.	Y
	60,064	40,884		
RAITO KOGYO CO., LTD.	2,734,500	2,734,500	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	10,473	6,732		
J-POWER	362,540	452,540	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	1,570	1,145		
Meiwa Industry Co., Ltd.	210,120	210,120	The purpose of holding the stocks is to maintain and expand collaborative relationship. In 2025, the Company entered into an Agreement on Cooperation for the Supply of Goods in Times of Disaster, which has contributed to enhancing the effectiveness of the Company's Business Continuity Plan (BCP).	Y
	251	233		
Taikisha Ltd.	—	422,058	All shares had been sold by the end of the current fiscal year.	Y
	—	964		
Daiwa Motor Transportation Co., Ltd.	—	375,000	All shares had been sold by the end of the current fiscal year.	Y
	—	307		

*NOTE

The number of shares for each fiscal year has been retrospectively adjusted to reflect stock splits that took effect on April 1 of the following fiscal year.

Status of Stock Holdings

Regarded as Holding Shares
Not applicable.

2. Stocks for which the holding purpose is pure investment

Category	Current Fiscal Year		Previous Fiscal Year	
	The number of stocks	Total balance sheet amount (¥ millions)	The number of stocks	Total balance sheet amount (¥ millions)
Unlisted stocks	28	2,931	30	2,924
Stocks other than unlisted stocks	71	401,842	35	389,795

Category	Current Year (¥ millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Impairment losses
Unlisted stocks	21	0	23	—
Stocks other than unlisted stocks	11,560	67,888	217,316	77

3. Stocks of which the holding purpose has been changed from pure investment to other than pure investment in the current fiscal year

Not applicable.

4. Shares for which the purpose of holding was changed from purposes other than pure investment to pure investment purposes during the current fiscal year and the preceding four fiscal years.

Stock	The number of shares	Balance sheet amount (¥ millions)	Fiscal year of change	Reason for the change and subsequent policy on retention or disposal after the change
	The number of shares at the time of classification change (Note 1)			
MITSUI & CO., LTD.	8,000,000	47,672	Fiscal year ended March 2023	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as strategic shareholdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	16,321,600			Policy regarding retention or disposal after the change The company is one of Japan's leading general trading firms, possessing numerous high-quality resource interests and a well-diversified, high-profitability earnings base. Given its strong business portfolio management capabilities, we expect a medium- to long-term increase in equity value. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but will continue to hold the remaining shares

Status of Stock Holdings

Stock	The number of shares	Balance sheet amount (¥ millions)	Fiscal year of change	Reason for the change and subsequent policy on retention or disposal after the change
	The number of shares at the time of classification change (Note 1)			
TSUBAKIMOTO CHAIN CO.	9,130,989	21,001	Fiscal year ended March 2024	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	9,610,989			Policy regarding retention or disposal after the change The company has a strong business foundation, supported by a broad customer base and high product competitiveness. Taking into account its credibility and growth potential as a leading chain manufacturer, it is expected to achieve medium- to long-term growth in equity value. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares.
Mitsui Fudosan Co., Ltd.	12,000,000	19,866	Fiscal year ended March 2023	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	24,289,725			Policy regarding retention or disposal after the change The company possesses a solid foundation in its leasing business, primarily in prime urban locations such as the Nihonbashi area. By leveraging its development capabilities across a wide range of sectors, including offices, commercial facilities, residences, and hotels, it is expected to generate new real estate value and achieve medium- to long-term growth in equity value. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares.
Keio Corporation	22,500,160	17,354	Fiscal year ended March 2023	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	29,310,160			Policy regarding retention or disposal after the change The company has a strong foundation in its railway operations in the western Tokyo area. It is expected to achieve medium- to long-term growth in equity value through initiatives such as capturing inbound demand in its hotel business and undertaking large-scale redevelopment projects in its real estate business. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares.

Status of Stock Holdings

Stock	The number of shares	Balance sheet amount (¥ millions)	Fiscal year of change	Reason for the change and subsequent policy on retention or disposal after the change
	The number of shares at the time of classification change (Note 1)			
TOKYU CORPORATION	9,088,300	16,917	Fiscal year ended March 2023	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	9,566,559			Policy regarding retention or disposal after the change The company has a strong foundation in its railway operations, with service areas along lines originating from Shibuya and Yokohama—regions experiencing continued population growth. By leveraging this foundation to capture inbound demand through its hotel business and undertaking large-scale redevelopment projects in areas such as Shibuya through its real estate business, the company is expected to achieve medium- to long-term growth in equity value. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares
MITSUBISHI ESTATE CO., LTD.	3,118,500	13,475	Fiscal year ended March 2024	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	3,850,000			Policy regarding retention or disposal after the change The company possesses a solid foundation in its leasing business, primarily in prime urban locations such as the Marunouchi area. By leveraging its development capabilities across a wide range of sectors, including offices, commercial facilities, residences, and hotels, it is expected to generate new real estate value and achieve medium- to long-term growth in equity value. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares.
OBAYASHI CORPORATION	2,345,000	8,807	Fiscal year ended March 2023	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	4,389,100			Policy regarding retention or disposal after the change The company is one of the major general contractors, with a strong order base in both civil engineering and construction, supported by its extensive track record. It is expected to achieve medium- to long-term growth in equity value through orders for urban redevelopment and infrastructure projects, etc. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares

Status of Stock Holdings

Stock	The number of shares	Balance sheet amount (¥ millions)	Fiscal year of change	Reason for the change and subsequent policy on retention or disposal after the change
	The number of shares at the time of classification change (Note 1)			
Shimadzu Corporation	2,386,220	8,802	Fiscal year ended March 2023	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	7,411,520			Policy regarding retention or disposal after the change The company holds a leading global position in chromatography, its core business. It is expected to achieve medium- to long-term growth in equity value by capturing strong demand, particularly in the healthcare sector, and expanding its recurring business, including consumables and maintenance services. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares
Mitsubishi Chemical Group Corporation	9,500,072	8,540	Fiscal year ended March 2022	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	18,838,372			Policy regarding retention or disposal after the change The company is a major player in the chemical industry, with a broad and robust business foundation spanning specialty materials, MMA, industrial gases, and other areas. The company is expected to achieve medium- to long-term growth in equity value and we therefore continue to hold the shares. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares
Kurimoto, Ltd.	5,043,875	7,676	Fiscal year ended March 2023	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	6,045,375			Policy regarding retention or disposal after the change The Company has retained its shareholding, except for a portion that was sold pursuant to its policy of reducing equity holding risk, as it possesses a solid business foundation in its core ductile iron pipe business and is expected to enhance its shareholder value over the medium to long term by capturing demand for the replacement of aging water pipelines nationwide.

Status of Stock Holdings

Stock	The number of shares	Balance sheet amount (¥ millions)	Fiscal year of change	Reason for the change and subsequent policy on retention or disposal after the change
	The number of shares at the time of classification change (Note 1)			
TSUBAKIMOTO KOGYO CO., LTD.	1,636,000	4,428	Fiscal year ended March 2024	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	1,721,415			Policy regarding retention or disposal after the change The company has maintained stable and high profitability by leveraging its broad customer base and extensive transaction record built over more than 100 years of operations. With its strong capability to provide optimal products and solutions backed by its extensive transaction record, the company is expected to achieve medium- to long-term growth in equity value. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares.
TOPPAN Holdings Inc.	235,000	964	Fiscal year ended March 2022	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	474,544			Policy regarding retention or disposal after the change The company has built a strong customer base and offers a wide range of highly competitive products and services through the development and provision of products and services based on new technologies that address customer and market needs, leveraging its printing technologies as a core strength. In particular, the company is expected to achieve medium- to long-term growth in equity value through the expansion of its semiconductor-related businesses, including FC-BGA, a high-density semiconductor package substrate. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares.

Status of Stock Holdings

Stock	The number of shares	Balance sheet amount (¥ millions)	Fiscal year of change	Reason for the change and subsequent policy on retention or disposal after the change
	The number of shares at the time of classification change (Note 1)			
San ju San Financial Group, Inc.	160,000	230	Fiscal year ended March 2022	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as policy holdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	200,000			Policy regarding retention or disposal after the change The company has a stable business foundation in Mie Prefecture, and an increase in interest income is anticipated due to rising lending rates following the Bank of Japan's interest rate hikes. Through the realization of synergies from the merger between Mie Bank and Daisan Bank, the company is expected to achieve medium- to long-term growth in equity value. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares.

***NOTE**

The number of shares reflects stock splits with an effective date of April 1 of the fiscal year following the current fiscal year that occurred after the change in the holding purpose.

The aforementioned stocks were originally held for the purpose of maintaining and expanding long-term, stable business relationships in the insurance sector, as well as to reap medium- to long-term benefits through an increase in equity value and the receipt of dividends and so forth. However, after a comprehensive assessment of the impact that whether or not we hold shares may have on our business relationship with the company, we decided not to retain the shares as strategic shareholdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding was changed to pure investment. In accordance with our policy of reducing equity risk and other relevant policies, a portion of the shares has been sold since the purpose of holding was changed to pure investment. Decisions regarding the retention, disposal, or other management of shares held for pure investment purposes, including the aforementioned stocks, are made by T&D Asset Management Co., Ltd. ("TDAM") under discretionary investment management agreements. Such decisions are made in the context of maintaining a certain allocation to equities within the investment portfolio, with the objective of maximizing investment efficiency as an institutional investor. Similarly, the exercise of voting rights is carried out by TDAM in accordance with its voting rights exercise guidelines.

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 carrying amount on the balance sheet (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, etc. about the appropriateness to hold individual stocks

Every year, the boards of directors of the Company and Daido Life Insurance Company shall verify the propriety of holding all investment stocks held for purposes other than pure investment by concretely examining the adequacy of the holdings, whether the benefits and risks are commensurate with the capital cost, and other factors.

Regarding the verification method, the Company comprehensively assesses the initiatives, progress, and business performance of its business partners and collaborators from both quantitative and qualitative perspectives. The acquisition and retention of insurance policies are excluded from this assessment. In addition, due to confidentiality obligations with our business partners and collaborators, we do not disclose the specific results of the assessment for individual shareholdings. In the verification conducted by the Board of Directors and other relevant bodies regarding the appropriateness of holding individual shareholdings as of March 31, 2025, it was confirmed that the continued holding of all shareholdings was appropriate.

b. The number of stocks and the amounts on balance sheets

	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	90	11,077
Stocks other than unlisted stocks	28	208,290

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

	The number of stocks	Total of acquisition cost related to the increase in the number of shares (¥ millions)	The reasons for increasing the number of shares
Unlisted stocks	0	—	—
Stocks other than unlisted stocks	1	643	The shares were additionally acquired for the purpose of further strengthening the business alliance relationship.

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

	The number of stocks	Total of sale price related to the decrease in the number of shares (¥ millions)
Unlisted stocks	2	47
Stocks other than unlisted stocks	9	22,086

Status of Stock Holdings

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

Specified Investment Shares

Stock	Current Fiscal Year	Previous Fiscal Year	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of shares	Whether the counterpart company holds the Company's shares 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. In 2018, Daido Life entered into a "Business partnership agreement in sales field" with Resona Holdings, Inc. To solve management issues of SMEs, Daido Life provides client companies with various products and services offered by the bank, such as "Products and services to support smooth succession of assets and business to successor" and "Overseas expansion services".	N *Note 1
	49,246	36,795		
NUERNBERGER Beteiligungs-Aktiengesellschaft	1,727,036	1,727,036	The sale of all shares was completed in fiscal 2026.	Y
	38,169	12,372		
Daiwa House Industry Co., Ltd.	5,000,000	5,000,000	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	24,590	24,690		
Ezaki Glico Co., Ltd.	3,500,400	3,500,400	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	20,582	16,189		
TKC Corporation	4,796,492	4,796,492	The purpose of holding the stocks is to maintain and strengthen business partnerships. In 1974, Daido Life began a partnership with the TKC National Federation, whose activities are fully supported by TKC Corporation. Since then, Daido Life has been working to promote and expand insurance guidance for client companies of TKC member offices.	Y
	17,747	18,466		

Status of Stock Holdings

Stock	Current Fiscal Year	Previous Fiscal Year	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of shares	Whether the counterpart company holds the Company's shares Y=Yes/N=No
	The number of shares			
	Balance sheet amount (¥ millions)			
ONO PHARMACEUTICAL CO., LTD.	3,274,800	3,274,800	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	8,221	5,247		
FUJI CORPORATION	1,671,000	2,506,500	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	7,788	5,244		
OKASAN SECURITIES GROUP INC.	8,660,000	8,660,000	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	7,109	5,741		
MITSUBISHI PENCIL CO., LTD.	2,344,000	2,344,000	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	5,412	5,942		
J-POWER	996,880	996,880	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	4,317	2,524		

Status of Stock Holdings

Stock	Current Fiscal Year	Previous Fiscal Year	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of shares	Whether the counterpart company holds the Company's shares Y=Yes/N=No
	The number of shares			
	Balance sheet amount (¥ millions)			
MEISEI INDUSTRIAL CO., LTD.	2,032,700	2,632,700	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	3,490	3,406		
Value HR Co., Ltd.	1,905,600	1,511,600	The purpose of holding the stocks is to maintain and strengthen business partnerships. The number of shares increased during the fiscal year as additional shares were acquired to further strengthen the business partnership. In 2016, Daido Life entered into a "Business and capital alliance" and has since strengthened health-related services through the joint development and operation of the "Daido Life KENCO SUPPORT PROGRAM", a service designed to promote health-oriented management of SMEs.	N
	2,698	2,241		
THE OITA BANK, LTD.	1,317,075	*	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	2,451	*		
CENTRAL AUTOMOTIVE PRODUCTS LTD.	1,230,000	1,230,000	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	2,321	2,077		
MORY INDUSTRIES INC.	2,200,000	2,200,000	In line with our policy to reduce strategic shareholdings to zero around FY2030, excluding shares of business partners and collaborators, we will continue to assess the necessity of continued shareholding.	Y
	2,076	2,195		

Status of Stock Holdings

Stock	Current Fiscal Year	Previous Fiscal Year	Holding purposes, summary of business partnerships, etc., quantitative effects to hold stocks, and reasons to increase the number of shares	Whether the counterpart company holds the Company's shares Y=Yes/N=No
	The number of shares			
	Balance sheet amount (¥ millions)			
Shizuoka Financial Group, Inc.	—	3,824,000	All shares held had been disposed of by the end of the fiscal year.	N *Note 2
	—	6,206		
Daishi Hokuetsu Financial Group, Inc.	—	940,800	All shares held had been disposed of by the end of the fiscal year.	N *Note 3
	—	2,968		

*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 number of shares for each fiscal year reflects the stock split with an effective date of April 1 of the following fiscal year.

*Note 5 The “—” symbol indicates that the statement is omitted because the amount on the balance sheet of the stock is less than 1/100 of the capital amount.

*Note 6 The “-” symbol indicates that the relevant stock is not held.

*Note 7 The above-mentioned shareholdings are comprehensively evaluated from both quantitative and qualitative perspectives based on the initiatives, progress, and achievements of business alliance and collaboration activities. The acquisition and retention of insurance policies are excluded from this assessment. In addition, due to confidentiality obligations with our business alliance partners and collaborators, we do not disclose the specific results of the assessment for individual shareholdings. In the verification conducted by the Board of Directors and other relevant bodies regarding the appropriateness of holding individual shareholdings as of March 31, 2025, it was confirmed that the continued holding of all shareholdings was appropriate.

Status of Stock Holdings

Regarded as Holding Shares

Not applicable.

2. Stocks for which the holding purpose is pure investment

	Current Fiscal Year		Previous Fiscal Year	
	The number of stocks	Total of balance sheet amount (¥ millions)	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	8	70	8	72
Stocks other than unlisted stocks	35	109,992	39	113,051

	Current Year (¥ millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Impairment losses
Unlisted stocks	—	—	37	29
Stocks other than unlisted stocks	2,163	16,908	51,703	—

3. Stocks of which the holding purpose has been changed from pure investment to other than pure investment during the current fiscal year.

Not applicable.

Status of Stock Holdings

4. Stocks of which the holding purpose has been changed from other than pure investment to pure investment during the current year and the four preceding fiscal years.

Stock	The number of shares	Balance sheet amount (¥ millions)	Fiscal year of change	Reason for the change and subsequent policy on retention or disposal after the change
	The number of shares at the time of classification change			
Mitsubishi UFJ Financial Group, Inc.	4,558,670	11,852	Fiscal year ended March 2023	Reason for the change After a comprehensive assessment of the impact that holding shares may have on our business relationship with the company, we decided not to retain the shares as strategic shareholdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares. Meanwhile, our asset management division has decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding has been changed to pure investment.
	28,823,070			Policy regarding retention or disposal after the change The company is one of Japan's largest comprehensive financial groups, operating globally in regions such as APAC and the U.S. markets. Through capturing both domestic and international economic expansion, it is expected to achieve medium- to long-term growth in equity value. Accordingly, under our policy of reducing equity risk, we have sold a portion of the shares, but continue to hold the remaining shares.

*Note The number of shares reflects the stock split that became effective on April 1 of the fiscal year following the fiscal year under review, subsequent to the change in the purpose of holding.

The aforementioned stocks were originally held for the purpose of maintaining and expanding long-term, stable business relationships in the insurance sector, as well as to reap medium- to long-term benefits through an increase in equity value and the receipt of dividends and so forth. However, after a comprehensive assessment of the impact that whether or not we hold shares may have on our business relationship with the company, we decided not to retain the shares as strategic shareholdings. Accordingly, we reached an agreement with the company regarding the disposal of the shares.

Meanwhile, our asset management division decided to continue holding the shares as part of its equity portfolio for pure investment purposes. As a result, the purpose of holding was changed to pure investment.

In line with our policy of reducing equity risk and other relevant policies, a portion of the shares has been sold since the purpose of holding was changed to pure investment.

Decisions regarding the retention or disposal of shares held for pure investment purposes, including the aforementioned stocks, are made by T&D Asset Management Co., Ltd. (TDAM) under a discretionary investment management agreement. Such decisions are made in the context of maintaining a certain allocation to equities within the investment portfolio, with the objective of maximizing investment efficiency as an institutional investor.

The exercise of voting rights is also carried out by TDAM in accordance with its voting rights exercise guidelines.

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 shares 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. Stocks of which the holding purpose has been changed from pure investment to other than pure investment in the current fiscal year.

Not applicable.

4. Stocks of which the holding purpose has been changed from other than pure investment to pure investment in the current fiscal year and the four preceding fiscal years.

Not applicable.

Stock Information

As of March 31, 2026

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: 488,000,000
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	- 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	181,281

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)	77,756	16.11
Custody Bank of Japan, Ltd. (Trust Account)	28,407	5.89
GOLDMAN, SACHS & CO. REG	24,131	5.00
STATE STREET BANK AND TRUST COMPANY 505001	19,261	3.99
JP Morgan Securities Japan Co., Ltd.	10,664	2.21
THE CHASE MANHATTAN BANK, N. A. LONDONSECS LENDING OMNIBUS ACCOUNT	8,558	1.77
STATE STREET BANK AND TRUST COMPANY 505103	7,000	1.45
JP MORGAN CHASE BANK 385781	6,689	1.39
AIG General Insurance Company, Ltd.	6,000	1.24
JP MORGAN CHASE BANK 380081	5,452	1.13

* The Company holds 5,425 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.	214,018	43.86
Trust Banks	120,178	24.63
Other Corporations	74,013	15.17
Individuals and Others	38,298	7.85
Financial Instruments Business Operators	25,438	5.21
Banks	7,822	1.60
Non-life Insurance Companies	6,000	1.23
Other Financial Institutions	1,687	0.35
Life Insurance Companies	543	0.11

* Treasury shares are not excluded in calculating the shareholding ratios. Treasury shares of 5,425 thousand shares are included in "Individuals and others."

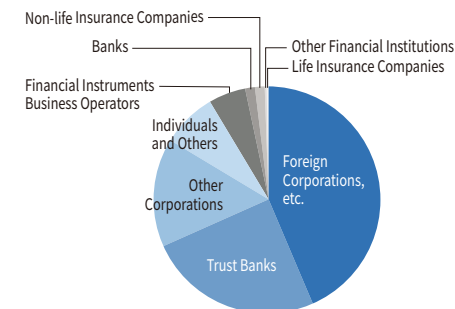
Composition of Shareholders

	Shareholders	%
Individuals and Others	119,972	66.18
Other Corporations	60,366	33.30
Foreign Corporations, etc.	832	0.46
Financial Instruments Business Operators	35	0.02
Trust Banks	23	0.01
Other Financial Institutions	21	0.01
Life Insurance Companies	20	0.01
Banks	11	0.01
Non-life Insurance Companies	1	0.00

Regional Distribution of Shares Held

	%
Japan	56.14
Europe (including British Overseas Territories), the Middle East and Africa	21.65
U.S.	20.75
Asia-Pacific	1.45
Others	0.00

* Treasury shares are not excluded in calculating the shareholding ratios.



Changes in Stated Capital

Date	Stated Capital (¥ billion)	Notes
April 1, 2004	100.0	Company established through a stock transfer
March 14, 2006	116.1	Capital increase through public offering
March 28, 2006	118.5	Capital increase through third-party allotment
March 10, 2009	143.8	Capital increase through public offering
March 24, 2009	147.6	Capital increase through third-party allotment
December 16, 2009	199.3	Capital increase through public offering
December 28, 2009	207.1	Capital increase through third-party allotment

I Overview and Organization of Insurance Holding Company

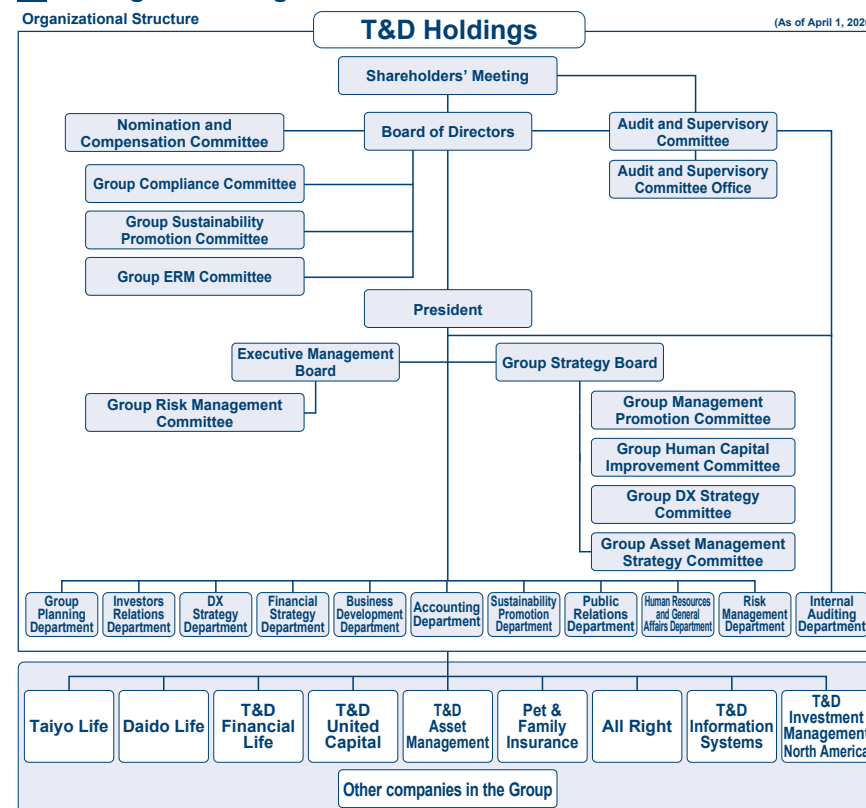
1 History

May	1893	Taiyo Life was founded as Nagoya Life Insurance Co., Ltd.
July	1902	Daido Life Insurance Company was founded as a joint stock company through the merger of three companies—Asahi Life, Gokoku Life and Hokkai Life.
July	1947	Daido Life was reestablished as a mutual company.
February	1948	Taiyo Life was reestablished as a mutual company.
January	1999	Taiyo Life and Daido Life formed a broad business alliance.
June	1999	Taiyo Life and Daido Life decided on T&D Insurance Group as the group name.
October	1999	T&D Taiyo Daido Asset Management Co., Ltd. was launched through the merger of domestic investment advisory companies.
October	1999	Operations of policy confirmation was integrated into T&D Confirm Ltd.
October	2001	Taiyo Life and Daido Life jointly acquired shares of T&D Financial Life (former Tokyo Life Insurance Company).
October	2001	System divisions were integrated into T&D Information System, Ltd.
April	2002	Daido Life was demutualized to a joint stock company, with its shares listed on the Tokyo Stock Exchange and the Osaka Securities Exchange.
July	2002	T&D Taiyo Daido Asset Management and Daido Life Investment Trust Management were merged into T&D Asset Management Co., Ltd.
August	2002	Leasing businesses were integrated into T&D Lease Co., Ltd.
April	2003	Taiyo Life was demutualized to a joint stock company, with its shares listed on the Tokyo Stock Exchange.
March	2004	Taiyo Life and Daido Life delisted their shares.
April	2004	T&D Holdings, Inc. was established with its shares listed on the Tokyo Stock Exchange and the Osaka Securities Exchange. Taiyo Life, Daido Life and T&D Financial Life became wholly owned subsidiaries of T&D Holdings.
April	2004	Group administrative service companies were merged into T&D Customer Services Co., Ltd.
July	2006	Headquarters operations of four group companies (T&D Holdings, Taiyo Life, Daido Life and T&D Financial Life) and T&D Asset Management were consolidated and relocated.
January	2007	T&D Holdings made Japan Family Insurance Planning, Inc. (currently Pet & Family Insurance Co., Ltd.) a subsidiary.
March	2007	T&D Holdings made T&D Asset Management Co., Ltd. a direct subsidiary.
January	2016	Headquarters operations of three group companies (T&D Holdings, Taiyo Life and Daido Life) were relocated to Nihonbashi, Chuo-ku, Tokyo.
April	2019	Pet & Family Small-amount Short-term Insurance Company was converted to a non-life insurance company and renamed to Pet & Family Insurance Co., Ltd.
July	2019	T&D United Capital Co., Ltd. began its business.
October	2022	All Right Co., Ltd. began its business.
September	2024	T&D Holdings made T&D Information System, Ltd. a direct subsidiary.
April	2026	T&D Investment Management North America Inc. began its business.

2 Corporate Overview

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
Telephone	+81-(0)3-3272-6110
The Company's Website	https://www.td-holdings.co.jp/en/
Type of Business	- Management control of life insurance subsidiaries under the Insurance Business Act of Japan and other laws and regulations - Other businesses incidental to the business listed in the preceding item
Paid-in Capital	207,100 million yen
Number of Employees	114 (as of March 31, 2026)

3 Management Organization



4 Name of Independent Auditor

Ernst & Young ShinNihon LLC

II

Overview of Insurance Holding Company and Its Subsidiaries, etc.

1 Main Business Activities and Organizational Structure

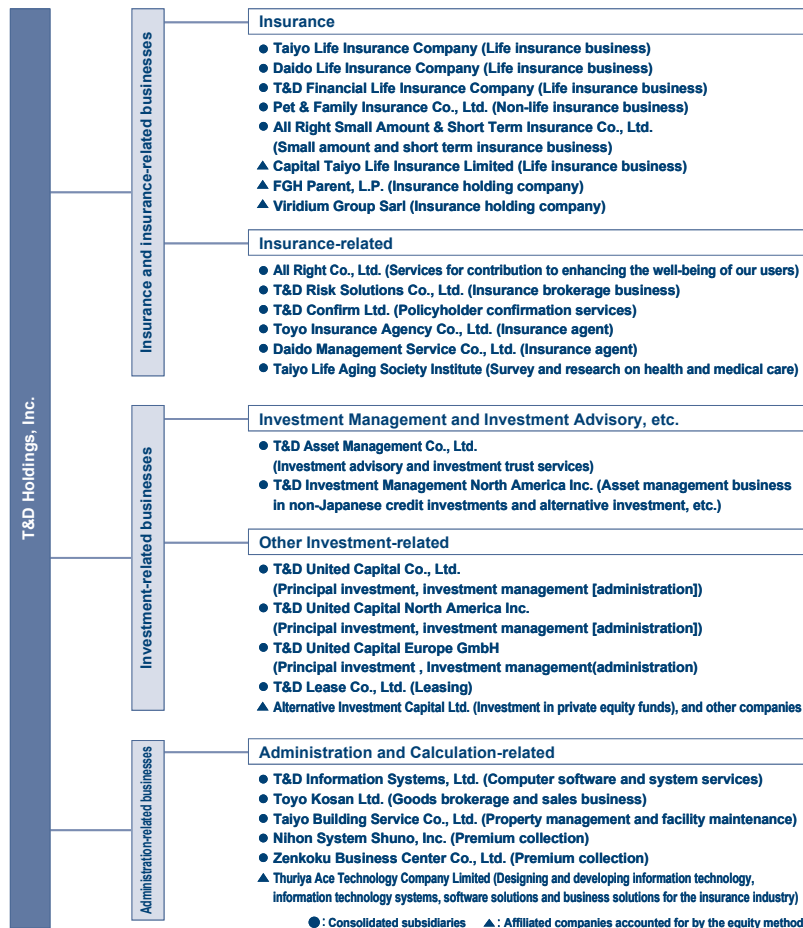
(1) Business Activities

As an insurance holding company, the Company mainly operates the following businesses:

- 1) Management control of life insurance subsidiaries under the Insurance Business Act of Japan and other laws and regulations
- 2) Other business incidental to the business listed in the preceding item

(2) Organizational Structure

As of March 31, 2026, the T&D Insurance Group comprises the Company, 24 subsidiaries, and fifteen affiliated companies. Centered on the life insurance business, the T&D Insurance Group's operations are outlined below:



2 Matters Concerning Subsidiaries, etc.

(As of March 31, 2026)

Company name	Location of principal sales office or office	Business activities	Date of establishment	Paid-in capital (Millions of yen, except where otherwise noted)	Ratio of voting rights held by the Company to total (%)	Ratio of voting rights held by the Company's subsidiaries, etc. to total (%)
Taiyo Life Insurance Company	2-7-1, Nihonbashi, Chuo-ku, Tokyo	Life insurance business	February 16, 1948	62,500	100.0	—
Daido Life Insurance Company	1-2-1, Edobori, Nishi-ku, Osaka, Osaka-fu	Life insurance business	July 14, 1947	110,000	100.0	—
T&D Financial Life Insurance Company	1-1-1, Shiba, Minato-ku, Tokyo	Life insurance business	July 16, 1947	56,000	100.0	—
T&D United Capital Co., Ltd.	2-7-1, Nihonbashi, Chuo-ku, Tokyo	Principal investment, investment management [administration]	June 11, 2019	5,500	100.0	—
T&D Asset Management Co., Ltd.	5-36-7, Shiba, Minato-ku, Tokyo	Investment advisory and investment trust services	December 19, 1980	1,100	100.0	—
Pet & Family Insurance Co., Ltd.	4-27-3, Higashi-Ueno, Taiho-ku, Tokyo	Non-life insurance business	August 8, 2003	3,656	100.0	—
All Right Co., Ltd.	7-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo	Services for contribution to enhancing the well-being of our users	September 15, 2022	1,250	100.0	—
T&D Information System, Ltd.	4-2-18, Harigaya, Urawa-ku, Saitama, Saitama-ken	Computer software and system services	July 15, 1999	300	100.0	—
T&D Investment Management North America Inc.	251 Little Falls Drive, Wilmington, DE 19808, U.S.A.	Management of foreign credits and alternative assets, etc.	August 8, 2025	USD 10	100.0	—
T&D United Capital North America Inc.	485 Lexington Avenue, Suite 3000, New York, NY 10017, U.S.A.	Principal investment, investment management [administration]	December 11, 2019	USD 10	—	100.0
T&D United Capital Europe GmbH	c/o Mindspace, Grünstraße 15, 40212 Düsseldorf, Germany	Principal investment, investment management [administration]	January 21, 2026	EUR 2,500	—	100.0
T&D Risk Solutions Co., Ltd.	Kabutocho 1st Heiwa Bldg. 3rd Floor, 5-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo	Insurance brokerage business	May 19, 2023	50	—	100.0
All Right Small Amount & Short Term Insurance Co., Ltd.	2-24-3, Hatchobori, Chuo-ku, Tokyo	Small amount and short term insurance business	November 16, 2022	1,685	—	100.0
T&D Confirm Ltd.	2-17-4, Akabane, Kita-ku, Tokyo	Policyholder confirmation services	July 5, 1991	30	—	100.0
T&D Lease Co., Ltd.	2-16-2, Konan, Minato-ku, Tokyo	Leasing	September 5, 1966	150	—	100.0
Toyo Insurance Agency Co., Ltd.	2-17-4, Akabane, Kita-ku, Tokyo	Insurance agent	June 4, 1971	70	—	100.0
Taiyo Life Aging Society Institute	2-11-2, Nihonbashi, Chuo-ku, Tokyo	Survey and research on health and medical care	April 1, 2020	20	—	100.0
Toyo Kosan Ltd.	Toyo Kosan Bldg., 2-29-13, Minami-Ikebukuro, Toshima-ku, Tokyo	Goods brokerage and sales business	November 13, 1957	100	—	100.0
Taiyo Building Service Co., Ltd.	2-7-1, Nihonbashi, Chuo-ku, Tokyo	Real estate management business	April 1, 2025	25	—	100.0
Daido Management Service Co., Ltd.	17-10, Nihonbashi-Koamicho, Chuo-ku, Tokyo	Insurance agent	November 1, 1974	30	—	100.0
Nihon System Shuno, Inc.	1-23-101, Esakacho, Saita, Osaka-fu	Premium collection	October 1, 2002	36	—	50.0
Zenkoku Business Center Co., Ltd.	17-10, Nihonbashi-Koamicho, Chuo-ku, Tokyo	Premium collection	May 18, 1972	12	—	100.0
Capital Taiyo Life Insurance Limited	No. 7, Pyay Road Hlaing Township, Yangon Region, Myanmar	Life insurance business	October 12, 2012	MMK 9,230 million	—	35.0
Thuriya Ace Technology Company Limited	MICT Park Building 18, 8th Floor Hlaing Township, Yangon Region, Myanmar	Designing and developing information technology, information technology systems, software solutions and business solutions for the insurance industry	February 1, 2017	MMK 2,351 million	—	49.0
Alternative Investment Capital Ltd.	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	Investment in private equity funds	July 15, 2002	400	—	36.0
FGH Parent, L.P.	Chesney House - 3rd Floor 96 Pitts Bay Road Pembroke Parish HM 08, Bermuda	Insurance holding company	October 1, 2021	USD 5,321 million	—	26.4



Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

1 Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

Account	As of March 31, 2025	As of March 31, 2026
(Assets)		
Cash and deposits	778,681	422,810
Call loans	10,089	279,703
Monetary claims purchased	170,671	120,609
Monetary trusts	1,115,454	1,220,462
Securities	12,305,953	12,869,591
Loans	1,653,720	1,508,095
Tangible fixed assets	373,697	370,247
Land	208,807	207,188
Buildings	157,831	154,457
Lease assets	405	1,860
Construction in progress	368	713
Other tangible fixed assets	6,284	6,028
Intangible fixed assets	55,057	66,245
Software	53,882	65,119
Lease assets	22	7
Other intangible fixed assets	1,152	1,118
Due from agencies	282	248
Reinsurance receivable	60,578	229,946
Other assets	181,355	215,817
Retirement benefit asset	10,062	17,357
Deferred tax assets	301	359
Reserve for possible loan losses	(2,962)	(3,166)
Total assets	16,712,943	17,318,329
(Liabilities)		
Policy reserves	13,721,161	13,979,640
Reserve for outstanding claims	84,167	86,953
Policy reserve	13,568,704	13,825,376
Reserve for policyholder dividends	68,289	67,311
Due to agencies	1,215	1,293
Reinsurance payable	42,233	36,017
Short-term debentures	7,989	7,980
Bonds	120,000	224,000
Other liabilities	1,063,238	1,028,181
Provision for bonuses to directors and audit and supervisory committee members	349	379
Provision for share-based remuneration	2,265	3,128
Retirement benefit liability	33,767	22,976
Provision for directors' and audit and supervisory committee members' retirement benefits	27	19
Reserves under the special laws	281,262	299,844
Reserve for price fluctuations	281,262	299,844
Deferred tax liabilities	25,897	92,823
Deferred tax liabilities on land revaluation	4,470	4,406
Total liabilities	15,303,878	15,700,692
(Net assets)		
Capital stock	207,111	207,111
Retained earnings	598,756	522,349
Treasury shares	(75,106)	(23,740)
Total shareholders' equity	730,762	705,720
Valuation difference on available-for-sale securities	533,048	735,816
Deferred gains (losses) on hedging instruments	(1,853)	(1,891)
Revaluation reserve for land	(6,124)	(6,232)
Foreign currency translation adjustments	28,079	51,354
Debt value adjustments of foreign subsidiaries and affiliates	(1,704)	(5,135)
Policy value adjustments of foreign subsidiaries and affiliates	(3,618)	(3,440)
Valuation difference on policy reserves of foreign subsidiaries and affiliates	124,448	135,736
Total accumulated other comprehensive income	672,276	906,208
Subscription rights to shares	304	196
Non-controlling interests	5,721	5,511
Total net assets	1,409,064	1,617,637
Total liabilities and net assets	16,712,943	17,318,329

Company name	Location of principal sales office or office	Business activities	Date of establishment	Paid-in capital (Millions of yen, except where otherwise noted)	Ratio of voting rights held by the Company to total (%)	Ratio of voting rights held by the Company's subsidiaries, etc. to total (%)
Viridium Group Sarl	9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg	Insurance holding company	December 5, 2024	EUR 10million	—	29.9
Viridium Group GmbH & Co. KG	Breidenbachstraße 56, 51373 Leverkusen, Germany	Insurance holding company	July 4, 2013	EUR 500	—	—
Viridium Holding AG	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance holding company	March 4, 2013	EUR 50,000	—	—
Proxalto Lebensversicherung Aktiengesellschaft (AG)	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance company	December 18, 1987	EUR 223million	—	—
Heidelberger Lebensversicherung AG	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance company	December 19, 1990	EUR 13million	—	—
Skandia Lebensversicherung Aktiengesellschaft (AG)	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance company	June 3, 1991	EUR 3million	—	—
Entis Lebensversicherung AG	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance company	August 15, 2016	EUR 3million	—	—
Viridium Rückversicherung AG	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Reinsurance company	May 9, 2018	EUR 3million	—	—

Notes:

- The Company's material consolidated subsidiaries and affiliated entities accounted for under the equity method are listed above.
- Dates of establishment of Taiyo Life Insurance Company and Dai-ichi Life Insurance Company are the dates of incorporation as mutual companies. Both were converted to joint stock companies, the former on April 1, 2003, and the latter on April 1, 2002, respectively.
- Date of establishment of T&D Financial Life Insurance Company is the date of incorporation as Tokyo Mutual Life Insurance Company. Tokyo Mutual Life Insurance Company was converted to a joint stock company on October 17, 2001 and its company name was changed to the current one.
- Date of establishment of Pet & Family Insurance Co., Ltd. is the date of incorporation as Japan Family Insurance Planning, Inc. After changing its business name to Pet & Family Small-amount Short-term Insurance Company on January 5, 2007, it was renamed its current name upon obtaining a non-life insurance business license from Financial Services Agency on April 1, 2019.
- The yen equivalent of the capital amount of Capital Taiyo Life Insurance Limited, calculated using the exchange rate as of the date of the close of the account, is ¥701 million.
- The yen equivalent of the capital amount of Thuriya Ace Technology Company Limited, calculated using the exchange rate as of the date of the close of the account, is ¥178 million.
- Viridium Group GmbH & Co. KG is a wholly owned subsidiary of Viridium Group Sarl.
- Viridium Holding AG is a wholly owned subsidiary of Viridium Group GmbH & Co. KG.
- Proxalto Lebensversicherung Aktiengesellschaft (AG), Heidelberger Lebensversicherung AG, Skandia Lebensversicherung Aktiengesellschaft (AG), Entis Lebensversicherung AG, and Viridium Rückversicherung AG are wholly owned subsidiaries of Viridium Holding AG.
- Development and performance of significant business combination
The Group comprises 24 subsidiaries and fifteen affiliated entities, where the consolidated ordinary revenues and profit attributable to owners of parent of the Group including the Company for fiscal year 2025 were ¥3,482.2 billion and ¥138.9 billion, respectively.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(2) Consolidated Statement of Operations

(Millions of yen)

Account	Year ended March 31, 2025	Year ended March 31, 2026
Ordinary revenues	3,730,479	3,482,214
Income from insurance premiums	2,579,821	2,635,783
Investment income	488,335	747,973
Interest, dividends and income from real estate for rent	356,497	397,775
Gains from monetary trusts, net	—	91,696
Gains on sales of securities	115,711	171,544
Foreign exchange gains, net	9,290	55,942
Reversal of reserve for possible loan losses	1,366	—
Other investment income	4,561	4,472
Gains on separate accounts, net	909	26,542
Other ordinary revenues	662,322	96,489
Equity in earnings of affiliates	—	1,967
Ordinary expenses	3,531,884	3,225,023
Insurance claims and other payments	2,968,213	2,309,106
Insurance claims	305,142	307,743
Annuity payments	340,747	341,183
Insurance benefits	176,981	175,354
Surrender payments	851,478	880,702
Other payments	109,889	130,752
Reinsurance premiums	1,183,974	473,368
Provision for policy reserves	14	259,444
Provision for reserve for outstanding claims	—	2,745
Provision for policy reserve	—	256,641
Interest portion of reserve for policyholder dividends	14	57
Investment expenses	216,038	296,040
Interest expenses	2,403	7,316
Losses from monetary trusts, net	6,807	—
Losses on investments in trading securities, net	228	385
Losses on sales of securities	87,357	158,070
Devaluation losses on securities	10,853	556
Losses from derivatives, net	74,393	90,059
Provision for reserve for possible loan losses	—	287
Write-off of loans	—	0
Depreciation of real estate for rent	6,495	6,744
Other investment expenses	27,499	32,620
Operating expenses	265,445	273,747
Other ordinary expenses	80,968	86,684
Equity in losses of affiliates	1,202	—
Ordinary profit	198,595	257,191
Extraordinary gains	8,232	6,377
Gains on disposal of fixed assets	5,541	4,476
Gains on negative goodwill	1,341	1,721
State subsidy	1,349	179
Extraordinary losses	12,215	46,949
Losses on disposal of fixed assets	2,449	26,442
Impairment losses	1,580	1,126
Provision for reserve for price fluctuations	6,814	18,582
Head office transfer cost	—	603
Subsidized project expenses	1,370	179
Other extraordinary losses	—	15
Provision for reserve for policyholder dividends	25,917	25,459
Profit before income taxes	168,695	191,160
Income taxes (current)	53,704	60,199
Income taxes (deferred)	(12,386)	(9,014)
Total income taxes	41,318	51,185
Profit	127,377	139,974
Profit attributable to non-controlling interests	992	1,006
Profit attributable to owners of parent	126,384	138,968

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

Account	Year ended March 31, 2025	Year ended March 31, 2026
Profit	127,377	139,974
Other comprehensive income	(128,966)	233,971
Valuation difference on available-for-sale securities	(140,827)	192,409
Deferred gains (losses) on hedging instruments	367	(37)
Revaluation reserve for land	(139)	—
Foreign currency translation adjustments	(3)	180
Share of other comprehensive income of companies accounted for under the equity method	11,635	41,418
Comprehensive income	(1,589)	373,945
Comprehensive income attributable to owners of parent	(2,906)	373,015
Comprehensive income attributable to non-controlling interests	1,316	930

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(4) Consolidated Statement of Changes in Net Assets

Year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedging instruments	Revaluation reserve for land
Balance at the beginning of the year	207,111	—	533,841	(26,610)	714,342	668,135	(2,221)	(19,410)
Cumulative effects of revision in accounting standards for foreign subsidiaries and affiliates			(8,458)		(8,458)	24,088		
Restated balance	207,111	—	525,382	(26,610)	705,883	692,224	(2,221)	(19,410)
Changes in the period								
Dividends			(39,561)		(39,561)			
Profit attributable to owners of parent			126,384		126,384			
Purchase of treasury shares				(48,778)	(48,778)			
Disposal of treasury shares		(24)		283	259			
Reversal of revaluation reserve for land			(13,425)		(13,425)			
Transfer to capital surplus from retained earnings		24	(24)		—			
Net changes of items other than shareholders' equity						(159,176)	367	13,285
Total changes in the period	—	—	73,373	(48,495)	24,878	(159,176)	367	13,285
Balance at the end of the year	207,111	—	598,756	(75,106)	730,762	533,048	(1,853)	(6,124)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Debt value adjustments of foreign subsidiaries and affiliates	Insurance contract value adjustments of foreign subsidiaries and affiliates	Valuation difference on policy reserves of foreign subsidiaries and affiliates	Total accumulated other comprehensive income			
Balance at the beginning of the year	38,906	3,810	—	—	689,220	343	6,020	1,409,926
Cumulative effects of revision in accounting standards for foreign subsidiaries and affiliates	(3,048)	(6,299)	(8,764)	92,944	98,921			90,463
Restated balance	35,858	(2,488)	(8,764)	92,944	788,142	343	6,020	1,500,389
Changes in the period								
Dividends								(39,561)
Profit attributable to owners of parent								126,384
Purchase of treasury shares								(48,778)
Disposal of treasury shares								259
Reversal of revaluation reserve for land								(13,425)
Transfer to capital surplus from retained earnings								—
Net changes of items other than shareholders' equity	(7,778)	784	5,146	31,504	(115,865)	(39)	(298)	(116,203)
Total changes in the period	(7,778)	784	5,146	31,504	(115,865)	(39)	(298)	(91,324)
Balance at the end of the year	28,079	(1,704)	(3,618)	124,448	672,276	304	5,721	1,409,064

Year ended March 31, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedging instruments	Revaluation reserve for land
Balance at the beginning of the year	207,111	—	598,756	(75,106)	730,762	533,048	(1,853)	(6,124)
Changes in the period								
Dividends			(51,437)		(51,437)			
Profit attributable to owners of parent			138,968		138,968			
Purchase of treasury shares				(113,073)	(113,073)			
Disposal of treasury shares		(116)		509	393			
Retirement of treasury shares		(163,929)		163,929	—			
Reversal of revaluation reserve for land			108		108			
Transfer to capital surplus from retained earnings		164,046	(164,046)		—			
Net changes of items other than shareholders' equity						202,768	(37)	(108)
Total changes in the period	—	—	(76,407)	51,365	(25,041)	202,768	(37)	(108)
Balance at the end of the year	207,111	—	522,349	(23,740)	705,720	735,816	(1,891)	(6,232)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Debt value adjustments of foreign subsidiaries and affiliates	Insurance contract value adjustments of foreign subsidiaries and affiliates	Valuation difference on policy reserves of foreign subsidiaries and affiliates	Total accumulated other comprehensive income			
Balance at the beginning of the year	28,079	(1,704)	(3,618)	124,448	672,276	304	5,721	1,409,064
Changes in the period								
Dividends								(51,437)
Profit attributable to owners of parent								138,968
Purchase of treasury shares								(113,073)
Disposal of treasury shares								393
Retirement of treasury shares								—
Reversal of revaluation reserve for land								108
Transfer to capital surplus from retained earnings								—
Net changes of items other than shareholders' equity	23,274	(3,431)	177	11,287	233,931	(107)	(209)	233,614
Total changes in the period	23,274	(3,431)	177	11,287	233,931	(107)	(209)	208,572
Balance at the end of the year	51,354	(5,135)	(3,440)	135,736	906,208	196	5,511	1,617,637

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(5) Consolidated Statement of Cash Flows

(Millions of yen)

Account	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	168,695	191,160
Depreciation of real estate for rent	6,495	6,744
Depreciation	15,391	16,598
Impairment losses	1,580	1,126
Gains on negative goodwill	(1,341)	(1,721)
Increase (decrease) in reserve for outstanding claims	(413)	2,745
Increase (decrease) in policy reserve	(579,691)	256,641
Interest portion of reserve for policyholder dividends	14	57
Provision for reserve for (reversal of) policyholder dividends	25,917	25,459
Increase (decrease) in reserve for possible loan losses	(1,654)	287
Increase (decrease) in provision for bonuses to directors and audit and supervisory committee members	76	33
Increase (decrease) in provision for share-based remuneration	861	862
Decrease (increase) in retirement benefit asset	673	(7,294)
Increase (decrease) in retirement benefit liability	(1,694)	(10,790)
Increase (decrease) in provision for directors' and audit and supervisory committee members' retirement benefits	2	(7)
Increase (decrease) in reserve for price fluctuations	6,814	18,582
Interest, dividends and income from real estate for rent	(356,497)	(397,775)
Losses (gains) on investment securities	(18,180)	(39,074)
Interest expenses	2,403	7,316
Foreign exchange losses (gains), net	(10,866)	(55,352)
Losses (gains) on disposal of tangible fixed assets	(3,337)	(3,009)
Equity in losses (earnings) of affiliates	1,202	(1,987)
Decrease (increase) in amount due from agencies	42	34
Decrease (increase) in amount reinsurance receivable	17,102	(168,714)
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(32,717)	(17,628)
Increase (decrease) in amount due to agencies	(368)	78
Increase (decrease) in amount reinsurance payable	12,675	(6,215)
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	(2,772)	3,677
Others, net	104,302	51,579
Subtotal	(645,284)	(126,569)
Interest, dividends and income from real estate for rent received	325,498	368,397
Interest paid	(2,023)	(6,776)
Policyholder dividends	(26,440)	(26,483)
Others, net	1,869	6,741
Income taxes (paid) refunded	(13,486)	(65,087)
Net cash provided by (used in) operating activities	(359,867)	150,221
Cash flows from investing activities		
Net decrease (increase) in cash and deposits	(17,400)	10,300
Investments in monetary claims purchased	(4,194)	(6,997)
Proceeds from sales and redemption of monetary claims purchased	16,350	6,065
Investments in monetary trusts	(90,418)	(79,330)
Proceeds from monetary trusts	124,000	62,000
Purchase of securities	(1,763,246)	(1,817,067)
Proceeds from sales and redemption of securities	1,749,088	1,738,612
Investments in loans	(290,453)	(313,364)
Collection of loans	370,133	470,325
Others, net	5,977	(328,610)
Subtotal	99,836	(258,068)
Total of net cash provided by (used in) operating activities and investment transactions as above	(260,030)	(107,847)
Purchase of tangible fixed assets	(19,598)	(13,424)
Proceeds from disposal of tangible fixed assets	14,563	8,663
Proceeds from acquisition of subsidiaries resulting in change in scope of consolidation	—	1,775
Others, net	(531)	(446)
Net cash provided by (used in) investing activities	94,269	(261,502)
Cash flows from financing activities		
Net increase (decrease) in short-term debentures	(5)	(8)
Proceeds from issuance of debt	16,000	182,900
Repayments of debt	(13,245)	(142,306)
Proceeds from issuance of bond	30,000	104,000
Redemption of bonds	(30,000)	—
Proceeds from share issuance to non-controlling shareholders	92	87
Repayments to non-controlling shareholders	(1,688)	(1,205)
Payment of lease obligations	—	(490)
Purchase of treasury shares	(48,778)	(106,322)
Disposal of treasury shares	220	285
Dividends paid	(39,420)	(51,303)
Dividends paid to non-controlling interests	(23)	(23)
Others, net	0	0
Net cash provided by (used in) financing activities	(87,340)	(14,685)
Effect of exchange rate changes on cash and cash equivalents	2,363	(978)
Net increase (decrease) in cash and cash equivalents	(350,573)	(126,945)
Cash and cash equivalents at the beginning of the year	1,172,006	823,096
Net increase (decrease) in cash and cash equivalents resulting in change in scope of consolidation	1,664	—
Cash and cash equivalents at the end of the year	823,096	696,151

Notes to Consolidated Financial Statements

Summary of Significant Accounting Policies

Year ended March 31, 2025	Year ended March 31, 2026
1. Matters related to the scope of consolidation (1) Number of consolidated subsidiaries: 21 The names of the consolidated subsidiaries: Taiyo Life Insurance Company Daido Life Insurance Company T&D Financial Life Insurance Company T&D United Capital Co., Ltd. T&D Asset Management Co., Ltd. Pet & Family Insurance Co., Ltd. All Right Co., Ltd. T&D United Capital North America Inc. T&D Risk Solutions Co., Ltd. T&D Confirm Ltd. T&D Information System, Ltd. T&D Lease Co., Ltd. Taiyo Credit Guarantee Co., Ltd. Toyo Insurance Agency Co., Ltd. Taiyo Life Aging Society Institute Daido Management Service Co., Ltd. Nihon System Shuno Inc. Zenkoku Business Center Co., Ltd. Toyo Kosan Ltd. and 2 other companies In the consolidated fiscal year ended March 31, 2025, Toyo Kosan Ltd. was included in the scope of consolidation due to an increase in the share of voting rights following its purchase of treasury shares.	1. Matters related to the scope of consolidation (1) Number of consolidated subsidiaries: 24 The names of the consolidated subsidiaries: Taiyo Life Insurance Company Daido Life Insurance Company T&D Financial Life Insurance Company T&D United Capital Co., Ltd. T&D Asset Management Co., Ltd. Pet & Family Insurance Co., Ltd. All Right Co., Ltd. T&D Investment Management North America Inc. T&D United Capital North America Inc. T&D United Capital Europe GmbH T&D Risk Solutions Co., Ltd. T&D Confirm Ltd. T&D Information System, Ltd. T&D Lease Co., Ltd. Toyo Insurance Agency Co., Ltd. Taiyo Life Aging Society Institute Taiyo Building Service Co., Ltd. Daido Management Service Co., Ltd. Nihon System Shuno Inc. Zenkoku Business Center Co., Ltd. Toyo Kosan Ltd. All Right Small Amount & Short Term Insurance Co., Ltd. and 2 other companies In the consolidated fiscal year ended March 31, 2026, the following companies were included in the scope of consolidation: T&D Investment Management North America Inc. due to its establishment; Taiyo Building Service Co., Ltd. due to its establishment by Taiyo Life Insurance Company; T&D United Capital Europe GmbH due to its establishment by T&D United Capital Co., Ltd.; and All Right Small Amount & Short Term Insurance Co., Ltd. (former Aflac Pet Short-Term Insurance Co., Ltd.) due to its conversion to a subsidiary by All Right Co., Ltd. In addition, Taiyo Credit Guarantee Co., Ltd. was excluded from the scope of consolidation, since Taiyo Life Insurance Company transferred all of its shares in its consolidated subsidiary Taiyo Credit Guarantee Co., Ltd. to a company outside the T&D Insurance Group.
(2) Names of main non-consolidated subsidiaries, etc.: none	(2) Names of main non-consolidated subsidiaries, etc.: none
2. Matters related to the application of the equity method (1) Number of non-consolidated subsidiaries accounted for under the equity method: none (2) Number of affiliates accounted for under the equity method: 5 The affiliates accounted for under the equity method are Capital Taiyo Life Insurance, Ltd., Thuriya Ace Technology Co., Ltd., Alternative Investment Capital Ltd., FGH Parent, L.P., and 1 other company.	2. Matters related to the application of the equity method (1) Number of non-consolidated subsidiaries accounted for under the equity method: none (2) Number of affiliates accounted for under the equity method: 15 The affiliates accounted for under the equity method are Capital Taiyo Life Insurance Ltd., Thuriya Ace Technology Co., Ltd., Alternative Investment Capital Ltd., FGH Parent, L.P., a total of 8 companies including Viridium Group Sarl and its 7 affiliated companies, Carlyle FCA Re, L. P., and 2 other companies. In the consolidated fiscal year ended March 31, 2026, Viridium Group Sarl and its 7 affiliate companies, Carlyle FCA Re, L.P., and 1 other company were included in affiliates accounted for under the equity method, following the acquisition of interest in these companies by T&D United Capital Co., Ltd.
(3) Names of non-consolidated subsidiaries and affiliates not accounted for under the equity method, etc.: none	(3) Same as left
(4) For the companies accounted for under the equity method for which the closing date is different from the consolidated closing date, the financial statements of each company's fiscal year are used. In addition, for some of the companies accounted for under the equity method, financial statements, based on provisional settlement of accounts implemented on other record date, are used.	(4) Same as left

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026
3. Matters related to the fiscal year of consolidated subsidiaries, etc. The closing dates of some consolidated subsidiaries are December 31 and their financial statements as of the same date are used for preparing the consolidated financial statements. The necessary adjustments for consolidation are made when important transactions occur between the closing dates and the consolidated closing date.	3. Matters related to the fiscal year of consolidated subsidiaries, etc. Same as left
4. Matters concerning accounting policy (1) Evaluation criteria and evaluation method for significant assets 1) Evaluation criteria and evaluation method for securities (including cash and deposits/monetary claims purchased which are equivalent to securities and securities invested as trust properties in monetary trusts) a. Trading securities - Fair value method (costs of securities sold are calculated based on the moving average method) b. Held-to-maturity bonds - Amortized cost method based on the moving average method (straight-line method) c. Policy-reserve-matching bonds - Amortized cost method based on the moving average method (straight-line method) d. Available-for-sale securities - Securities other than stocks without market prices are valued by using the fair value method (cost of sales is calculated by using the moving average method). - Stocks without market prices are valued at the cost method using the moving average method. The valuation differences of available-for-sale securities are reported as a component of net assets. For some of the consolidated subsidiaries, translation differences of bonds in foreign currency-denominated available-for-sale securities are treated as follows: the translation differences from foreign currency fair value fluctuations are recorded as "net unrealized gains (losses)" and the remaining differences as "foreign exchange gains (losses)." The overview of the risk management policies of policy-reserve-matching bonds (Taiyo Life) Managed by setting the investment policy of attempting to effectively reduce the risk of the whole portfolio by asset mix which is based on a balanced-type ALM aiming at exceeding medium- and long-term liability cost. Taking into account this investment policy and based on the "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds within the Insurance Industry" (JICPA, Industry Audit Committee Report No. 21), the following insurance policies are identified and classified as a sub-segment. - All policies except for group insurance products segment, other insurance product segment, non-participating currency designation type single-premium individual annuity insurance, non-participating currency designation type special endowment insurance with living benefit, etc. in the general asset segment - All non-participating currency specific-type single-premium individual annuity insurance policies and non-participating currency designation type special endowment insurance with living benefit by currency in the general asset segment - All defined contribution corporate pension insurance policies in the group annuity insurance asset segment - All insurance policies in the variable interest rate type single-premium insurance asset segment	4. Matters concerning accounting policy (1) Evaluation criteria and evaluation method for significant assets 1) Evaluation criteria and evaluation method for securities (including cash and deposits/monetary claims purchased which are equivalent to securities and securities invested as trust properties in monetary trusts) a. Trading securities Same as left b. Held-to-maturity bonds Same as left c. Policy-reserve-matching bonds Same as left d. Available-for-sale securities Same as left (Taiyo Life) Same as left

Year ended March 31, 2025	Year ended March 31, 2026
(Daido Life) Managed by setting the investment policy fully considering the characteristics and the risk tolerance of insurance products in order to ensure the fulfillment of future obligations. Based on this investment policy, sub-segments in accordance with the characteristics of the insurance products are set and bonds held in the attempt to control the duration within each sub-segment are classified as policy-reserve-matching bonds. The sub-segments are set as follows: - Individual insurance/individual annuity insurance in the general asset segment - Individual insurance/individual annuity insurance in the non-participating insurance asset segment (subjects are the cash flows likely to occur in the period of over 5 years and within 40 years in the future) - Group annuity insurance in the group annuity insurance asset segment (T&D Financial Life) Sub-segments are set in accordance with the characteristics of the insurance products and the asset management policy is formulated considering each sub-segment in order to manage interest rate risk appropriately. Further, the matching of the duration of policy reserve and policy-reserve-matching bonds within constant width are verified regularly. The sub-segments are set as follows: - Individual insurance (the portion of the future payout at the certain attained age and above of the subject insurance type) - Accumulation rate type individual insurance - Accumulation rate type fixed annuity insurance Note that some insurance types and benefits are excluded. 2) Evaluation criteria and evaluation method of derivative transactions Evaluation of derivative transactions is processed based on the fair value method. (2) Depreciation method for significant depreciable assets 1) Tangible fixed assets (except for lease assets) Depreciation of tangible fixed assets (except for lease assets) is mainly calculated under the declining-balance method. Depreciation of buildings (except for facilities attached to buildings and structures) acquired on and after April 1, 1998, and facilities attached to buildings and structures acquired on and after April 1, 2016, is calculated under the straight-line method. The main durable years are as follows: Buildings, facilities attached to buildings and structures: 2-50 years Furniture and fixtures: 2-20 years 2) Intangible fixed assets (except for lease assets) Depreciation of software used in-house is calculated under the straight-line method over a useful life of five years. 3) Lease assets For the depreciation of lease assets, lease assets with respect to ownership-transfer finance leases are calculated under the same method for self-owned tangible fixed assets, and lease assets with respect to non-ownership-transfer finance leases are calculated under the straight-line method over the lease period. 4) Treatment of deferred assets Bond issuance expenses are recorded in full as costs at the time of incurrence.	(Daido Life) Same as left (T&D Financial Life) Same as left 2) Evaluation criteria and evaluation method of derivative transactions Same as left (2) Depreciation method for significant depreciable assets 1) Tangible fixed assets (except for lease assets) Same as left 2) Intangible fixed assets (except for lease assets) Same as left 3) Lease assets Same as left 4) Treatment of deferred assets Same as left

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026
(3) Accounting standard for major reserves 1) Reserve for possible loan losses The reserve for possible loan losses of the Three Life Insurance Companies is allocated in accordance with the self-assessment criteria and amortization/provision criteria of assets in order to provide for losses due to irrecoverable credits, as follows: For loans to borrowers who are in a state of legal/formal bankruptcy such as bankruptcy and civil rehabilitation, or in a state of substantial bankruptcy, the remaining amount of the loan after directly deducting the amount stated below, less the estimated amount collectible from collateral and guarantees is recorded. For loans to borrowers who are not yet bankrupt but highly likely to fall into bankruptcy, the amount deemed necessary from the overall assessment of the borrowers' solvency is recorded from the remaining amount of the loan after deducting the estimated amount collectible from collateral and guarantees. For loans other than the above (performing loans and doubtful loans), historical loan-loss ratio calculated from the loan losses from the fixed period in the past, multiplied by the loan amount, etc., is recorded. All loans are subject to asset assessment by the related division based on the self-assessment criteria of the assets. The reserve mentioned above is implemented based on the assessment results, after the asset auditing division independent from the related division audits the assessment results. For collateralized or guaranteed loans to borrowers subject to bankruptcy or substantial bankruptcy, the amount of loans exceeding the estimated value of collateral or guarantees, which were deemed uncollectible, was directly deducted from the amount of loans in the amount of ¥1,844 million for the year ended March 31, 2025. Consolidated subsidiaries other than the Three Life Insurance Companies allocate reserves for possible loan losses, in accordance with criteria equivalent to the above, based on the results of the assessment which is implemented in the scope deemed necessary considering the importance. 2) Provision for bonuses to directors and Audit and Supervisory Committee members To provide for payment of bonuses to directors and Audit and Supervisory Committee members, a provision for the directors' and Audit and Supervisory Committee members' bonuses is recorded based on the expected amount to be paid as of March 31, 2025. 3) Provision for share-based remuneration To provide for delivery of stock of the Company to employees, etc., the estimated amount of share benefit obligations based on the internal rules of the Company and Group companies is recorded in provision for share-based remuneration. 4) Provision for directors' and Audit and Supervisory Committee members' retirement benefits To provide for directors' and Audit and Supervisory Committee members' retirement benefits, the Company sets up a provision for directors' and Audit and Supervisory Committee members' retirement benefits based on the internal rules of certain consolidated subsidiaries, which is recorded in the amount recognized to have accrued as of March 31, 2025.	(3) Accounting standard for major reserves 1) Reserve for possible loan losses The reserve for possible loan losses of the Three Life Insurance Companies is allocated in accordance with the self-assessment criteria and amortization/provision criteria of assets in order to provide for losses due to irrecoverable credits, as follows: For loans to borrowers who are in a state of legal/formal bankruptcy such as bankruptcy and civil rehabilitation, or in a state of substantial bankruptcy, the remaining amount of the loan after directly deducting the amount stated below, less the estimated amount collectible from collateral and guarantees, is recorded. For loans to borrowers who are not yet bankrupt but highly likely to fall into bankruptcy, the amount deemed necessary from the overall assessment of the borrowers' solvency is recorded from the remaining amount of the loan after deducting the estimated amount collectible from collateral and guarantees. For loans other than the above (performing loans and doubtful loans), historical loan-loss ratio calculated from the loan losses from the fixed period in the past, multiplied by the loan amount, etc., is recorded. All loans are subject to asset assessment by the related division based on the self-assessment criteria of the assets. The reserve mentioned above is implemented based on the assessment results, after the asset auditing division independent from the related division audits the assessment results. For collateralized or guaranteed loans to borrowers subject to bankruptcy or substantial bankruptcy, the amount of loans exceeding the estimated value of collateral or guarantees, which were deemed uncollectible, was directly deducted from the amount of loans in the amount of ¥327 million for the year ended March 31, 2026. Consolidated subsidiaries other than the Three Life Insurance Companies allocate reserves for possible loan losses, in accordance with criteria equivalent to the above, based on the results of the assessment which is implemented in the scope deemed necessary considering the importance. 2) Provision for bonuses to directors and Audit and Supervisory Committee members Same as left 3) Provision for share-based remuneration Same as left 4) Provision for directors' and Audit and Supervisory Committee members' retirement benefits Same as left

Year ended March 31, 2025	Year ended March 31, 2026																												
(4) Accounting method for employees' retirement benefits 1) Method for attributing expected retirement benefits to fiscal periods For the calculation of retirement benefit obligations, the method for attributing the expected retirement benefit amount to each period up to the current fiscal year-end is based on the benefit formula standard. 2) Method for amortizing actuarial gain/loss and past service cost Actuarial gains and losses and past service costs are fully expensed in the fiscal year which they accrue. (5) Allocation method for reserve for price fluctuations Reserves for price fluctuations of the Three Life Insurance Companies are allocated in order to provide for losses due to price fluctuations, which is pursuant to requirements under Article 115 of the Insurance Business Act. (6) Foreign currency translation Foreign currency-denominated assets and liabilities are translated into Japanese yen at the prevailing foreign exchange rates at the consolidated balance sheet date. Assets, liabilities, revenues and expenses of the Company's affiliates located outside Japan are translated into Japanese yen at the exchange rates in effect at the respective balance sheet date. Translation differences of foreign currencies are included in net assets as foreign currency translation adjustments. (7) Method for significant hedge accounting (a) Hedge accounting method for Taiyo Life 1) Method for hedge accounting Deferral hedge treatment and fair value hedge treatment are used in hedge accounting. Special treatment is applied for interest rate swap transactions qualifying for special treatment, and allocation treatment is applied for currency swap transactions qualifying for allocation treatment. 2) Hedging instrument and hedged item <table border="1"> <thead> <tr> <th>(Hedging instrument)</th><th>(Hedged item)</th></tr> </thead> <tbody> <tr> <td>Interest rate swap</td><td>Loans and bonds</td></tr> <tr> <td>Currency swap</td><td>Foreign currency-denominated loans</td></tr> <tr> <td>Foreign exchange contract and currency options</td><td>Foreign currency-denominated assets</td></tr> <tr> <td>Options</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds</td></tr> <tr> <td>Credit transaction</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts</td></tr> <tr> <td>Forward contract</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts</td></tr> </tbody> </table> 3) Hedging policy Based on internal rules, etc., in accordance with the risk management policy concerning asset management, cash flow and price fluctuation risks related to hedged items are hedged within a certain range. 4) Evaluation method for hedge effectiveness Hedge effectiveness is evaluated semi-annually by methods such as ratio analysis which compares the cumulative total of market fluctuations or cash flow fluctuations of hedged items and hedging instruments. However, evaluation of hedge effectiveness is omitted for interest rate swap transactions under special treatment, etc., currency swap transactions under allocation treatment, foreign exchange contracts and currency options in which both the hedged item and the hedging instrument are denominated in the same currency, option transactions in which hedged items are domestic/foreign stocks and domestic/foreign-listed investment trusts, credit transactions and forward contracts, and option transactions in which domestic bonds are the hedged item.	(Hedging instrument)	(Hedged item)	Interest rate swap	Loans and bonds	Currency swap	Foreign currency-denominated loans	Foreign exchange contract and currency options	Foreign currency-denominated assets	Options	Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds	Credit transaction	Domestic and foreign stocks, domestic and foreign-listed investment trusts	Forward contract	Domestic and foreign stocks, domestic and foreign-listed investment trusts	(4) Accounting method for employees' retirement benefits 1) Method for attributing expected retirement benefits to fiscal periods Same as left 2) Method for amortizing actuarial gain/loss and past service cost Same as left (5) Allocation method for reserve for price fluctuations Same as left (6) Foreign currency translation Same as left (7) Method for significant hedge accounting (a) Hedge accounting method for Taiyo Life 1) Method for hedge accounting Same as left 2) Hedging instrument and hedged item <table border="1"> <thead> <tr> <th>(Hedging instrument)</th><th>(Hedged item)</th></tr> </thead> <tbody> <tr> <td>Interest rate swap</td><td>Loans</td></tr> <tr> <td>Currency swap</td><td>Foreign currency-denominated loans</td></tr> <tr> <td>Foreign exchange contract and currency options</td><td>Foreign currency-denominated assets</td></tr> <tr> <td>Options</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds</td></tr> <tr> <td>Credit transaction</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts</td></tr> <tr> <td>Forward contract</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts</td></tr> </tbody> </table> 3) Hedging policy Same as left 4) Evaluation method for hedge effectiveness Same as left	(Hedging instrument)	(Hedged item)	Interest rate swap	Loans	Currency swap	Foreign currency-denominated loans	Foreign exchange contract and currency options	Foreign currency-denominated assets	Options	Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds	Credit transaction	Domestic and foreign stocks, domestic and foreign-listed investment trusts	Forward contract	Domestic and foreign stocks, domestic and foreign-listed investment trusts
(Hedging instrument)	(Hedged item)																												
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Forward contract	Domestic and foreign stocks, domestic and foreign-listed investment trusts																												

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026
(b) Hedge accounting method for Daido Life 1) Method for hedge accounting Fair value hedge treatment is adopted for the method for hedge accounting. Allocation treatment is adopted for foreign exchange contract transactions hedging foreign currency-denominated term deposits qualifying for allocation treatment. 2) Hedging instrument and hedged item (Hedging instrument) (Hedged item) Foreign exchange contract Foreign currency-denominated securities and term deposits Currency options Foreign currency-denominated securities 3) Hedging policy Based on internal rules, etc., concerning asset management, foreign exchange fluctuation risks of hedged items are hedged within a certain range. 4) Evaluation method for hedge effectiveness Hedge effectiveness is evaluated by ratio analysis which mainly compares the fair value fluctuation of hedged items and hedging instruments. However, the evaluation is omitted if the material conditions of the hedged item and the hedging instrument are the same and hedge effectiveness is high. (c) Hedge accounting method for T&D United Capital Co., Ltd. 1) Method for hedge accounting Deferral hedge treatment is adopted for the method for hedge accounting. Furthermore, allocation treatment is adopted since the transaction qualify for the treatment. 2) Hedging instrument and hedged item (Hedging instrument) (Hedged item) Foreign exchange contract Foreign currency-denominated stocks (forecast transaction) 3) Hedging policy Based on the resolution made at the Board of Directors' meeting regarding the acquisition of foreign currency-denominated stocks, foreign exchange fluctuation risks of hedged items are hedged within a certain range. 4) Evaluation method for hedge effectiveness The evaluation is omitted, since the material conditions of the hedged item and the hedging instrument are the same and hedge effectiveness is high. -----	(b) Hedge accounting method for Daido Life 1) Method for hedge accounting Same as left 2) Hedging instrument and hedged item Same as left 3) Hedging policy Same as left 4) Evaluation method for hedge effectiveness Same as left ----- (c) Hedge accounting method for T&D Holdings 1) Method for hedge accounting Special treatment is used in hedge accounting, as the requirements for such treatment for interest rate swaps are satisfied. 2) Hedging instrument and hedged item (Hedging instrument) (Hedged item) Interest rate swap Borrowings 3) Hedging policy Based on resolutions of the Board of Directors, etc., concerning borrowings at variable rates, interest rate fluctuation risks related to hedged items are hedged within a certain scope. 4) Evaluation method for hedge effectiveness Evaluation of hedging effectiveness is omitted since special treatment requirements for interest rate swaps are satisfied. (8) Method of amortization of goodwill and amortization period Investment differences (equivalent to goodwill) arising from the application of the equity method are amortized under the straight-line method over the period of up to 20 years during which it remains effective. When the amount is immaterial, it is amortized in full in the fiscal year in which it arises.

Year ended March 31, 2025	Year ended March 31, 2026
(8) Scope of cash and cash equivalents in the consolidated statements of cash flows Cash and cash equivalents in the consolidated statements of cash flows consist of cash, deposits withdrawable at any time and readily convertible into cash, and short-term investments (term deposits, call loans, commercial paper, treasury discount bills, etc.) with insignificant risk of price fluctuations and with a maturity of 3 months or less at the time of acquisition. (9) Other important accounting policies adopted by the Company 1) Accounting treatment for consumption taxes The accounting treatment of consumption tax and local consumption tax is based on the tax exclusion method. However, expenses of the nonlife insurance subsidiary such as loss adjustment expenses, sales and administrative expenses, etc. are treated based on the tax inclusion method. Furthermore, non-deductible consumption tax on assets, etc., which is prescribed in the tax law as deferred consumption tax, etc., is recorded in other assets and amortized over a 5-year period on a straight-line basis, whereas tax other than deferred consumption tax is expensed in the fiscal year in which it accrues. 2) Income from insurance premiums In general, income from insurance premiums (excluding reinsurance income) is recorded by the Three Life Insurance Companies at the amount of premiums received, for insurance policies for which the premiums are received and the contractual liabilities have commenced. Of premiums received, the amount corresponding to the unexpired period as of the end of the consolidated fiscal year ended March 31, 2025 is accounted for as policy reserve in accordance with Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act. 3) Insurance claims and other payments/ Reserve for outstanding claims Insurance claims and other payments (excluding reinsurance premiums) are recognized by the Three Life Insurance Companies at the amount of claims calculated and paid based on the policy conditions, for which the insured events provided in the policy conditions have occurred. Based on Article 117 of the Insurance Business Act and Article 72 of the Ordinance for Enforcement of the Insurance Business Act, reserve for outstanding claims is provided for unpaid insurance proceeds over the contracts for which payment obligations exist as of the end of the consolidated fiscal year ended March 31, 2025 or for which insured events have already incurred but not reported (hereinafter the "IBNR claims"). On May 8, 2023, the special treatment of hospital benefit, etc. for those who are diagnosed with COVID-19 and receive medical treatment at accommodation facilities or home under the supervision of doctors, etc. (hereinafter the "deemed hospitalization") ended. As a result, the reserve for IBNR claims cannot be calculated at an appropriate level based on the main rule in Article 1, Paragraph 1 of Notification of the Ministry of Finance No. 234 (1998) (hereinafter the "IBNR Notification"). Therefore, the reserve is calculated and recognized as follows based on the proviso of Article 1, Paragraph 1 of IBNR Notification.	(9) Scope of cash and cash equivalents in the consolidated statements of cash flows Same as left (10) Other important accounting policies adopted by the Company 1) Accounting treatment for consumption taxes Same as left 2) Income from insurance premiums Same as left 3) Insurance claims and other payments/Reserve for outstanding claims Same as left

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026
(Overview of calculation method) The reserve is calculated by the same method as the main rule in Article 1, Paragraph 1 of IBNR Notification after excluding the amount relating to deemed hospitalization from the required amount of reserve for IBNR claims and payment amount of insurance claims, etc. for all the consolidated fiscal years stipulated by the main rule in Article 1, Paragraph 1 of IBNR Notification. 4) Reinsurance income and Reinsurance premiums As for reinsurance income of the Three Life Insurance Companies, insurance claims and others to be received based on a reinsurance contract are recorded at the time of payment of insurance claims and others relating to an underlying insurance contract, etc. As for reinsurance premiums of the Three Life Insurance Companies, insurance premiums and others to be paid based on a reinsurance contract are recorded at the time of receipt of insurance premiums and others relating to an underlying insurance contract or at the time of conclusion of the reinsurance contract. As for modified coinsurance, amounts received based on a reinsurance contract as part of amounts equivalent to acquisition costs relating to an underlying insurance contract are recorded on reinsurance income, and the same amounts are recorded on reinsurance receivable as unamortized ceded commissions, which are amortized over the period of the reinsurance contract. Also, part of policy reserve and reserve for outstanding claims equivalent to amounts which have been ceded is not set aside based on Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act. 5) Policy reserve To prepare for future performance of obligations under insurance policies for which contractual liability have commenced on or before the end of the consolidated fiscal year ended March 31, 2025, policy reserve is provided by the Three Life Insurance Companies at the amount calculated in accordance with methodologies stipulated in the statement of calculation procedures for insurance premiums and policy reserve (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) based on Article 116, Paragraph 1 of the Insurance Business Act. Of policy reserve, premium reserve is calculated based on the following methodologies: a. For policies subject to standard policy reserve, the method established by the Commissioner of the Financial Services Agency (Notification No. 48 of the Ministry of Finance (1996)) b. For policies not subject to standard policy reserve, net level premium method Based on Article 121, Paragraph 1 of the Insurance Business Act and Article 80 of the Ordinance for Enforcement of the Insurance Business Act, policy reserve is reviewed by an appointed actuary whether the policy reserve is properly provided as of the fiscal year end. Of policy reserve, contingency reserve is provided at the amount calculated for covering risks which may accrue in the future, so as to secure performance of the future obligations under the insurance policies, based on Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act.	(Overview of calculation method) Same as left 4) Reinsurance income and Reinsurance premiums As for the reinsurance income of the Three Life Insurance Companies, insurance claims and others to be received based on a reinsurance contract are recorded at the time of payment of insurance claims and others relating to an underlying insurance contract, etc. As for reinsurance premiums of the Three Life Insurance Companies, insurance premiums and others to be paid based on a reinsurance contract are recorded at the time of receipt of insurance premiums and others relating to an underlying insurance contract or at the time of conclusion of the reinsurance contract. As for modified coinsurance with funds withheld, amounts received based on a reinsurance contract as part of amounts equivalent to acquisition costs relating to an underlying insurance contract are recorded on reinsurance income, and the same amounts are recorded on reinsurance receivable as unamortized ceded commissions, which are amortized over the period of the reinsurance contract. Also, part of policy reserve and reserve for outstanding claims equivalent to amounts which have been ceded is not set aside based on Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act. 5) Policy reserve Same as left

Significant Accounting Estimates

Year ended March 31, 2025	Year ended March 31, 2026																
1. Policy reserve (1) Amounts recognized on the consolidated financial statements as of March 31, 2025 <table> <tr> <td>Policy reserve</td><td>¥13,568,704 million</td></tr> <tr> <td>Other ordinary revenues</td><td>¥579,691 million</td></tr> </table> (Reversal of policy reserve) (2) Information on significant accounting estimates in connection with items identified 1) Calculation method It is stated in "Summary of Significant Accounting Policies, 4. Matters concerning accounting policy, (9) Other important accounting policies adopted by the Company, 5) Policy reserve." 2) Major assumptions and their effects on the consolidated financial statements of the following fiscal year, etc. If assumptions (base rates such as assumed incidence rate and assumed interest rate) stated in the statement of calculation procedures for insurance premiums and policy reserve significantly deviate from the latest actual rates and it is found to likely to be insufficient to cover the performance of the future obligations, additional policy reserve must be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. 2. Accounting treatment for employees' retirement benefits (1) Amounts recognized on the consolidated financial statements as of March 31, 2025 <table> <tr> <td>Retirement benefit asset</td><td>¥10,062 million</td></tr> <tr> <td>Retirement benefit liability</td><td>¥33,767 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified 1) Calculation method Retirement benefit obligations and retirement benefit expense are calculated based on actuarial assumptions used for calculation of future retirement benefit obligations, expected long-term rate of return on plan assets and others. The method for attributing the expected retirement benefit amount is stated in "Summary of Significant Accounting Policies, 4. Matters concerning accounting policy, (4) Accounting method for employees' retirement benefits." 2) Major assumptions and their effects on the consolidated financial statements of the following fiscal year, etc. Matters related to actuarial basis are stated in Note "Employees' Retirement Benefits." If any of the major assumptions such as discount rate and expected long-term rate of return on plan assets changes, there may be a significant impact on the retirement benefit asset or liability.	Policy reserve	¥13,568,704 million	Other ordinary revenues	¥579,691 million	Retirement benefit asset	¥10,062 million	Retirement benefit liability	¥33,767 million	1. Policy reserve (1) Amounts recognized on the consolidated financial statements as of March 31, 2026 <table> <tr> <td>Policy reserve</td><td>¥13,825,376 million</td></tr> <tr> <td>Provision for policy reserve</td><td>¥256,641 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified The calculation method of policy reserve is stated in "Summary of Significant Accounting Policies, 4. Matters concerning accounting policy, (10) Other important accounting policies adopted by the Company, 5) Policy reserve." If assumptions (base rates such as assumed incidence rate and assumed interest rate) stated in the statement of calculation procedures for insurance premiums and policy reserve significantly deviate from the latest actual rates and it is found likely to be insufficient to cover the performance of the future obligations, additional policy reserve must be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. 2. Accounting treatment for employees' retirement benefits (1) Amounts recognized on the consolidated financial statements as of March 31, 2026 <table> <tr> <td>Retirement benefit asset</td><td>¥17,357 million</td></tr> <tr> <td>Retirement benefit liability</td><td>¥22,976 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified Retirement benefit obligations and retirement benefit expense are calculated based on actuarial assumptions used for calculation of future retirement benefit obligations, expected long-term rate of return on plan assets and others. The method for attributing the expected retirement benefit amount is stated in "Summary of Significant Accounting Policies, 4. Matters concerning accounting policy, (4) Accounting method for employees' retirement benefits." Matters related to actuarial basis are stated in Note "Employees' Retirement Benefits." If any of the major assumptions such as discount rate and expected long-term rate of return on plan assets changes, there may be a significant impact on the retirement benefit asset or liability.	Policy reserve	¥13,825,376 million	Provision for policy reserve	¥256,641 million	Retirement benefit asset	¥17,357 million	Retirement benefit liability	¥22,976 million
Policy reserve	¥13,568,704 million																
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Policy reserve	¥13,825,376 million																
Provision for policy reserve	¥256,641 million																
Retirement benefit asset	¥17,357 million																
Retirement benefit liability	¥22,976 million																

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026								
3. Impairment losses on fixed assets (1) Amounts recognized on the consolidated financial statements as of March 31, 2025 <table> <tr> <td>Impairment loss</td><td>¥1,580 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified 1) Calculation method For the Three Life Insurance Companies, consolidated subsidiaries, real estates, etc. owned for insurance operations, etc., are grouped as a single asset group (operating assets) and other assets such as rental properties and unused real estates are grouped separately by each property (investment assets). For the Company and other consolidated subsidiaries, real estates, etc. owned for their own operations are grouped as a single asset group (operating assets) by each company. For an asset group with an indication of impairment, impairment loss is recognized, when the total amount of undiscounted future cash flows is less than the carrying amount of the asset group, at the amount calculated by deducting the recoverable amount (the larger of discounted future cash flows and net realizable value) from the carrying amount. 2) Major assumptions and their effects on the consolidated financial statements of the following fiscal year, etc. For calculation of undiscounted future cash flows for the purpose of determining impairment recognition, the amounts of future net income from insurance operations on the Mid-Term Management Plan, etc. are used for operating assets, and the track record and future outlook of net income by each property are used for investment assets. If the future net income from insurance operations and the future outlook of net income of each property, which are the major assumptions, deteriorate and the undiscounted future cash flows change, there may be a possibility to recognize impairment loss. -----	Impairment loss	¥1,580 million	3. Impairment losses on fixed assets (1) Amounts recognized on the consolidated financial statements as of March 31, 2026 <table> <tr> <td>Impairment loss</td><td>¥1,126 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified For the Three Life Insurance Companies, consolidated subsidiaries, real estates, etc. owned for insurance operations, etc., are grouped as a single asset group (operating assets) and other assets such as rental properties and unused real estates are grouped separately by each property (investment assets). For the Company and other consolidated subsidiaries, real estates, etc. owned for their own operations are grouped as a single asset group (operating assets) by each company. For an asset group with an indication of impairment, impairment loss is recognized, when the total amount of undiscounted future cash flows is less than the carrying amount of the asset group, at the amount calculated by deducting the recoverable amount (the larger of discounted future cash flows and net realizable value) from the carrying amount. For calculation of undiscounted future cash flows for the purpose of determining impairment recognition, the amounts of future net income from insurance operations on the Mid-Term Management Plan, etc. are used for operating assets, and the track record and future outlook of net income by each property are used for investment assets. If the future net income from insurance operations and the future outlook of net income of each property, which are the major assumptions, deteriorate and the undiscounted future cash flows change, there may be a possibility to recognize impairment loss. 4. Evaluation of goodwill of a company accounted for under the equity method (1) Amounts recognized on the consolidated financial statements as of March 31, 2026 Securities <table> <tr> <td>(Equity-method valuation of the investment in Viridium Group Sarl)</td><td>¥124,885 million</td></tr> <tr> <td>Goodwill equivalent included in above securities</td><td>¥65,847 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified The difference between the investment made on the date of the acquisition of the equity in Viridium Group Sarl (hereinafter referred to as "Viridium") and the corresponding amount of Viridium's capital was recognized as a goodwill equivalent included in securities and is amortized over 10 years using the straight-line method. With respect to such goodwill equivalent, the Company determines whether there are any indications of impairment in Viridium as a whole. In determining whether there are any indications of impairment, the Company comprehensively considers Viridium's earnings and cash flow conditions and their outlook, whether there has been or is expected to be a significant deterioration in the business environment, and other events.	Impairment loss	¥1,126 million	(Equity-method valuation of the investment in Viridium Group Sarl)	¥124,885 million	Goodwill equivalent included in above securities	¥65,847 million
Impairment loss	¥1,580 million								
Impairment loss	¥1,126 million								
(Equity-method valuation of the investment in Viridium Group Sarl)	¥124,885 million								
Goodwill equivalent included in above securities	¥65,847 million								

Year ended March 31, 2025	Year ended March 31, 2026
	If it is determined that there are indications of impairment, the Company determines whether an impairment loss should be recognized for the securities as a whole, including the goodwill equivalent. If, as a result of this assessment, it is determined that an impairment loss should be recognized, the carrying amount of the securities is reduced to the recoverable amount, and the amount of the reduction in the carrying amount is recognized as an equity in losses of affiliates. If a deterioration in earnings or cash flow conditions, a significant deterioration in the business environment, or other events that constitute indications of impairment occur, an equity in losses of affiliate corresponding to an impairment loss may be recognized in the following fiscal year or beyond. For the consolidated fiscal year ended March 31, 2026, the Company determined that there were no indications of impairment and, accordingly, no equity in losses of affiliates corresponding to an impairment loss was recognized.

Changes in Accounting Policies

Year ended March 31, 2025	Year ended March 31, 2026
"Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc., were adopted from the beginning of the consolidated fiscal year ended March 31, 2025. This change has no impact on the consolidated financial statements.	-----

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Unapplied Accounting Standards, etc.

Year ended March 31, 2025	Year ended March 31, 2026
(1) Accounting standards for leases, etc. - "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, ASBJ) - "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ) 1) Overview As part of efforts to align J-GAAP with international standards, the Accounting Standards Board of Japan considered the development of accounting standards for leases that require lessees to recognize assets and liabilities for all leases. The fundamental policy is to use the single accounting model of IFRS 16 as a basis, but instead of adopting all of its provisions, only the main provisions are adopted. As a result, the Accounting Standards for Leases, etc. is simple, convenient, and basically does not require any modification even if the provisions of IFRS 16 are used in non-consolidated financial statements. As for the lessee's accounting treatment, a single accounting model for allocating the cost of a lease to the lessee, similar to IFRS 16, which recognizes depreciation on the right-of-use asset and interest expense on the lease liability for all leases, shall be applied all leases, regardless of whether they are finance leases or operating leases. 2) Scheduled date of application The standards, etc. are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028. 3) Impact of applying the accounting standards, etc. The impact amount is currently being evaluated. (2) Practical Guidelines on Accounting for Financial Instruments (Transferred Guidance No. 9, March 11, 2025, ASBJ) 1) Overview The Accounting Standards Board of Japan revised the "Practical Guidelines on Accounting for Financial Instruments" in order to improve the transparency of financial statements and enhance information disclosure to investors by valuing unlisted stocks included in funds at fair value, and in the expectation that this will result in even more growth capital being supplied to venture capital funds, etc., by domestic and foreign institutional investors. Under the revision, a provision has been established allowing investors in certain qualifying partnerships or similar entities to base their accounting treatment on the fair value of all unlisted shares included in the assets of such partnerships or entities. When applying such provision, unlisted shares held as part of the partnership's assets should be measured at fair value, and the portion corresponding to the investor's share of valuation difference is to be recorded under net assets. Impairment treatment shall follow the provisions applicable to impairment of securities that have fair value. 2) Scheduled date of application The guidelines are scheduled to be applied from the beginning of the fiscal year ending March 31, 2027. 3) Impact of applying the accounting standards, etc. The impact amount is currently being evaluated.	(1) Accounting standards for leases, etc. - "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, ASBJ) - "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ) 1) Overview Same as left 2) Scheduled date of application Same as left 3) Impact of applying the accounting standards, etc. Same as left (2) Practical Guidelines on Accounting for Financial Instruments (Transferred Guidance No. 9, March 11, 2025, ASBJ) 1) Overview Same as left 2) Scheduled date of application Same as left 3) Impact of applying the accounting standards, etc. Same as left

Changes in Presentation Method

Year ended March 31, 2025	Year ended March 31, 2026
(Consolidated Statement of Operations) In the previous fiscal year, "Subsidized project expenses" which were included in "Other extraordinary losses" under "Extraordinary losses" exceeded 10% of the total extraordinary losses. Therefore, these expenses are presented independently from the consolidated fiscal year ended March 31, 2025. To reflect this change in presentation method, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, ¥819 million presented in "Other extraordinary losses" under "Extraordinary losses" has been reclassified as "Subsidized project expenses" in the consolidated statement of operations for the previous fiscal year.	

Additional Information

Year ended March 31, 2025	Year ended March 31, 2026
(Transactions of delivering the Company's own stock to employees etc. through trusts) (1) Stock compensation plan for officers The Company has introduced a trust type stock compensation plan (the "Plan"), the Board Incentive Plan (BIP) Trust, which uses a trust to deliver the Company's shares, etc. to directors who are not Audit and Supervisory Committee members of the Company (excluding those who are part-time directors such as outside directors and non-residents in Japan) and executive officers of the Company (excluding those who are non-residents in Japan, and together with directors who are not Audit and Supervisory Committee members, collectively referred to as "Directors, etc.") and directors of the Three Life Insurance Companies (excluding those who are part-time directors such as outside directors and non-residents in Japan) and executive officers of the Three Life Insurance Companies (excluding those who are non-residents in Japan, and together with Directors, etc., collectively referred to as "Eligible Directors, etc."), with an aim to enhance the motivation of Eligible Directors, etc. to contribute to improving business performance and enhancing corporate value over the medium-to long-term. The accounting treatment of the Plan is based on "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ Practical Issues Task Force (PITF) No. 30, March 26, 2015). 1) Summary Based on the internal rules of the Company and Three Life Insurance Companies, the points are granted to Eligible Directors, etc. and they are delivered and provided through a trust of the Company's shares equivalent to accumulated points upon retirement and a monetary equivalent of the substitution value of the Company's shares. The Company's shares to be delivered to Eligible Directors, etc. will be acquired in advance by money in trust by the Company. 2) The Company's shares remaining in BIP Trust For the Company's shares remaining in BIP Trust, the carrying value in the trust is recorded as the treasury share in net asset (excluding ancillary expenses). As of the end of the fiscal year ended March 31, 2025, the carrying value of treasury share in the Trust is ¥2,299 million, and the number of treasury share in the Trust is 1,303,900 shares.	(Transactions of delivering the Company's own stock to employees etc. through trusts) (1) Stock compensation plan for officers The Company has introduced a trust type stock compensation plan (the "Plan"), the Board Incentive Plan (BIP) Trust, which uses a trust to deliver the Company's shares, etc. to directors who are not Audit and Supervisory Committee members of the Company (excluding those who are part-time directors such as outside directors and non-residents in Japan) and executive officers of the Company (excluding those who are non-residents in Japan, and together with directors who are not Audit and Supervisory Committee members, collectively referred to as "Directors, etc.") and directors of the Three Life Insurance Companies (excluding those who are part-time directors such as outside directors and non-residents in Japan) and executive officers of the Three Life Insurance Companies (excluding those who are non-residents in Japan, and together with Directors, etc., collectively referred to as "Eligible Directors, etc."), with an aim to enhance the motivation of Eligible Directors, etc. to contribute to improving business performance and enhancing corporate value over the medium-to long-term. The accounting treatment of the Plan is based on "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ Practical Issues Task Force (PITF) No. 30, March 26, 2015). 1) Summary Based on the internal rules of the Company and Three Life Insurance Companies, the points are granted to Eligible Directors, etc. and they are delivered and provided through a trust of the Company's shares equivalent to accumulated points upon retirement and a monetary equivalent of the substitution value of the Company's shares. The Company's shares to be delivered to Eligible Directors, etc. will be acquired in advance by money in trust by the Company. 2) The Company's shares remaining in BIP Trust For the Company's shares remaining in BIP Trust, the carrying value in the trust is recorded as the treasury share in net asset (excluding ancillary expenses). As of the end of the fiscal year ended March 31, 2026, the carrying value of treasury shares in the Trust is ¥2,031 million, and the number of treasury shares in the Trust is 1,151,800 shares.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026				
(2) Stock ownership plan for employees To further raise Group employees' awareness of company performance and stock price increases, and thereby enhance their commitment to improving medium- to long-term corporate value and promote the sharing of value with shareholders, the Company introduced a stock ownership plan (ESOP) trust based on trust structure (hereinafter referred to as the "ESOP") in the fiscal year ended March 31, 2025. The eligible participants in the ESOP are employees of the Company, Taiyo Life Insurance Company, Daido Life Insurance Company, T&D Financial Life Insurance Company, T&D Asset Management Co., Ltd., Pet & Family Insurance Co., Ltd., T&D Information Systems, Ltd., T&D Lease Co., Ltd., Toyo Insurance Agency Co., Ltd., and Daido Management Services Co., Ltd. (excluding non-resident employees in Japan). The accounting treatment for the ESOP adopts the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015). 1) Summary Based on the stock grant rules established by each Group company, points are granted to employees, and shares of the Company are delivered to employees who meet certain requirements through the trust, equivalent to their accumulated points. The shares of the Company delivered to employees are acquired in advance using funds entrusted to the trust by the Company. 2) The Company's shares remaining in the ESOP trust For the Company's shares remaining in the ESOP trust, the carrying value in the trust is recorded as the treasury share in net asset (excluding ancillary expenses). As of the end of the fiscal year ended March 31, 2025, the carrying value of treasury share in the Trust is ¥4,096 million, and the number of treasury share in the Trust is 1,563,331 shares. (Reinsurance of insurance contracts to the Fortitude Group at Taiyo Life Insurance Company) Taiyo Life Insurance Company has reinsured a block of existing contracts (excluding some) for lifetime dementia and long-term care annuities to Fortitude International Reinsurance Ltd. through coinsurance. The impact of this ceded reinsurance transaction is as follows: <table> <tr> <td>- Other ordinary revenues (reversal of policy reserve):</td><td>¥656,997 million</td></tr> <tr> <td>- Reinsurance premiums:</td><td>¥658,500 million</td></tr> </table>	- Other ordinary revenues (reversal of policy reserve):	¥656,997 million	- Reinsurance premiums:	¥658,500 million	(2) Stock ownership plan for employees To further raise Group employees' awareness of company performance and stock price increases, and thereby enhance their commitment to improving medium- to long-term corporate value and promote the sharing of value with shareholders, the Company has introduced a stock ownership plan (ESOP) trust based on a trust structure (hereinafter referred to as the "ESOP"). The eligible participants in the ESOP are employees of the Company, Taiyo Life Insurance Company, Daido Life Insurance Company, T&D Financial Life Insurance Company, T&D Asset Management Co., Ltd., Pet & Family Insurance Co., Ltd., T&D Information Systems, Ltd., T&D Lease Co., Ltd., Toyo Insurance Agency Co., Ltd., and Daido Management Services Co., Ltd. (excluding non-resident employees in Japan). The accounting treatment for the ESOP adopts the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015). 1) Summary Based on the stock grant rules established by each Group company, points are granted to employees, and shares of the Company are delivered to employees who meet certain requirements through the trust, equivalent to their accumulated points. The shares of the Company delivered to employees are acquired in advance using funds entrusted to the trust by the Company. 2) The Company's shares remaining in the ESOP trust For the Company's shares remaining in the ESOP trust, the carrying value in the trust is recorded as the treasury share in net assets (excluding ancillary expenses). As of the end of the fiscal year ended March 31, 2026, the carrying value of treasury shares in the Trust is ¥4,079 million, and the number of treasury shares in the Trust is 1,556,843 shares. ----- (Application of revised generally accepted accounting principles in the United States (U.S. GAAP) at foreign affiliates) Some of our foreign affiliates that adopt U.S. GAAP have applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. The accounting standard was revised with respect to the accounting treatment of liabilities for future insurance benefits and other matters. As a result of the application of this accounting standard, certain insurance liabilities of these affiliates have been evaluated using new calculation methods, including changes in discount rates and revisions to insurance assumptions. The accounting standard has been applied retrospectively, and the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application. The cumulative effect of applying the accounting standard has been added to or deducted from net assets as of the beginning of the consolidated fiscal year ended March 31, 2025.
- Other ordinary revenues (reversal of policy reserve):	¥656,997 million				
- Reinsurance premiums:	¥658,500 million				

Year ended March 31, 2025	Year ended March 31, 2026
	As a result, compared to the figures prior to the retrospective application, profit attributable to owners of parent for the consolidated fiscal year ended March 31, 2025 decreased by ¥27 million, while income taxes (deferred) increased by ¥27 million. Securities increased by ¥93,933 million, other liabilities decreased by ¥8,329 million, deferred tax liabilities increased by ¥27 million, retained earnings decreased by ¥8,486 million, valuation difference on available-for-sale securities increased by ¥6,067 million, foreign currency translation adjustments decreased by ¥10,662 million, and debt value adjustments of foreign subsidiaries and affiliates decreased by ¥5,514 million. Furthermore, policy value adjustments of foreign subsidiaries and affiliates of ¥(3,618) million and valuation difference on policy reserves of foreign subsidiaries and affiliates of ¥124,448 million were newly recognized.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Consolidated Balance Sheet

As of March 31, 2021	As of March 31, 2020																								
1. The amounts of Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto, Claims with risks, Loans overdue for three months or more, and Restructured loans are as follows: <table> <tr> <td>Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto</td><td>¥388 million</td></tr> <tr> <td>Claims with risks</td><td>¥35 million</td></tr> <tr> <td>Loans overdue for three months or more</td><td>¥763 million</td></tr> <tr> <td>Restructured loans</td><td>¥20 million</td></tr> <tr> <td>Total</td><td>¥1,207 million</td></tr> </table>	Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	¥388 million	Claims with risks	¥35 million	Loans overdue for three months or more	¥763 million	Restructured loans	¥20 million	Total	¥1,207 million	1. The amounts of Claims subject to bankruptcy proceedings and reorganization proceeding and any other type of claims equivalent thereto, Claims with risks, Loans overdue for three months or more, and Restructured loans are as follows: <table> <tr> <td>Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto</td><td>¥27 million</td></tr> <tr> <td>Claims with risks</td><td>¥6 million</td></tr> <tr> <td>Loans overdue for three months or more</td><td>¥12 million</td></tr> <tr> <td>Restructured loans</td><td>¥36 million</td></tr> <tr> <td>Total</td><td>¥82 million</td></tr> </table>	Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto	¥27 million	Claims with risks	¥6 million	Loans overdue for three months or more	¥12 million	Restructured loans	¥36 million	Total	¥82 million				
Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	¥388 million																								
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Loans overdue for three months or more	¥763 million																								
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Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto	¥27 million																								
Claims with risks	¥6 million																								
Loans overdue for three months or more	¥12 million																								
Restructured loans	¥36 million																								
Total	¥82 million																								
Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto are claims held against debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.	Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto are claims held against debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.																								
Claims with risks are claims whose debtor is not yet in the status of failure in business although such debtor's financial status and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible excluding the claims described in Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto.	Claims with risks are claims whose debtor is not yet in the status of failure in business although such debtor's financial status and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible excluding the claims described in Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto.																								
Loans overdue for three months or more are loans, other than Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto and Claims with risks, on which principal and/or interest are in arrears for three months or more beginning the day after the agreed due date.	Loans overdue for three months or more are loans, other than Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto and Claims with risks, on which principal and/or interest are in arrears for three months or more beginning the day after the agreed due date.																								
Restructured loans are loans, other than Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto, Claims with risks and Loans overdue for three months or more, for which agreements have been made between the relevant parties to provide a concessionary interest rate, rescheduling of due dates for interest and/or principal payments, waiver of claims, and/or other terms in favor of the obligor for purposes of restructuring or supporting the obligor.	Restructured loans are loans, other than Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto, Claims with risks and Loans overdue for three months or more, for which agreements have been made between the relevant parties to provide a concessionary interest rate, rescheduling of due dates for interest and/or principal payments, waiver of claims, and/or other terms in favor of the obligor for purposes of restructuring or supporting the obligor.																								
The direct write-downs of estimated uncollectable loans are as follows:	The direct write-downs of estimated uncollectable loans are as follows:																								
<table> <tr> <td>Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto</td><td>¥1,638 million</td></tr> </table>	Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	¥1,638 million	<table> <tr> <td>Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto</td><td>¥122 million</td></tr> </table>	Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto	¥122 million																				
Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	¥1,638 million																								
Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto	¥122 million																								
In addition, the amount of normal claims, which are classified as claims other than those listed above and for which there are no particular problems with the debtor's financial status and business performance, is ¥3,175,899 million.	In addition, the amount of normal claims, which are classified as claims other than those listed above and for which there are no particular problems with the debtor's financial status and business performance, is ¥2,825,543 million.																								
2. The amounts of accumulated depreciation of tangible fixed assets are as follows:	2. The amounts of accumulated depreciation of tangible fixed assets are as follows:																								
<table> <tr> <td></td><td>¥243,172 million</td></tr> </table>		¥243,172 million	<table> <tr> <td></td><td>¥241,044 million</td></tr> </table>		¥241,044 million																				
	¥243,172 million																								
	¥241,044 million																								
3. The amounts of separate account assets as provided in Article 118, Paragraph 1 of the Insurance Business Act are as follows. The amounts of liabilities are equal to the amounts of assets.	3. The amounts of separate account assets as provided in Article 118, Paragraph 1 of the Insurance Business Act are as follows. The amounts of liabilities are equal to the amounts of assets.																								
<table> <tr> <td></td><td>¥127,831 million</td></tr> </table>		¥127,831 million	<table> <tr> <td></td><td>¥156,710 million</td></tr> </table>		¥156,710 million																				
	¥127,831 million																								
	¥156,710 million																								
4. The changes in reserve for policyholder dividends included in policy reserves are as follows:	4. The changes in reserve for policyholder dividends included in policy reserves are as follows:																								
<table> <tr> <td>Balance at the beginning of the year</td><td>¥68,752 million</td></tr> <tr> <td>Policyholder dividends</td><td>¥26,440 million</td></tr> <tr> <td>Increase in interest</td><td>¥14 million</td></tr> <tr> <td>Increase due to other reasons</td><td>¥46 million</td></tr> <tr> <td>Provision for reserve for policyholder dividends</td><td>¥25,917 million</td></tr> <tr> <td>Balance at the end of the year</td><td>¥68,289 million</td></tr> </table>	Balance at the beginning of the year	¥68,752 million	Policyholder dividends	¥26,440 million	Increase in interest	¥14 million	Increase due to other reasons	¥46 million	Provision for reserve for policyholder dividends	¥25,917 million	Balance at the end of the year	¥68,289 million	<table> <tr> <td>Balance at the beginning of the year</td><td>¥68,289 million</td></tr> <tr> <td>Policyholder dividends</td><td>¥26,483 million</td></tr> <tr> <td>Increase in interest</td><td>¥57 million</td></tr> <tr> <td>Decrease due to other reasons</td><td>¥11 million</td></tr> <tr> <td>Provision for reserve for policyholder dividends</td><td>¥25,459 million</td></tr> <tr> <td>Balance at the end of the year</td><td>¥67,311 million</td></tr> </table>	Balance at the beginning of the year	¥68,289 million	Policyholder dividends	¥26,483 million	Increase in interest	¥57 million	Decrease due to other reasons	¥11 million	Provision for reserve for policyholder dividends	¥25,459 million	Balance at the end of the year	¥67,311 million
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Balance at the end of the year	¥67,311 million																								

As of March 31, 2025	As of March 31, 2026																								
5. The unused loan balance under loan commitments is as follows: <table border="0"> <tr> <td>Total amount of loan commitments</td><td>¥24,935 million</td></tr> <tr> <td>Balance of loans outstanding</td><td>¥10,627 million</td></tr> <tr> <td>Balance</td><td>¥14,307 million</td></tr> </table>	Total amount of loan commitments	¥24,935 million	Balance of loans outstanding	¥10,627 million	Balance	¥14,307 million	5. The unused loan balance under loan commitments is as follows: <table border="0"> <tr> <td>Total amount of loan commitments</td><td>¥33,491 million</td></tr> <tr> <td>Balance of loans outstanding</td><td>¥12,687 million</td></tr> <tr> <td>Balance</td><td>¥20,803 million</td></tr> </table>	Total amount of loan commitments	¥33,491 million	Balance of loans outstanding	¥12,687 million	Balance	¥20,803 million												
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6. The lending securities for loan agreements are as follows: <table border="0"> <tr> <td></td><td>¥1,517,548 million</td></tr> </table>		¥1,517,548 million	6. The lending securities for loan agreements are as follows: <table border="0"> <tr> <td></td><td>¥1,311,244 million</td></tr> </table>		¥1,311,244 million																				
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7. Bonds include subordinated bonds, of which the payment priority is subordinated to other debts. The amounts are as follows: <table border="0"> <tr> <td></td><td>¥90,000 million</td></tr> </table>		¥90,000 million	7. Bonds include subordinated bonds, of which the payment priority is subordinated to other debts. The amounts are as follows: <table border="0"> <tr> <td></td><td>¥90,000 million</td></tr> </table>		¥90,000 million																				
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	¥90,000 million																								
8. Other liabilities include subordinated borrowings, of which the payment priority is subordinated to other debts. The amounts are as follows: <table border="0"> <tr> <td></td><td>¥13,500 million</td></tr> </table>		¥13,500 million	8. Same as left																						
	¥13,500 million																								
9. Taiyo Life revalued its land for operating purposes based on Act on Revaluation of Land (Act No. 34 of 1998). Regarding the valuation differences between the previous and the revalued amounts, the tax equivalent to this valuation differences has been recorded in Liabilities section as "Deferred tax liabilities on land revaluation" and the amount after deducting the tax equivalent from the valuation differences is recorded in Net Assets as "Revaluation reserve for land." The method of revaluation provided for in Article 3, Paragraph 3 of the same law. The amount is rationally adjusted and calculated based on the listed land price value as prescribed in Article 2, Item 1 of the Order for Enforcement of the Act on Revaluation of Land (Order No. 119 of 1998), the benchmark land price as prescribed in Article 2, Item 2 of the same, and an appraisal by the real estate appraisers as prescribed in Article 2, Item 5 of the same, etc. Date of revaluation: March 31, 2022	9. Same as left																								
10. The amounts of the organizational change surplus prescribed in Article 91 of the Insurance Business Act, are ¥63,158 million for Taiyo Life Insurance Company and ¥10,836 million for Daido Life Insurance Company.	10. Same as left																								
11. Stocks and capital of affiliates are as follows: <table border="0"> <tr> <td>Stocks</td><td>¥1,276 million</td></tr> <tr> <td>Capital</td><td>¥107,597 million</td></tr> </table>	Stocks	¥1,276 million	Capital	¥107,597 million	11. Stocks and capital of affiliates are as follows: <table border="0"> <tr> <td>Stocks</td><td>¥126,846 million</td></tr> <tr> <td>Capital</td><td>¥118,683 million</td></tr> </table> Note: As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.	Stocks	¥126,846 million	Capital	¥118,683 million																
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12. Assets pledged as collateral and secured debts are as follows: <table border="0"> <tr> <td colspan="2">Assets pledged as collateral</td></tr> <tr> <td>Securities (Japanese government bonds)</td><td>¥1,652,505 million</td></tr> <tr> <td>Securities (Foreign securities)</td><td>¥127,805 million</td></tr> <tr> <td>Cash collateral pledged for financial instruments</td><td>¥1,298 million</td></tr> <tr> <td>Balance</td><td>¥1,781,608 million</td></tr> </table> Of these assets, securities are mainly pledged as a substitute for the overdraft limit of the exclusive account of real-time gross settlement of government bonds with the Bank of Japan, bond-lending transactions secured by securities, and margin for futures contracts, etc. Secured debts <table border="0"> <tr> <td>Cash collateral received for bond-lending transactions</td><td>¥849,918 million</td></tr> </table>	Assets pledged as collateral		Securities (Japanese government bonds)	¥1,652,505 million	Securities (Foreign securities)	¥127,805 million	Cash collateral pledged for financial instruments	¥1,298 million	Balance	¥1,781,608 million	Cash collateral received for bond-lending transactions	¥849,918 million	12. Assets pledged as collateral and secured debts are as follows: <table border="0"> <tr> <td colspan="2">Assets pledged as collateral</td></tr> <tr> <td>Securities (Japanese government bonds)</td><td>¥1,457,585 million</td></tr> <tr> <td>Securities (Foreign securities)</td><td>¥127,300 million</td></tr> <tr> <td>Cash collateral pledged for financial instruments</td><td>¥4,542 million</td></tr> <tr> <td>Balance</td><td>¥1,589,428 million</td></tr> </table> Of these assets, securities are mainly pledged as a substitute for the overdraft limit of the exclusive account of real-time gross settlement of government bonds with the Bank of Japan, bond-lending transactions secured by securities, and margin for futures contracts, etc. Secured debts <table border="0"> <tr> <td>Cash collateral received for bond-lending transactions</td><td>¥731,104 million</td></tr> </table>	Assets pledged as collateral		Securities (Japanese government bonds)	¥1,457,585 million	Securities (Foreign securities)	¥127,300 million	Cash collateral pledged for financial instruments	¥4,542 million	Balance	¥1,589,428 million	Cash collateral received for bond-lending transactions	¥731,104 million
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Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Consolidated Statement of Operations

Year ended March 31, 2025	Year ended March 31, 2026																																																						
1. The items regarding impairment losses on fixed assets are as follows: (1) Grouping of assets For the Three Life Insurance Companies, real estates, etc. owned for insurance operations, etc., are grouped as a single asset group and other assets such as rental properties and unused real estates are grouped separately by each property. For the Company and the consolidated subsidiaries other than the Three Life Insurance Companies, real estates, etc. owned for their own operations are grouped as a single asset group. (2) Circumstances which led to the recognition of impairment losses For some asset groups, carrying amount was reduced to the recoverable amount and the reduced amount was recorded in extraordinary losses as impairment losses because of a significant drop in the market price and a decline in profitability due to the stagnant rental income level, etc. (3) Impairment losses recognized by asset group and the breakdown of the amounts of impairment losses by fixed asset type <table><tr><th colspan="5">(Millions of yen)</th></tr><tr><th rowspan="2">Asset</th><th rowspan="2">Location</th><th colspan="2">Type</th><th rowspan="2">Total</th></tr><tr><th>Land</th><th>Buildings, etc.</th></tr><tr><td>Unused real estates, etc.</td><td>Kanazawa City, Ishikawa Prefecture, etc. (5 assets)</td><td>290</td><td>131</td><td>422</td></tr><tr><td>Rental properties, etc.</td><td>Koriyama City, Fukushima Prefecture, etc. (4 assets)</td><td>605</td><td>552</td><td>1,157</td></tr><tr><td>Total</td><td>-</td><td>896</td><td>683</td><td>1,580</td></tr></table> (4) Method for calculating the recoverable amount The recoverable amount is based on net realizable value for all real estates. In principle, the net realizable value is calculated by subtracting the estimated costs of disposal from the appraisal value calculated in accordance with the real estate appraisal standard. The value in use is calculated by discounting the future cash flows by 5.20%.	(Millions of yen)					Asset	Location	Type		Total	Land	Buildings, etc.	Unused real estates, etc.	Kanazawa City, Ishikawa Prefecture, etc. (5 assets)	290	131	422	Rental properties, etc.	Koriyama City, Fukushima Prefecture, etc. (4 assets)	605	552	1,157	Total	-	896	683	1,580	1. Losses on disposal of fixed assets include a loss on the sale of Taiyo Life Insurance Company loan receivables of ¥24,913 million (including related expenses). 2. The items regarding impairment losses on fixed assets are as follows: (1) Grouping of assets Same as left (2) Circumstances which led to the recognition of impairment losses Same as left (3) Impairment losses recognized by asset group and the breakdown of the amounts of impairment losses by fixed asset type <table><tr><th colspan="5">(Millions of yen)</th></tr><tr><th rowspan="2">Asset</th><th rowspan="2">Location</th><th colspan="2">Type</th><th rowspan="2">Total</th></tr><tr><th>Land</th><th>Buildings, etc.</th></tr><tr><td>Unused real estates, etc.</td><td>Kurume City, Fukuoka Prefecture, etc. (3 assets)</td><td>156</td><td>65</td><td>222</td></tr><tr><td>Rental properties, etc.</td><td>Kochi City, Kochi Prefecture, etc. (5 assets)</td><td>334</td><td>568</td><td>903</td></tr><tr><td>Total</td><td>-</td><td>491</td><td>634</td><td>1,126</td></tr></table> (4) Method for calculating the recoverable amount The recoverable amount is based on net realizable value or value in use. In principle, the net realizable value is calculated by subtracting the estimated costs of disposal from the appraisal value calculated in accordance with the real estate appraisal standard. The value in use is calculated by discounting the future cash flows by 5.20%.	(Millions of yen)					Asset	Location	Type		Total	Land	Buildings, etc.	Unused real estates, etc.	Kurume City, Fukuoka Prefecture, etc. (3 assets)	156	65	222	Rental properties, etc.	Kochi City, Kochi Prefecture, etc. (5 assets)	334	568	903	Total	-	491	634	1,126
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Total	-	491	634	1,126																																																			

Consolidated Statement of Comprehensive Income

Year ended March 31, 2025	Year ended March 31, 2026				
1. Reclassification adjustments and tax effects regarding other comprehensive income are as follows: Valuation difference on available-for-sale securities: Amount occurred during the year ¥(119,270) million Reclassification adjustments ¥(64,636) million Amount before income taxes and tax effects ¥(183,906) million Income taxes and tax effects ¥43,078 million Valuation difference on available-for-sale securities ¥(140,827) million Deferred gains (losses) on hedging instruments: Amount occurred during the year ¥272 million Reclassification adjustments ¥212 million Amount before income taxes and tax effects ¥484 million Income taxes and tax effects ¥(117) million Deferred gains (losses) on hedging instruments ¥367 million Revaluation reserve for land: Income taxes and tax effects ¥(139) million Foreign currency translation adjustments: Amount occurred during the year ¥(3) million Share of other comprehensive income of companies accounted for under the equity method: Amount occurred during the year ¥11,635 million Total other comprehensive income ¥(128,966) million	1. Reclassification adjustments and tax effects regarding other comprehensive income are as follows: Valuation difference on available-for-sale securities: Amount occurred during the year ¥345,709 million Reclassification adjustments ¥(77,458) million Amount before income taxes and tax effects ¥268,250 million Income taxes and tax effects ¥(75,840) million Valuation difference on available-for-sale securities ¥192,409 million Deferred gains (losses) on hedging instruments: Amount occurred during the year ¥(272) million Reclassification adjustments ¥212 million Amount before income taxes and tax effects ¥(59) million Income taxes and tax effects ¥21 million Deferred gains (losses) on hedging instruments ¥(37) million Foreign currency translation adjustments: Amount occurred during the year ¥180 million Share of other comprehensive income of companies accounted for under the equity method: Amount occurred during the year ¥41,418 million Total other comprehensive income ¥233,971 million Note: As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, for the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.				

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2025

1. Type and number of issued shares and treasury shares

(Shares)

	Number of shares at the beginning of the fiscal year	Number of shares increased in the fiscal year	Number of shares decreased in the fiscal year	Number of shares at the end of the fiscal year
Issued shares: Common stock	544,000,000	—	—	544,000,000
Treasury shares: Common stock	13,996,963	18,084,777	175,569	31,906,171

Notes:

- Treasury shares of common stock increased due to the following reasons:
Purchase of treasury shares based on the resolution made at the Board of Directors' meeting held on May 15, 2024: 16,144,700 shares
Acquisition through the ESOP Trust: 1,564,500 shares
Acquisition through the BIP Trust: 355,400 shares
Purchase of odd-lot shares: 20,177 shares
- Treasury shares of common stock decreased due to the following reasons:
Exercise of stock option: 32,600 shares
Delivery by the BIP Trust: 119,300 shares
Sale of the BIP Trust: 22,500 shares
Delivery by the ESOP Trust: 1,019 shares
Sale of the ESOP Trust: 150 shares
- The number of treasury shares of common stock as of the end of the fiscal year includes 1,303,900 shares of the Company's treasury share owned by the BIP Trust (1,090,300 shares as of beginning of the fiscal year) and 1,563,331 shares of the Company's treasury share owned by the ESOP Trust (0 shares as of beginning of the fiscal year).

2. Subscription rights to shares

(Millions of yen)

Category	Breakdown of subscription rights to shares	Balance at the end of the fiscal year
The Company	Share subscription rights as stock options	304

3. Shareholder dividends

(1) Shareholder dividends paid

Date of resolution	Type of shares	Amount of shareholder dividends	Shareholder dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2024	Common stock	¥18,588 million	¥35.0	March 31, 2024	June 27, 2024
Board of Directors' meeting held on November 14, 2024	Common stock	¥20,973 million	¥40.0	September 30, 2024	December 6, 2024

Notes:

- The total amount of shareholder dividends, which based on the resolution made at the Ordinary General Meeting of Shareholders held on June 26, 2024, includes ¥38 million of the dividends for the Company's treasury share owned by the BIP Trust.
- The total amount of shareholder dividends, which based on the resolution made at the Board of Directors' meeting held on November 14, 2024, includes ¥52 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥62 million of the Company's treasury share owned by the ESOP Trust.

(2) Shareholder dividends whose record date was in the fiscal year ended March 31, 2025, while their effective date is in the fiscal year ending March 31, 2026

Date of resolution	Type of shares	Amount of shareholder dividends	Underlying assets	Shareholder dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2025	Common stock	¥20,598 million	Retained earnings	¥40.0	March 31, 2025	June 27, 2025

Notes:

- It is planned to submit the bill to the Ordinary General Meeting of Shareholders scheduled to be held on June 26, 2025.
- The total amount of shareholder dividends includes ¥52 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥62 million of the dividends for the Company's treasury share owned by the ESOP Trust.

For the year ended March 31, 2026

1. Type and number of issued shares and treasury shares

(Shares)

	Number of shares at the beginning of the fiscal year	Number of shares increased in the fiscal year	Number of shares decreased in the fiscal year	Number of shares at the end of the fiscal year
Issued shares: Common stock	544,000,000	—	56,000,000	488,000,000
Treasury shares: Common stock	31,906,171	32,478,888	56,250,888	8,134,171

Notes:

- The number of issued shares of common stock decreased due to the following reason:
Retirement of treasury shares based on the resolution made at the Board of Directors' meeting held on February 13, 2026: 56,000,000 shares
- Treasury shares of common stock increased due to the following reasons:
Purchase of treasury shares based on the resolution made at the Board of Directors' meeting held on March 31, 2025: 27,980,400 shares
Purchase of treasury shares based on the resolution made at the Board of Directors' meeting held on May 15, 2024: 2,265,800 shares
Purchase of treasury shares under Article 155, Item8 of the Companies Act: 2,211,219 shares
Purchase of odd-lot shares: 21,469 shares
- Treasury shares of common stock decreased due to the following reasons:
Retirement of treasury shares based on the resolution made at the Board of Directors' meeting held on February 13, 2026: 56,000,000 shares
Exercise of stock options: 92,300 shares
Delivery by the BIP Trust: 101,200 shares
Sale of the BIP Trust: 50,900 shares
Delivery by the ESOP Trust: 6,009 shares
Sale of the ESOP Trust: 479 shares
- The number of treasury shares of common stock as of the end of the fiscal year includes 1,151,800 shares of the Company's treasury share owned by the BIP Trust (1,303,900 shares as of beginning of the fiscal year) and 1,556,843 shares of the Company's treasury share owned by the ESOP Trust (1,563,331 shares as of beginning of the fiscal year).

2. Subscription rights to shares

(Millions of yen)

Category	Breakdown of subscription rights to shares	Balance at the end of the fiscal year
The Company	Share subscription rights as stock options	196

3. Shareholder dividends

(1) Shareholder dividends paid

Date of resolution	Type of shares	Amount of shareholder dividends	Shareholder dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2025	Common stock	¥20,598 million	¥40.0	March 31, 2025	June 27, 2025
Board of Directors' meeting held on November 14, 2025	Common stock	¥30,839 million	¥62.0	September 30, 2025	December 5, 2025

Notes:

- The total amount of shareholder dividends, which based on the resolution made at the Ordinary General Meeting of Shareholders held on June 26, 2025, includes ¥52 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥62 million of the dividends for the Company's treasury share owned by the ESOP Trust.
- The total amount of shareholder dividends, which based on the resolution made at the Board of Directors' meeting held on November 14, 2025, includes ¥72 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥96 million of the Company's treasury share owned by the ESOP Trust.

(2) Shareholder dividends whose record date was in the fiscal year ended March 31, 2026, while their effective date is in the fiscal year ending March 31, 2027

Date of resolution	Type of shares	Amount of shareholder dividends	Underlying assets	Shareholder dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2026	Common stock	¥32,815 million	Retained earnings	¥68.0	March 31, 2026	June 26, 2026

Notes:

- It is planned to submit the bill to the Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026.
- The total amount of shareholder dividends includes ¥78 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥105 million of the dividends for the Company's treasury share owned by the ESOP Trust.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Consolidated Statement of Cash Flows

Year ended March 31, 2025	Year ended March 31, 2026
1. The following table provides a reconciliation of cash and cash equivalents in the consolidated statement of cash flows to cash and cash deposits as stated in the consolidated balance sheet.	1. The following table provides a reconciliation of cash and cash equivalents in the consolidated statement of cash flows to cash and cash deposits as stated in the consolidated balance sheet.
Cash and deposits ¥778,681 million	Cash and deposits ¥422,810 million
Less: Term deposits with an original maturity of more than three months ¥(21,660) million	Less: Term deposits with an original maturity of more than three months ¥(11,360) million
Call loans ¥10,089 million	Call loans ¥279,703 million
Monetary claims purchased ¥170,671 million	Monetary claims purchased ¥120,609 million
Less: monetary claims purchased other than cash equivalents ¥(115,686) million	Less: monetary claims purchased other than cash equivalents ¥(115,612) million
Monetary trusts ¥1,115,454 million	Monetary trusts ¥1,220,462 million
Less: monetary trusts other than cash equivalents ¥(1,114,453) million	Less: monetary trusts other than cash equivalents ¥(1,220,462) million
Cash and cash equivalents ¥823,096 million	Cash and cash equivalents ¥696,151 million

Lease Transactions

[As lessee]

1. Finance leases

(1) Ownership-transfer finance leases

Not applicable.

(2) Non-ownership-transfer finance leases

1) Details of lease assets

(a) Tangible fixed assets

Office appliances such as computer servers

(b) Intangible fixed assets

Software

2) Depreciation method for lease assets

Straight-line method over the lease period is applied.

2. Operating leases

Future lease payments under non-cancellable operating leases are as follows:

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Due within one year	15	15
Due after one year	13	25
Total	29	40

[As lessor]

1. Details of Lease investment assets

Other assets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Lease income receivables	53,833	53,815
Estimated residual value	319	343
Interest income	(5,011)	(5,299)
Total lease investment assets	49,140	48,860

2. Projected collection amounts of lease income receivables related to lease receivables and lease investment assets after the consolidated closing dates

Other assets

(Millions of yen)

	As of March 31, 2025					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	1,848	1,573	1,353	1,038	617	900
Lease investment assets	12,783	10,920	8,857	6,861	5,026	9,383

(Millions of yen)

	As of March 31, 2026					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	2,069	1,848	1,528	1,101	679	1,186
Lease investment assets	12,858	10,807	8,835	7,027	5,017	9,269

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Financial Instruments

1. Matters related to the condition of financial instruments

(1) Policy for handling financial instruments

T&D Insurance Group's main business is life insurance business. The Group underwrites various classes of life insurance and invests the money collected as insurance premiums in financial assets including securities and loans.

In order to efficiently invest the insurance premiums trusted to us by the policyholders, the Group's asset management policy aims to build a portfolio which ensures long-term stable returns considering the characteristics of obligations involved in life insurance policies, based on the concept of ERM which integrally manages capital, profit, and risk, and at the same time, paying adequate attention to the soundness and public nature of the investments.

Derivative financial instruments are used to hedge fluctuation risks involved in our investment in financial instruments, as well as partially complement physical assets.

Furthermore, in order to pursue greater financial soundness, the Group has been financing the subordinated-class capital (bonds and borrowings).

(2) Details and risks of financial instruments

Financial assets held by the Group mainly comprise securities and loans.

Securities include public and corporate bonds, stocks and investment trusts offered at home and abroad that are held on a long-term basis for the purpose of investment geared to market prospects to ensure stable returns. These financial instruments are exposed to credit risks of the issuing entities and market risks associated with fluctuations in interest rate, exchange rates and stock prices, as well as market liquidity risks.

Loans here include policy loans for policyholders and commercial loans (non-policy loans) provided mainly to domestic businesses and individuals. Commercial loans, though intended to ensure stable returns, are exposed to credit risks of borrowers' default. A policy loan is provided within the surrender value of each insurance policy, thus its credit risk is minimal.

Derivative transactions including stock index futures contracts, forward exchange contracts and interest rate swap agreements are used primarily to hedge price fluctuation risks of our financial assets, and partially to complement physical assets by, for example, providing a solution to the time constraint prior to the inclusion of physical assets into our portfolio. Accordingly, the Group does not enter into those transactions for speculative purposes.

Stringent risk management is in place for derivative transactions, by clearly defining tolerable allowances in terms of the details, hedged items and trading limits of the transactions as well as by properly controlling their status.

Hedge accounting is appropriately practiced in interest rate swap agreements for loans and forward exchange contracts for foreign currency-denominated assets, under the internal rules clearly defining qualifications, applicable types of transactions, methods of evaluation of its effectiveness and methods of its designation. Effectiveness of hedging is determined by ratio analysis methodology comparing the movements of fair values of the hedged items and hedging instruments.

(3) Risk management system for financial instruments

1) Overall risk management system

The Group, in consideration of the social and public nature of the life insurance business which is its main business, defines precise identification and management of risks as one of the crucial management tasks for ensuring the soundness and adequacy of management, where the Company, as the Group's holding company, has developed a "Group Risk Management Policy" which sets out the basic risk management philosophy within the Group and provides the appropriate risk management structure according to the business characteristics and risk profiles of each of the Company including the Three Life Insurance Companies.

As an organizational structure, the Group Risk Management Committee has been established for the purpose of coordinated management of risks within the Group, and has a clear understanding of the status of various risks at each company including the Three Life Insurance Companies, through reports prepared on a regular or as-needed basis at each company using the unified risk management criteria. Further, the Company provides guidance and advice as appropriate to companies including the Three Life Insurance Companies, to carry out thorough risk management at each company and strengthen the Group's entire risk management system.

At each of the Three Life Insurance Companies, a committee has been established to supervise company-wide risk management at an enhanced level, while a mutual check-and-balance system is in place under the internal organizational arrangement including the separation of the investment and loan execution function from the administration function within the investment division, independence of the credit check function and implementation of the internal audits by the Internal Auditing Department.

Furthermore, the Group has established the ERM committee to manage risks integrally with profit and capital on an economic value basis. Through the promotion and enhancement of ERM, the Group aims for steady and sustainable growth in its corporate value.

2) Management of market risk

Market risks are properly controlled according to the risk characteristic of each asset based on a precise understanding of the sensitivity of investment assets to parameters reflecting changes in the investment environment, including interest rate, stock prices and exchange rates, as well as by reviewing asset allocation and risk hedging based on identification of the overall risk of the portfolio using the Value at Risk criterion (hereafter referred to as "VaR").

3) Management of credit risk

Credit risk of the entire portfolio is identified and controlled through its quantification by the use of VaR based on an internal rating for individual borrowers. Meanwhile, the aggregate amount of investment and loans is capped by each industry sector or by group of companies according to the corresponding risks, whereby concentration of loans to specific industry sectors or groups of companies is restrained.

4) Management of liquidity risk

Liquidity risks are properly managed by ensuring a constant amount of liquidity based on the Risk Management Department's precise understanding of the latest risk information, including the share of highly liquid assets, cash flow situation, trends of the general financial/securities markets and the status of individual financial instruments, as well as by developing a management structure that enables smooth liquidation of assets for financing.

(4) Supplementary notes concerning the matters related to fair value, etc., of financial instruments

Estimation of fair value requires the use of certain assumptions, etc. Therefore, the use of different assumptions, etc. may lead to a different value.

In addition, notional amounts of derivative financial instruments shown in "2. Matters related to fair value, etc., of financial instruments" do not represent exposure to market risks.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

2. Matters related to fair value, etc., of financial instruments

The following tables show consolidated balance sheet amounts, fair values and differences. Stocks without market prices and investments in partnerships and other similar business entities that are recorded at net value which is equivalent to the Company's equity interest on the consolidated balance sheet (hereinafter the "Investments in capital of partnerships and so forth") are not included. (See Annotation 1.) In addition, cash and deposits, call loans, commercial paper out of monetary claims purchased, monetary trusts which have similar nature with cash and deposits, short-term debentures, and cash collateral received for bond-lending transactions are omitted, because these are settled in a short period and their fair values are proximate to the carrying amounts.

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Monetary claims purchased	115,686	105,715	(9,970)
1) Treated as securities	113,183	103,338	(9,845)
- Held-to-maturity bonds	83,479	73,634	(9,845)
- Available-for-sale securities	29,703	29,703	—
2) Others	2,502	2,377	(125)
(2) Monetary trusts	1,114,453	1,013,554	(100,898)
1) Monetary trusts for trading purposes	2,351	2,351	—
2) Monetary trusts for held-to-maturity purposes	27,094	22,219	(4,874)
3) Monetary trusts for policy-reserve-matching purposes	863,136	767,112	(96,024)
4) Monetary trusts for other than trading, held-to-maturity or policy-reserve-matching purposes	221,871	221,871	—
(3) Securities	11,667,514	10,738,791	(928,723)
1) Trading securities (*1)	122,536	122,536	—
2) Held-to-maturity bonds	651,016	622,881	(28,134)
3) Policy-reserve-matching bonds	5,523,396	4,622,807	(900,588)
4) Available-for-sale securities (*1)	5,370,565	5,370,565	—
(4) Loans	1,651,491	1,607,839	(43,651)
1) Policy loans (*2)	104,233	108,915	4,691
2) Commercial loans (*2)	1,549,487	1,498,923	(48,342)
3) Reserve for possible loan losses (*3)	(2,229)	—	—
Total assets	14,549,145	13,465,901	(1,083,244)
(1) Bonds	120,000	115,957	(4,043)
(2) Borrowings within other liabilities	56,369	55,196	(1,172)
Total liabilities	176,369	171,153	(5,215)
Derivative financial instruments (*4)			
(1) Hedge accounting not applied	3,239	3,239	—
(2) Hedge accounting applied	3,960	3,960	(0)
Total derivative financial instruments	7,199	7,199	(0)

*1. Net asset value of a part of investment trusts is regarded as fair value in accordance with generally accepted accounting principles and such investment trusts are included in the above table.

*2. Difference indicates the difference between the amount after deducting the reserve for possible loan losses recorded in the consolidated balance sheet and its current fair value.

*3. Reserve for possible loan losses for loans is deducted.

*4. Claims and liabilities arising from derivative transactions are shown at net value. In the case of net liabilities, amounts are shown in square brackets.

As of March 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Monetary claims purchased	115,612	101,351	(14,260)
1) Treated as securities	113,281	99,228	(14,053)
- Held-to-maturity bonds	86,500	72,447	(14,053)
- Available-for-sale securities	26,781	26,781	—
2) Others	2,330	2,123	(206)
(2) Monetary trusts	1,220,462	1,061,854	(158,608)
1) Monetary trusts for trading purposes	1,989	1,989	—
2) Monetary trusts for held-to-maturity purposes	26,849	19,692	(7,157)
3) Monetary trusts for policy-reserve-matching purposes	962,091	810,641	(151,450)
4) Monetary trusts for other than trading, held-to-maturity or policy-reserve-matching purposes	229,531	229,531	—
(3) Securities	12,029,486	10,435,480	(1,594,005)
1) Trading securities (*1)	149,310	149,310	—
2) Held-to-maturity bonds	650,366	559,939	(90,426)
3) Policy-reserve-matching bonds	5,526,433	4,022,854	(1,503,578)
4) Available-for-sale securities (*1)	5,703,375	5,703,375	—
(4) Loans	1,505,512	1,447,981	(57,530)
1) Policy loans (*2)	107,060	109,671	2,620
2) Commercial loans (*2)	1,401,035	1,338,309	(60,151)
3) Reserve for possible loan losses (*3)	(2,583)	—	—
Total assets	14,871,073	13,046,668	(1,824,405)
(1) Bonds	224,000	216,643	(7,357)
(2) Borrowings within other liabilities	96,962	94,830	(2,131)
Total liabilities	320,962	311,473	(9,488)
Derivative financial instruments (*4)			
(1) Hedge accounting not applied	[3,099]	[3,099]	—
(2) Hedge accounting applied	[26,844]	[24,795]	2,048
Total derivative financial instruments	[29,943]	[27,895]	2,048

*1. Net asset value of a part of investment trusts is regarded as fair value in accordance with generally accepted accounting principles and such investment trusts are included in the above table.

*2. Difference indicates the difference between the amount after deducting the reserve for possible loan losses recorded in the consolidated balance sheet and its current fair value.

*3. Reserve for possible loan losses for loans is deducted.

*4. Claims and liabilities arising from derivative transactions are shown at net value. In the case of net liabilities, amounts are shown in square brackets.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(Annotation 1) The balance sheet amounts of stocks, etc. without market prices such as unlisted stocks, etc. and the investments in capital of partnerships and so forth are not included in "(3) Securities" in the above table and summarized as follows:

(Millions of yen)

Category	As of March 31, 2025	As of March 31, 2026
Unlisted stocks of affiliates, etc.	108,873	245,529
Unlisted stocks, etc. (*2)	1,276	126,846
Investments in capital of partnerships and so forth (*1) (*3)	107,597	118,683
Available-for-sale securities	529,564	594,574
Unlisted stocks, etc. (*2) (*4)	28,996	29,780
Investments in capital of partnerships and so forth (*3) (*4)	500,568	564,793

*1. As stated in "Additional Information," some of our foreign affiliates have applied "Financial Services - Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of the affiliates were evaluated using a new calculation method, which included changes in discount rate and a review of insurance assumptions. Accordingly, figures after retrospective application were stated for the consolidated fiscal year ended March 31, 2025, reflecting the relevant accounting treatment.

*2. Unlisted stocks, etc. are excluded from disclosure of fair value due to the lack of market prices based on the paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, issued on March 31, 2020).

*3. The investments in capital of partnerships and so forth are excluded from disclosure of fair value based on the paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, issued on June 17, 2021).

*4. Unlisted stocks, etc. and the investments in capital of partnerships and so forth were impaired by ¥2,173 million in the consolidated fiscal year ended March 31, 2025. Unlisted stocks, etc. and the investments in capital of partnerships and so forth were impaired by ¥437 million in the consolidated fiscal year ended March 31, 2026.

(Annotation 2) Scheduled redemption amounts after the consolidated closing date for monetary claims and fixed-maturity securities are as follows:

(Millions of yen)

As of March 31, 2025	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits	778,651	—	—	—
Call loans	10,089	—	—	—
Monetary claims purchased	55,610	2,461	1,889	111,470
Securities:				
1) Held-to-maturity bonds:				
Government bonds	8,853	32,836	145,673	261,901
Municipal bonds	100	1,170	3,397	36,150
Corporate bonds	10,200	19,650	39,076	66,757
Foreign securities	—	7,810	3,000	25,872
2) Policy-reserve-matching bonds:				
Government bonds	4,395	176,045	440,849	3,572,397
Municipal bonds	17,427	28,238	23,821	238,522
Corporate bonds	15,900	111,014	280,500	711,123
Foreign securities	2,541	21,642	11,763	6,065
3) Available-for-sale fixed maturity securities:				
Government bonds	1,239	23,483	76,913	439,956
Municipal bonds	4,163	19,000	3,448	10,102
Corporate bonds	25,537	126,635	125,640	145,221
Foreign securities	10,134	173,247	209,783	294,700
Other securities	—	11	—	—
Loans	177,655	643,537	481,449	208,906

Note:
Securities without contractual maturity dates in the amount of ¥1,348,921 million are not included. In addition, loans without contractual maturity dates such as policy loans in the amount of ¥141,751 million are not included.

As of March 31, 2026

(Millions of yen)

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits	412,783	10,000	—	—
Call loans	279,703	—	—	—
Monetary claims purchased	5,612	2,905	933	112,910
Securities:				
1) Held-to-maturity bonds:				
Government bonds	8,527	77,037	99,330	269,215
Municipal bonds	—	1,570	2,449	37,799
Corporate bonds	19,681	10,215	28,431	68,357
Foreign securities	—	10,917	3,000	25,269
2) Policy-reserve-matching bonds:				
Government bonds	16,465	199,011	418,653	3,716,192
Municipal bonds	13,845	9,757	27,121	215,901
Corporate bonds	14,200	131,280	272,920	659,074
Foreign securities	5,437	25,320	6,858	4,918
3) Available-for-sale fixed maturity securities:				
Government bonds	13,600	136,783	114,113	494,216
Municipal bonds	9,964	15,038	3,450	100
Corporate bonds	33,286	147,067	112,941	131,804
Foreign securities	9,942	194,993	187,052	147,990
Other securities	—	1	—	0
Loans	175,427	602,408	444,085	134,880

Note:

Securities without contractual maturity dates in the amount of ¥1,499,474 million are not included. In addition, loans without contractual maturity dates such as policy loans in the amount of ¥152,060 million are not included.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(Annotation 3) Scheduled repayment amounts after the consolidated closing date for bonds, borrowings, and other interest-bearing liabilities are as follows:

As of March 31, 2025 (Millions of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term debentures	8,000	—	—	—	—	—
Bonds	—	—	—	—	30,000	90,000
Cash collateral received for bond-lending transactions within other liabilities	849,918	—	—	—	—	—
Borrowings within other liabilities	12,245	10,251	7,938	5,403	3,551	16,978

As of March 31, 2026 (Millions of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term debentures	8,000	—	—	—	—	—
Bonds	—	—	34,000	30,000	50,000	110,000
Cash collateral received for bond-lending transactions within other liabilities	731,104	—	—	—	—	—
Borrowings within other liabilities	12,176	8,946	6,411	4,559	20,078	44,789

3. Breakdown of fair values of financial instruments by levels

Fair values of financial instruments are categorized into the following three levels according to observability and importance of inputs related to calculation of the fair values.

Level 1 : Fair values calculated by using quoted prices that are formed in active markets and related to assets or liabilities for which the fair values are calculated among inputs related to calculation of observable fair values.

Level 2 : Fair values calculated by using inputs related to calculation of observable fair values other than level 1 inputs.

Level 3 : Fair values calculated by using inputs related to calculation of unobservable fair values.

When multiple inputs that have some significant impact on calculation of fair values are used, the fair values are categorized into the lowest priority level in the calculation of fair values among the levels to which each of those inputs belongs.

(1) Financial instruments for which fair values are used as consolidated balance sheet amount

As of March 31, 2025 (Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	—	28,404	1,299	29,703
Available-for-sale securities	—	28,404	1,299	29,703
Monetary trusts	2,288	221,934	—	224,223
Monetary trusts for trading purposes	2,288	62	—	2,351
Monetary trusts for other than trading, held-to-maturity or policy-reserve-matching purposes	—	221,871	—	221,871
Securities	2,196,900	2,541,065	—	4,737,965
Trading securities	—	122,024	—	122,024
Foreign securities	—	20	—	20
Foreign other securities	—	20	—	20
Other securities	—	122,003	—	122,003
Available-for-sale securities	2,196,900	2,419,040	—	4,615,940
Domestic bonds	534,331	864,627	—	1,398,958
Government bonds	478,864	—	—	478,864
Municipal bonds	—	35,171	—	35,171
Corporate bonds	55,467	829,455	—	884,923
Domestic stocks	707,508	—	—	707,508
Foreign securities	650,244	1,455,099	—	2,105,344
Foreign bonds	337,723	275,831	—	613,555
Foreign stocks	12,372	—	—	12,372
Foreign other securities	300,148	1,179,267	—	1,479,416
Other securities	304,815	99,313	—	404,129
Derivative financial instruments	—	21,176	—	21,176
Currency-related transactions	—	12,823	—	12,823
Stock-related transactions	—	8,353	—	8,353
Total assets	2,199,188	2,812,581	1,299	5,013,068
Derivative financial instruments	—	13,976	—	13,976
Currency-related transactions	—	13,522	—	13,522
Stock-related transactions	—	454	—	454
Total liabilities	—	13,976	—	13,976

Note:

Net asset value of a part of investment trusts is regarded as fair value in accordance with generally accepted accounting principles and such investment trusts are not included in the above table.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

As of March 31, 2026

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	—	25,606	1,174	26,781
Available-for-sale securities	—	25,606	1,174	26,781
Monetary trusts	1,933	229,587	—	231,521
Monetary trusts for trading purposes	1,933	56	—	1,989
Monetary trusts for other than trading, held-to-maturity or policy-reserve-matching purposes	—	229,531	—	229,531
Securities	2,355,230	2,560,641	—	4,915,872
Trading securities	—	149,252	—	149,252
Foreign securities	—	21	—	21
Foreign other securities	—	21	—	21
Other securities	—	149,231	—	149,231
Available-for-sale securities	2,355,230	2,411,388	—	4,766,619
Domestic bonds	684,972	847,569	—	1,532,541
Government bonds	624,180	—	—	624,180
Municipal bonds	—	28,210	—	28,210
Corporate bonds	60,791	819,359	—	880,151
Domestic stocks	768,423	—	—	768,423
Foreign securities	548,301	1,479,849	—	2,028,150
Foreign bonds	229,639	267,751	—	497,391
Foreign stocks	38,169	—	—	38,169
Foreign other securities	280,492	1,212,097	—	1,492,589
Other securities	353,533	83,970	—	437,504
Derivative financial instruments	455	8,368	—	8,824
Currency-related transactions	—	3,825	—	3,825
Stock-related transactions	455	4,543	—	4,999
Total assets	2,357,620	2,824,204	1,174	5,182,999
Derivative financial instruments	—	38,082	686	38,768
Currency-related transactions	—	37,768	—	37,768
Stock-related transactions	—	313	686	999
Total liabilities	—	38,082	686	38,768

Note:

Net asset value of a part of investment trusts is regarded as fair value in accordance with generally accepted accounting principles and such investment trusts are not included in the above table.

(2) Financial instruments for which fair values are not used as consolidated balance sheet amount

As of March 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	—	73,634	2,377	76,011
Held-to-maturity bonds	—	73,634	—	73,634
Not treated as securities	—	—	2,377	2,377
Monetary trusts	789,331	—	—	789,331
Monetary trusts for held-to-maturity purposes	22,219	—	—	22,219
Monetary trusts for policy-reserve-matching purposes	767,112	—	—	767,112
Securities	3,841,758	1,403,930	—	5,245,689
Held-to-maturity bonds	426,818	196,063	—	622,881
Domestic bonds	426,006	165,079	—	591,086
Government bonds	426,006	—	—	426,006
Municipal bonds	—	38,501	—	38,501
Corporate bonds	—	126,577	—	126,577
Foreign securities	811	30,983	—	31,795
Foreign bonds	811	30,983	—	31,795
Policy-reserve-matching bonds	3,414,940	1,207,866	—	4,622,807
Domestic bonds	3,392,374	1,189,435	—	4,581,809
Government bonds	3,383,040	—	—	3,383,040
Municipal bonds	—	254,570	—	254,570
Corporate bonds	9,333	934,865	—	944,199
Foreign securities	22,566	18,431	—	40,997
Foreign bonds	22,566	18,431	—	40,997
Loans	—	—	1,607,839	1,607,839
Policy loans	—	—	108,915	108,915
Commercial loans	—	—	1,498,923	1,498,923
Derivative financial instruments	—	(0)	—	(0)
Interest-related transactions	—	(0)	—	(0)
Total assets	4,631,090	1,477,564	1,610,217	7,718,871
Bonds	—	115,957	—	115,957
Borrowings within other liabilities	—	12,693	42,503	55,196
Total liabilities	—	128,650	42,503	171,153

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

As of March 31, 2026

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	—	72,447	2,123	74,570
Held-to-maturity bonds	—	72,447	—	72,447
Not treated as securities	—	—	2,123	2,123
Monetary trusts	830,333	—	—	830,333
Monetary trusts for held-to-maturity purposes	19,692	—	—	19,692
Monetary trusts for policy-reserve-matching purposes	810,641	—	—	810,641
Securities	3,410,798	1,171,995	—	4,582,794
Held-to-maturity bonds	384,701	175,238	—	559,939
Domestic bonds	383,783	141,761	—	525,544
Government bonds	383,311	—	—	383,311
Municipal bonds	—	35,357	—	35,357
Corporate bonds	472	106,403	—	106,876
Foreign securities	917	33,477	—	34,394
Foreign bonds	917	33,477	—	34,394
Policy-reserve-matching bonds	3,026,097	996,757	—	4,022,854
Domestic bonds	3,002,761	979,285	—	3,982,047
Government bonds	2,992,631	—	—	2,992,631
Municipal bonds	—	183,784	—	183,784
Corporate bonds	10,130	795,501	—	805,631
Foreign securities	23,336	17,471	—	40,807
Foreign bonds	23,336	17,471	—	40,807
Loans	—	—	1,447,981	1,447,981
Policy loans	—	—	109,671	109,671
Commercial loans	—	—	1,338,309	1,338,309
Derivative financial instruments	—	2,048	—	2,048
Interest-related transactions	—	2,048	—	2,048
Total assets	4,241,132	1,246,491	1,450,104	6,937,728
Bonds	—	216,643	—	216,643
Borrowings within other liabilities	—	58,028	36,801	94,830
Total liabilities	—	274,671	36,801	311,473

(Annotation 1) Description of the valuation techniques and inputs used to measure fair value

Monetary claims purchased

Fair value of monetary claims purchased which are deemed appropriate to treat as securities is based on the value calculated by the same method as that of securities. Fair value of monetary claims purchased which are deemed appropriate to treat as loans is based on the value calculated by the same method as that of loans.

Monetary trusts

Fair value of monetary trusts invested mainly in securities is based on the value calculated by the same method as that for securities. Monetary trusts are classified based on levels of constituents held in trust.

In addition to the above, currency options and stock index options, etc. are used within monetary trusts and fair value of them is calculated by the same method as that for derivatives.

See Note "Monetary Trusts" for notes related to monetary trust by holding purposes.

Securities

Fair value of listed stocks is based on the quoted prices in markets, and listed stocks of which the fair value is based on the quoted prices in active markets with no adjustment are classified into Level 1.

Fair value of bonds is based on the observable transaction prices, etc. Bonds of which the fair value is based on the transaction prices, etc. in active markets with no adjustment are classified into Level 1. Bonds of which the fair value is based on the observable transaction prices, etc. in inactive markets are classified into Level 2. If the transaction prices, etc. are not available, the fair value is calculated by the discounted present value method of future cash flow, etc. The Company makes maximum use of observable inputs in the calculations, including government bond yields and credit risk premiums, etc. If a significant unobservable input is used in the calculation, the fair value is classified into Level 3, and if not, the fair value is classified into Level 2.

Fair value of investment trusts is based on quoted prices in markets or net asset value, etc. announced by industry groups and settlor companies of investment trusts. If the fair value is based on the quoted prices in markets with no adjustment, it is classified into Level 1; otherwise, it is classified into Level 2.

See Note "Securities" for notes related to securities by holding purposes.

Loans

1) Policy loans

Fair value of policy loans is calculated by discounting the expected future cash flow derived from the repayment rate based on the past actual repayment performance by the risk-free rate and classified into Level 3.

2) Commercial loans

Variable interest rate loans reflect the market interest rate in a short period. Therefore, carrying amount is recorded as fair value since fair value is proximate to the carrying amount unless the borrower's credit standing significantly changes after the loan is provided.

Fair value of fixed interest rate loans is calculated by discounting the total amount of principal and interest by risk-free rates weighted by credit risks involved.

For loans to bankrupt companies, effectively bankrupt companies and potentially bankrupt companies, estimated uncollectible amounts are calculated based on the present value of the estimated future cash flows or estimated amounts recoverable through pledge or guarantee, etc. and fair values are proximate to consolidated balance sheet amounts less the estimated uncollectible amounts at the consolidated closing date, and thus the amounts are recorded as fair values.

For these transactions, unobservable inputs are used. Therefore, they are classified into Level 3.

Bonds

Fair value of bonds is based on quoted price, or calculated by discounting the total amount of principal and interest by discount rate that takes into account the remaining period of the bond and credit risk of the issuer. Those of which the fair value is based on the quoted prices in active markets are classified into Level 2. If not, those are classified into Level 3 as the discount rate is unobservable.

Borrowings

Fair value of borrowings is calculated by discounting the total amount of principal and interest by discount rate that takes into account the remaining period of the borrowing and credit risk of the borrower. If the discount rate is observable, borrowings are classified into Level 2. If not, those are classified into Level 3. Variable interest rate borrowings reflect the market interest rate in a short period. Therefore, carrying amount is recorded as fair value since fair value is proximate to the carrying amount unless the borrower's credit standing significantly changes after the borrowings are provided.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Derivatives

- (1) Fair value of forward exchange contract transactions use forward exchange rates, etc., and are classified into Level 2.
- (2) Fair value of stock index futures, stock forward contracts, stock index options, individual stock options, bond futures, bond options, currency options, currency swaps, and interest swap transactions are based on the quoted prices in markets, or the prices calculated based on observable market data, etc. Those of which the fair value is based on the quoted prices in active markets with no adjustment are classified into Level 1. If not, those are classified into Level 2. If a significant unobservable input is used, the fair value is classified into Level 3.

(Annotation 2) Financial instruments for which Level 3 fair values are used as consolidated balance sheet amount

(1) Quantitative information about significant unobservable input

As of March 31, 2025

Category	Valuation techniques	Significant unobservable input	Range of inputs	Weighted average of inputs
Monetary claims purchased	Discounted-cash-flow method	Discount rate	2.47%	2.47%

As of March 31, 2026

Category	Valuation techniques	Significant unobservable input	Range of inputs	Weighted average of inputs
Monetary claims purchased	Discounted-cash-flow method	Discount rate	3.11%	3.11%

- (2) Reconciliations between the beginning and ending balances, valuation gains / losses recognized in the gains / losses in the period

Year ended March 31, 2025

(Millions of yen)

	Monetary claims purchased	Domestic bonds	Foreign securities	Total
Balance at the beginning of the fiscal year	2,224	0	22,023	24,248
Gains/losses or other comprehensive income in the period	(36)	0	(23)	(59)
Recorded in gains/losses	—	—	—	—
Recorded in other comprehensive income (*1)	(36)	0	(23)	(59)
Net amount for purchase, sale, issuance and settlement	(889)	(0)	(22,000)	(22,889)
Transfer to Level 3 fair values	—	—	—	—
Transfer from Level 3 fair values	—	—	—	—
Balance at the end of the fiscal year	1,299	—	—	1,299
Valuation gains / losses on financial assets and liabilities held at the end of the period out of the amount recorded in gains / losses for the period	—	—	—	—

Note:

*1. It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

Year ended March 31, 2026

(Millions of yen)

	Monetary claims purchased	Derivative transactions	Total
Balance at the beginning of the fiscal year	1,299	—	1,299
Gains/losses or other comprehensive income in the period	(33)	(461)	(495)
Recorded in gains/losses	—	(461)	(461)
Recorded in other comprehensive income (*2)	(33)	—	(33)
Net amount for purchase, sale, issuance and settlement	(91)	(224)	(315)
Transfer to Level 3 fair values	—	—	—
Transfer from Level 3 fair values	—	—	—
Balance at the end of the fiscal year	1,174	(686)	488
Valuation gains / losses on financial assets and liabilities held at the end of the period out of the amount recorded in gains / losses for the period	—	(461)	(461)

Note:

*1. It is included in "Investment income" and "Investment expenses" in the consolidated statement of operations.

*2. It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

(3) Description of the fair value valuation process

The Group has established policies and procedures for calculating the fair value, and calculates the fair value in accordance with them. The calculated fair value is checked by an independent valuation department to confirm operations for the validity of the valuation technique and inputs used in the calculation of the fair value and the appropriateness of the classification of the fair value level, thereby ensuring the appropriateness of the policies and procedures for calculating the fair value.

In calculating the fair value, we use a valuation model that can most appropriately reflect the nature, characteristics and risks of individual assets. In addition, when using the quoted price obtained from a third party, the validity of the price is verified by appropriate methods such as confirmation of the valuation technique and inputs used and comparison with the fair value of similar financial instruments.

(4) Explanation of the sensitivity of the fair value to changes in significant unobservable input

A significant unobservable input used in calculating the fair value of monetary claims purchased and securities is the discount rate. The discount rate consists of government bond interest rates and credit risk premiums. In general, a significant increase (decrease) in the discount rate results in a significant decrease (increase) in the fair value.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

4. Investment trusts for which net asset value is regarded as fair value in accordance with generally accepted accounting principles

Investment trusts for which net asset value is regarded as fair value in accordance with generally accepted accounting principles are not disclosed in "3. Breakdown of fair values of financial instruments by levels." The amount of the investment trusts on the consolidated balance sheet is ¥936,813 million in financial assets. (¥755,136 million in financial assets for the previous fiscal year.)

(1) Reconciliations between the beginning and ending balances of investment trusts whose properties are financial instruments

Year ended March 31, 2025

(Millions of yen)

	Trading securities	Available-for-sale securities	Total
	Foreign other securities	Foreign other securities	
Balance at the beginning of the fiscal year	746	656,746	657,492
Gains/losses or other comprehensive income in the period	(229)	28,262	28,032
Recorded in gains/losses (*1)	(229)	35,731	35,501
Recorded in other comprehensive income (*2)	—	(7,469)	(7,469)
Net amount for purchase, sale and redemption	(4)	1,805	1,800
Amount of investment trusts for which net asset value is regarded as fair value from the period	—	—	—
Amount of investment trusts for which net asset value is not regarded as fair value from the period	—	—	—
Balance at the end of the fiscal year	511	686,814	687,326
Valuation gains/losses on investment trusts held at the end of the period out of the amount recorded in gains/losses for the period (*1)	(229)	1,469	1,240

*1. It is included in "Investment income" and "Investment expenses" in the consolidated statement of operations.

*2. It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

Year ended March 31, 2026

(Millions of yen)

	Trading securities	Available-for-sale securities	Total
	Foreign other securities	Foreign other securities	
Balance at the beginning of the fiscal year	511	686,814	687,326
Gains/losses or other comprehensive income in the period	(385)	94,490	94,104
Recorded in gains/losses (*1)	(385)	67,156	66,770
Recorded in other comprehensive income (*2)	—	27,333	27,333
Net amount for purchase, sale and redemption	(67)	79,894	79,826
Amount of investment trusts for which net asset value is regarded as fair value from the period	—	—	—
Amount of investment trusts for which net asset value is not regarded as fair value from the period	—	—	—
Balance at the end of the fiscal year	58	861,199	861,257
Valuation gains/losses on investment trusts held at the end of the period out of the amount recorded in gains/losses for the period (*1)	(41)	5,898	5,856

*1. It is included in "Investment income" and "Investment expenses" in the consolidated statement of operations.

*2. It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

(2) Breakdown of restriction regarding cancellation or buyback request of investment trusts whose properties are financial assets

As of March 31, 2025

(Millions of yen)

	Trading securities	Available-for-sale securities	Total
	Foreign other securities	Foreign other securities	
Having limitation in frequency, etc., of cancellation or buyback request	511	524,511	525,022
Others	—	162,303	162,303
Total	511	686,814	687,326

As of March 31, 2026

(Millions of yen)

	Trading securities	Available-for-sale securities	Total
	Foreign other securities	Foreign other securities	
Having limitation in frequency, etc., of cancellation or buyback request	58	654,634	654,692
Others	—	206,564	206,564
Total	58	861,199	861,257

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(3) Reconciliations between the beginning and ending balances of investment trusts whose properties are real estates

Year ended March 31, 2025

(Millions of yen)

	Available for sale securities		Total
	Foreign other securities	Other securities	
Balance at the beginning of the fiscal year	7,489	58,530	66,019
Gains/losses or other comprehensive income in the period	(436)	1,025	588
Recorded in gains/losses	—	—	—
Recorded in other comprehensive income (*)	(436)	1,025	588
Net amount for purchase, sale and redemption	—	1,202	1,202
Amount of investment trusts for which net asset value is regarded as fair value from the period	—	—	—
Amount of investment trusts for which net asset value is not regarded as fair value from the period	—	—	—
Balance at the end of the fiscal year	7,052	60,757	67,810
Valuation gains/losses on investment trusts held at the end of the period out of the amount recorded in gains/losses for the period	—	—	—

* It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

Year ended March 31, 2026

(Millions of yen)

	Available for sale securities		Total
	Foreign other securities	Other securities	
Balance at the beginning of the fiscal year	7,052	60,757	67,810
Gains/losses or other comprehensive income in the period	376	1,592	1,968
Recorded in gains/losses	—	—	—
Recorded in other comprehensive income (*)	376	1,592	1,968
Net amount for purchase, sale and redemption	—	5,777	5,777
Amount of investment trusts for which net asset value is regarded as fair value from the period	—	—	—
Amount of investment trusts for which net asset value is not regarded as fair value from the period	—	—	—
Balance at the end of the fiscal year	7,429	68,127	75,556
Valuation gains/losses on investment trusts held at the end of the period out of the amount recorded in gains/losses for the period	—	—	—

* It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

Securities

1. Trading securities

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Valuation difference included in earnings (losses) of the consolidated fiscal year	(7,328)	13,652

2. Held-to-maturity bonds

As of March 31, 2025

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeding consolidated balance sheet amount:			
(1) Domestic bonds	314,683	326,261	11,577
1) Government bonds	228,351	237,044	8,693
2) Municipal bonds	19,417	20,063	645
3) Corporate bonds	66,914	69,152	2,238
(2) Foreign securities	802	811	8
1) Foreign bonds	802	811	8
(3) Other securities	7,173	7,262	89
Total	322,659	334,335	11,675
Fair value not exceeding consolidated balance sheet amount:			
(1) Domestic bonds	299,308	264,825	(34,483)
1) Government bonds	208,984	188,962	(20,022)
2) Municipal bonds	21,648	18,438	(3,210)
3) Corporate bonds	68,675	57,424	(11,250)
(2) Foreign securities	36,222	30,983	(5,238)
1) Foreign bonds	36,222	30,983	(5,238)
(3) Other securities	76,306	66,371	(9,934)
Total	411,836	362,180	(49,655)
Grand total	734,496	696,516	(37,979)

Note:

Other securities include beneficiary trust certificates (consolidated balance sheet amount of ¥83,479 million) which are represented as monetary claims purchased in the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

As of March 31, 2026

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeding consolidated balance sheet amount:			
(1) Domestic bonds	119,750	121,186	1,435
1) Government bonds	91,517	92,547	1,029
2) Municipal bonds	3,229	3,248	18
3) Corporate bonds	25,003	25,391	387
(2) Foreign securities	912	917	5
1) Foreign bonds	912	917	5
(3) Other securities	2,528	2,554	25
Total	123,191	124,658	1,467
Fair value not exceeding consolidated balance sheet amount:			
(1) Domestic bonds	491,105	404,357	(86,747)
1) Government bonds	351,099	290,763	(60,335)
2) Municipal bonds	38,568	32,109	(6,459)
3) Corporate bonds	101,437	81,484	(19,952)
(2) Foreign securities	38,598	33,477	(5,121)
1) Foreign bonds	38,598	33,477	(5,121)
(3) Other securities	83,972	69,892	(14,079)
Total	613,675	507,728	(105,947)
Grand total	736,867	632,386	(104,480)

Note:

Other securities include beneficiary trust certificates (consolidated balance sheet amount of ¥86,500 million) which are represented as monetary claims purchased in the consolidated balance sheet.

3. Policy-reserve-matching bonds

As of March 31, 2025

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeding consolidated balance sheet amount:			
(1) Domestic bonds	1,085,092	1,117,612	32,520
1) Government bonds	721,472	743,413	21,941
2) Municipal bonds	64,415	66,142	1,727
3) Corporate bonds	299,204	308,056	8,851
(2) Foreign securities	2,523	2,540	16
1) Foreign bonds	2,523	2,540	16
Total	1,087,615	1,120,152	32,536
Fair value not exceeding consolidated balance sheet amount:			
(1) Domestic bonds	4,395,368	3,464,197	(931,170)
1) Government bonds	3,326,868	2,639,626	(687,241)
2) Municipal bonds	244,751	188,427	(56,324)
3) Corporate bonds	823,747	636,143	(187,604)
(2) Foreign securities	40,411	38,457	(1,954)
1) Foreign bonds	40,411	38,457	(1,954)
Total	4,435,780	3,502,654	(933,125)
Grand total	5,523,396	4,622,807	(900,588)

As of March 31, 2026

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeding consolidated balance sheet amount:			
(1) Domestic bonds	313,087	316,141	3,054
1) Government bonds	216,602	218,580	1,978
2) Municipal bonds	22,806	23,028	221
3) Corporate bonds	73,678	74,532	854
(2) Foreign securities	1,597	1,598	1
1) Foreign bonds	1,597	1,598	1
Total	314,684	317,740	3,055
Fair value not exceeding consolidated balance sheet amount:			
(1) Domestic bonds	5,170,020	3,665,905	(1,504,115)
1) Government bonds	3,917,633	2,774,050	(1,143,583)
2) Municipal bonds	244,635	160,756	(83,879)
3) Corporate bonds	1,007,751	731,099	(276,652)
(2) Foreign securities	41,727	39,208	(2,519)
1) Foreign bonds	41,727	39,208	(2,519)
Total	5,211,748	3,705,113	(1,506,634)
Grand total	5,526,433	4,022,854	(1,503,578)

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

4. Available-for-sale securities

As of March 31, 2025

(Millions of yen)

Category	Consolidated balance sheet amount	Acquisition cost	Difference
Consolidated balance sheet amount exceeding acquisition cost:			
(1) Domestic bonds	324,252	314,228	10,024
1) Government bonds	146,849	141,416	5,433
2) Municipal bonds	20,410	19,919	490
3) Corporate bonds	156,992	152,892	4,100
(2) Domestic stocks	655,850	289,604	366,245
(3) Foreign securities	1,798,607	1,527,235	271,372
1) Foreign bonds	152,829	151,004	1,824
2) Foreign stocks	27	0	27
3) Foreign other securities	1,645,750	1,376,230	269,519
(4) Other securities	454,244	319,379	134,864
Total	3,232,954	2,450,447	782,507
Consolidated balance sheet amount not exceeding acquisition cost:			
(1) Domestic bonds	1,074,705	1,166,689	(91,983)
1) Government bonds	332,014	397,094	(65,080)
2) Municipal bonds	14,761	16,813	(2,052)
3) Corporate bonds	727,930	752,781	(24,851)
(2) Domestic stocks	51,658	53,986	(2,328)
(3) Foreign securities	1,000,603	1,097,843	(97,239)
1) Foreign bonds	460,726	524,053	(63,327)
2) Foreign stocks	12,417	12,433	(16)
3) Foreign other securities	527,460	561,356	(33,895)
(4) Other securities	97,332	100,668	(3,335)
Total	2,224,300	2,419,187	(194,887)
Grand total	5,457,255	4,869,635	587,619

Note:

Other securities include certificates of deposit (consolidated balance sheet amount of ¥2,000 million) which are represented as cash and deposits, commercial paper (consolidated balance sheet amount of ¥54,985 million) and beneficiary trust certificates (consolidated balance sheet amount of ¥29,703 million) which are represented as monetary claims purchased in the consolidated balance sheet.

As of March 31, 2026

(Millions of yen)

Category	Consolidated balance sheet amount	Acquisition cost	Difference
Consolidated balance sheet amount exceeding acquisition cost:			
(1) Domestic bonds	186,144	182,358	3,786
1) Government bonds	74,126	73,208	918
2) Municipal bonds	10,564	10,458	106
3) Corporate bonds	101,453	98,691	2,762
(2) Domestic stocks	711,752	267,488	444,263
(3) Foreign securities	2,076,617	1,732,043	344,574
1) Foreign bonds	168,112	158,452	9,659
2) Foreign stocks	38,207	12,887	25,319
3) Foreign other securities	1,870,297	1,560,702	309,595
(4) Other securities	491,420	285,213	206,207
Total	3,465,934	2,467,103	998,831
Consolidated balance sheet amount not exceeding acquisition cost:			
(1) Domestic bonds	1,346,396	1,462,674	(116,277)
1) Government bonds	550,053	631,925	(81,871)
2) Municipal bonds	17,645	18,142	(496)
3) Corporate bonds	778,697	812,606	(33,909)
(2) Domestic stocks	43,950	46,138	(2,188)
(3) Foreign securities	832,882	884,054	(51,172)
1) Foreign bonds	329,279	356,979	(27,700)
2) Foreign stocks	12,753	14,584	(1,831)
3) Foreign other securities	490,850	512,490	(21,640)
(4) Other securities	50,990	55,069	(4,079)
Total	2,274,219	2,447,936	(173,716)
Grand total	5,740,154	4,915,039	825,114

Note:

Other securities include certificates of deposit (consolidated balance sheet amount of ¥5,000 million) which are represented as cash and deposits, commercial paper (consolidated balance sheet amount of ¥4,997 million) and beneficiary trust certificates (consolidated balance sheet amount of ¥26,781 million) which are represented as monetary claims purchased in the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

5. Sales of securities classified as held-to-maturity bonds

Year ended March 31, 2025

There were no sales of securities classified as held-to-maturity bonds.

Year ended March 31, 2026

There were no sales of securities classified as held-to-maturity bonds.

6. Sales of securities classified as policy-reserve-matching bonds

Year ended March 31, 2025

(Millions of yen)

Category	Proceeds of sales	Gross gains	Gross losses
(1) Domestic bonds	209,830	792	49,358
1) Government bonds	208,919	782	49,358
2) Corporate bonds	910	10	—
(2) Foreign securities	2,241	55	6
1) Foreign bonds	2,241	55	6
Total	212,071	847	49,365

Year ended March 31, 2026

(Millions of yen)

Category	Proceeds of sales	Gross gains	Gross losses
(1) Domestic bonds	336,743	1,733	66,048
1) Government bonds	246,402	368	59,696
2) Municipal bonds	31,775	368	1,141
3) Corporate bonds	58,566	996	5,210
(2) Foreign securities	686	30	14
1) Foreign bonds	686	30	14
Total	337,430	1,763	66,063

7. Sales of securities classified as available-for-sale securities

Year ended March 31, 2025

(Millions of yen)

Category	Proceeds of sales	Gross gains	Gross losses
(1) Domestic bonds	110,370	62	3,026
1) Government bonds	88,283	—	2,295
2) Municipal bonds	—	—	—
3) Corporate bonds	22,086	62	731
(2) Domestic stocks	90,575	54,350	3,100
(3) Foreign securities	710,112	48,738	31,864
1) Foreign bonds	516,864	4,702	27,737
2) Foreign stocks	4,640	1,073	19
3) Foreign other securities	188,606	42,963	4,107
(4) Other securities	52,068	11,712	0
Total	963,125	114,863	37,991

Year ended March 31, 2026

(Millions of yen)

Category	Proceeds of sales	Gross gains	Gross losses
(1) Domestic bonds	295,609	653	42,134
1) Government bonds	233,835	2	36,441
2) Municipal bonds	15,480	123	2,638
3) Corporate bonds	46,293	528	3,054
(2) Domestic stocks	186,949	105,827	3,060
(3) Foreign securities	449,927	37,712	46,810
1) Foreign bonds	281,698	1,871	43,671
2) Foreign stocks	173	3	8
3) Foreign other securities	168,055	35,837	3,130
(4) Other securities	67,330	25,586	1
Total	999,817	169,780	92,006

8. Impairment of securities

The Company and its consolidated subsidiaries recognized ¥8,679 million as impairment losses for the available-for-sale securities other than stocks without market prices and the investments in capital of partnerships and so forth and ¥2,173 million as impairment losses for the available-for-sale securities of stocks without market prices and the investments in capital of partnerships and so forth for the fiscal year ended March 31, 2025.

The Company and its consolidated subsidiaries recognized ¥119 million as impairment losses for the available-for-sale securities other than stocks without market prices and the investments in capital of partnerships and so forth and ¥437 million as impairment losses for the available-for-sale securities of stocks without market prices and the investments in capital of partnerships and so forth for the fiscal year ended March 31, 2026.

The Company and its consolidated subsidiaries recognize impairment losses on the securities in principle if fair value as of the end of the fiscal year declines by 30% or more from their acquisition cost.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Monetary Trusts

1. Monetary trusts for trading purposes

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Valuation difference included in earnings (losses) of the consolidated fiscal year	(11)	20

2. Monetary trusts for held-to-maturity purposes

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Monetary trusts	27,094	22,219	(4,874)

As of March 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Monetary trusts	26,849	19,692	(7,157)

3. Monetary trusts for policy-reserve-matching purposes

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Monetary trusts	863,136	767,112	(96,024)

As of March 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Monetary trusts	962,091	810,641	(151,450)

4. Monetary trusts for those other than trading, held-to-maturity or policy-reserve-matching purposes

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Acquisition cost	Difference
Monetary trusts	222,872	221,059	1,813

As of March 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Acquisition cost	Difference
Monetary trusts	229,531	219,529	10,001

Derivative Transactions

1. Derivative financial instruments for which hedge accounting is not applied

(1) Currency-related transactions

As of March 31, 2025

(Millions of yen)

Category	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
			Over one year		
Over-the-counter transactions	Foreign exchange contracts:				
	Sold	311,574	—	3,236	3,236
	(U.S. dollar)	91,826	—	1,082	1,082
	(Euro)	6,579	—	134	134
	(British pound)	39,888	—	(243)	(243)
	(Canadian dollar)	19,787	—	(367)	(367)
	(Australian dollar)	153,493	—	2,629	2,629
	Bought	17,959	—	(2)	(2)
	(U.S. dollar)	1,808	—	(15)	(15)
	(British pound)	227	—	(1)	(1)
	(Australian dollar)	15,923	—	14	14
Total				3,233	3,233

Note:

Monetary claims and liabilities denominated in foreign currencies, etc., which have fixed settlement amounts in yen under foreign exchange contracts, etc. and are disclosed in yen amounts in the consolidated balance sheet, are not subject to this disclosure.

As of March 31, 2026

(Millions of yen)

Category	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
			Over one year		
Over-the-counter transactions	Foreign exchange contracts:				
	Sold	443,697	—	(2,844)	(2,844)
	(U.S. dollar)	213,716	—	(1,417)	(1,417)
	(Euro)	14,449	—	30	30
	(British pound)	34,153	—	188	188
	(Canadian dollar)	17,116	—	195	195
	(Australian dollar)	164,260	—	(1,841)	(1,841)
	Bought	33,733	—	(20)	(20)
	(U.S. dollar)	26,963	—	(8)	(8)
	(Euro)	3,779	—	(3)	(3)
	(Australian dollar)	2,990	—	(8)	(8)
	Currency options:				
	Sold				
	Call	43,285	—		
	[63]		[—]	(63)	(0)
	(U.S. dollar)	43,285	—		
	[63]		[—]	(63)	(0)
	Bought				
	Call	35,987	—		
	[63]		[—]	59	(3)
	(U.S. dollar)	35,987	—		
	[63]		[—]	59	(3)
Total				(2,868)	(2,868)

Notes:

- Monetary claims and liabilities denominated in foreign currencies, etc., which have fixed settlement amounts in yen under foreign exchange contracts, etc. and are disclosed in yen amounts in the consolidated balance sheet, are not subject to this disclosure.
- Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(2) Interest-related transactions

As of March 31, 2025

There were no Interest-related transactions for the fiscal year ended March 31, 2025.

As of March 31, 2026

There were no Interest-related transactions for the fiscal year ended March 31, 2026.

(3) Stock-related transactions

As of March 31, 2025

(Millions of yen)

Category	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
			Over one year		
Over-the-counter transactions	Stock index options:				
	Bought				
	Put	98,800	—		
		[104]	[—]	5	(99)
Total				5	(99)

Note:

Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

As of March 31, 2026

(Millions of yen)

Category	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
			Over one year		
Market transactions	Stock index options:				
	Bought				
	Put	24,990	—		
		[989]	[—]	455	(534)
Over-the-counter transactions	Individual stock options				
	Sold				
	Call	31,483	31,483		
		[224]	[224]	(686)	(461)
Total				(230)	(996)

Note:

Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

T&D Financial Life uses monetary trusts to execute derivative transactions. The following tables show a summary of the notional amount and fair value of derivative financial instruments.

As of March 31, 2025

(Millions of yen)

As of March 31, 2020			Notional amount		Fair value	Valuation gains (losses)
Category	Type of subject	Type of transaction		Over one year		
Over-the-counter transactions	Currency-related transactions	Foreign exchange contracts:				
		Sold	20,792	—	(121)	(121)
		(U.S. dollar)	20,792	—	(121)	(121)
		Bought	6,188	—	8	8
		(Australian dollar)	6,188	—	8	8
		Currency options:				
		Bought				
		Put	313	186		
			[85]	[53]	2	(82)
		(U.S. dollar)	204	134		
		[62]	[42]	1	(60)	
	(Euro)	109	52			
		[23]	[10]	0	(22)	
Stock-related transactions	Stock index options:					
	Bought					
	Put	989	686			
		[232]	[175]	12	(220)	
Total					(97)	(415)

Note:

Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

As of March 31, 2026

(Millions of yen)

As of March 31, 2020						(millions of \$)
Category	Type of subject	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
				Over one year		
Over-the-counter transactions	Currency-related transactions	Foreign exchange contracts:				
		Sold	28,188	—	(191)	(191)
		(U.S. dollar)	20,561	—	(366)	(366)
		(Australian dollar)	7,626	—	175	175
		Currency options:				
		Bought				
		Put	186	105		
			[53]	[33]	0	(52)
		(U.S. dollar)	134	87		
			[42]	[29]	0	(41)
		(Euro)	52	17		
			[10]	[4]	0	(10)
	Stock-related transactions	Stock index options:				
Bought						
Put		686	484			
Total					7	(167)
			[175]	[138]	(182)	(411)

Note:

Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

2. Derivative financial instruments for which hedge accounting is applied

(1) Currency-related transactions

As of March 31, 2025

(Millions of yen)

As of March 31, 2020			(millions of yen)		
Hedge accounting method	Type of transaction	Hedged item	Notional amount		Fair value
				Over one year	
Recognition of valuation gains/losses on hedged items	Foreign exchange contracts:	Foreign currency-denominated assets			
	Sold		1,379,899	—	(6,545)
	(U.S. dollar)		1,114,292	—	(3,804)
	(Euro)		249,194	—	(3,212)
	(Australian dollar)		16,412	—	471
	Bought		22,735	—	9
	(U.S. dollar)		20,529	—	7
	(Australian dollar)		2,205	—	1
	Currency options:	Foreign currency-denominated assets			
	Sold				
	Call		161,940	—	
	(U.S. dollar)		[2,176]	[—]	423
	Bought		161,940	—	
	Put		[2,176]	[—]	423
	(U.S. dollar)		158,908	—	
		[2,176]	[—]	2,754	
				2,754	
Allocation treatment for foreign exchange contracts, etc.	Foreign exchange contracts:	Foreign currency-denominated stocks (forecast transaction)			
	Bought		107,850	—	272
	(Euro)		107,850	—	272
	Currency swaps:	Foreign currency-denominated loans			
	Receive yen/pay foreign currency (U.S. dollar)		29,442	23,278	—
		29,442	23,278	—	
	Total				(3,086)

Notes:

1. Fair value of foreign exchange contracts, etc., with allocation treatments are included in fair value of the relevant hedged items which are foreign currency-denominated loans, because the hedging instruments and the hedged items are treated as a unit.
2. Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

As of March 31, 2026

(Millions of yen)

Hedge accounting method		Type of transaction	Hedged item	Notional amount		Fair value
					Over one year	
Recognition of valuation gains/losses on hedged items	Foreign exchange contracts:	Foreign currency-denominated assets				
	Sold		1,368,692	—	(26,207)	
	(U.S. dollar)		1,103,557	—	(27,208)	
	(Euro)		243,559	—	588	
	(Australian dollar)		21,575	—	412	
	Bought		46,070	—	25	
	(U.S. dollar)		37,630	—	32	
	(Australian dollar)		8,439	—	(6)	
	Currency options:	Foreign currency-denominated assets				
	Sold					
	Call		295,773	—		
	(U.S. dollar)		[3,282]	[—]	(5,962)	
	Bought		295,773	—		
	Put		[3,282]	[—]	(5,962)	
	(U.S. dollar)		290,809	—		
Allocation treatment for foreign exchange contracts, etc.	Currency swaps:	Foreign currency-denominated loans				
	Receive yen/pay foreign currency		23,278	13,336	—	
	(U.S. dollar)		23,278	13,336	—	
Total					(31,074)	

Notes:

1. Fair value of foreign exchange contracts, etc., with allocation treatments are included in fair value of the relevant hedged items which are foreign currency-denominated loans, because the hedging instruments and the hedged items are treated as a unit.
2. Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(2) Interest-related transactions

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type of transaction	Hedged item	Notional amount	Over one year	Fair value
Special treatment for interest rate swaps	Interest rate swaps:	Loans	947	—	(0)
	Receive fixed/pay floating				
Total					(0)

As of March 31, 2026

(Millions of yen)

Hedge accounting method	Type of transaction	Hedged item	Notional amount	Over one year	Fair value
Special treatment for interest rate swaps	Interest rate swaps:	Borrowings	29,250	29,250	2,048
	Pay fixed/receive floating				
Total					2,048

(3) Stock-related transactions

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type of transaction	Hedged item	Notional amount	Over one year	Fair value
Recognition of valuation gains/losses on hedged items	Stock forward:	Domestic stocks Foreign stocks	132,162	—	7,893
	Sold				
Total					7,893

As of March 31, 2026

(Millions of yen)

Hedge accounting method	Type of transaction	Hedged item	Notional amount	Over one year	Fair value
Recognition of valuation gains/losses on hedged items	Stock forward:	Domestic stocks Foreign stocks	116,103	—	4,230
	Sold				
Total					4,230

Employees' Retirement Benefits

1. Overview of the retirement benefit plan adopted by the T&D Insurance Group

The Company and domestic consolidated subsidiaries have defined benefit retirement plans such as a defined benefit corporate pension plan, a retirement pension plan, and a retirement lump-sum payment plan.

Further, certain consolidated subsidiaries have defined contribution pension plans as their defined contribution retirement plan as well as retirement benefit trusts.

2. Defined benefit retirement plan

(1) Reconciliations of the beginning- and end-of-the-year balances of retirement benefit obligations are as follows:

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Balance at the beginning of the year	136,943	131,240
Service cost	5,054	4,794
Interest cost	1,920	2,435
Actuarial gains and losses	(6,088)	(16,560)
Retirement benefit paid	(6,462)	(6,431)
Others	(127)	27
Balance at the end of the year	131,240	115,505

Note:

Retirement benefit expense for companies using the simplified method is recorded in service cost.

(2) Reconciliations of the beginning- and end-of-the-year balances of pension plan assets are as follows:

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Balance at the beginning of the year	112,221	107,535
Expected return on plan assets	1,753	2,157
Actuarial gains and losses	(5,720)	(2,501)
Employer contribution	3,962	7,445
Benefit obligation paid	(4,680)	(4,749)
Balance at the end of the year	107,535	109,886

(3) Reconciliations of retirement benefit obligations and pension plan assets to retirement benefit liabilities and retirement benefit assets stated in the consolidated balance sheet are as follows:

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Retirement benefit obligations for funded plans	106,626	93,795
Plan assets	(107,535)	(109,886)
[Employee pension trusts]	[(50,903)]	[(48,571)]
	(909)	(16,091)
Retirement benefit obligations for unfunded plans	24,613	21,709
Net amount of defined benefit liability and defined benefit asset stated in the consolidated balance sheet	23,704	5,618
Retirement benefit liability	33,767	22,976
Retirement benefit asset	(10,062)	(17,357)
Net amount of defined benefit liability and defined benefit asset stated in the consolidated balance sheet	23,704	5,618

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(4) Components of retirement benefit expense are as follows:

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Service cost	5,054	4,794
Interest cost	1,920	2,435
Expected return on plan assets	(1,753)	(2,157)
Recognized actuarial gains and losses	(367)	(14,058)
Others	(129)	27
Retirement benefit expense relating to defined benefit retirement plan	4,724	(8,958)

Note:
Retirement benefit expense for companies using the simplified method is recorded in service cost.

(5) Matters related to pension plan assets

1) Components of pension plan assets as follows:

	As of March 31, 2025	As of March 31, 2026
Bonds	61.6%	58.1%
General account	14.9%	15.5%
Foreign securities	11.6%	11.5%
Stocks	5.9%	7.5%
Cash and deposits	3.2%	3.4%
Joint assets	1.1%	2.1%
Real estate	1.7%	1.8%
Others	0.0%	0.0%
Total	100.0%	100.0%

Note:
The total includes 47.3% and 44.2% of employee pension trusts set up for corporate pension plans for the fiscal years ended March 31, 2025 and 2026, respectively.

2) The setting method for long-term expected rate of return

The long-term expected rate of return on pension plan assets is set by considering the present and the prospective asset allocation of pension plan assets, as well as the present and the expected long-term rate of return arising from various assets that comprise the plan assets.

(6) Matters related to actuarial basis

	Year ended March 31, 2025	Year ended March 31, 2026
Discount rate	1.30% - 2.04%	2.12% - 3.40%
Expected long-term rate of return on plan assets	1.03% - 2.29%	1.75% - 2.75%

3. Defined contribution retirement plan

The required contribution for the defined contribution retirement plan of the consolidated subsidiaries amounted to ¥281 million and ¥287 million for the fiscal years ended March 31, 2025 and 2026, respectively.

Stock Options

1. Amount of expenses related to stock options

There were no operating expenses related to stock options for the fiscal years ended March 31, 2025 and 2026.

2. Details, size and status of stock options

(1) Details of stock options

	T&D Holdings, Inc. stock subscription rights (1st series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 7 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 40
Number of stock options by class (Note)	Common stock: 449,600 shares
Grant date	July 31, 2012
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 1, 2012 to July 31, 2042

Note:
Translated to the number of common stock.

	T&D Holdings, Inc. stock subscription rights (2nd series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 7 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 39
Number of stock options by class (Note)	Common stock: 235,500 shares
Grant date	August 1, 2013
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2013 to August 1, 2043

Note:
Translated to the number of common stock.

	T&D Holdings, Inc. stock subscription rights (3rd series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 6 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 41
Number of stock options by class (Note)	Common stock: 231,300 shares
Grant date	August 1, 2014
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2014 to August 1, 2044

Note:
Translated to the number of common stock.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

	T&D Holdings, Inc. stock subscription rights (4th series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 15 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 43
Number of stock options by class (Note)	Common stock: 170,700 shares
Grant date	August 3, 2015
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 4, 2015 to August 3, 2045

Note:
Translated to the number of common stock.

	T&D Holdings, Inc. stock subscription rights (5th series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 10 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 48
Number of stock options by class (Note)	Common stock: 379,800 shares
Grant date	August 1, 2016
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2016 to August 1, 2046

Note:
Translated to the number of common stock.

	T&D Holdings, Inc. stock subscription rights (6th series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 10 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 47
Number of stock options by class (Note)	Common stock: 208,200 shares
Grant date	August 1, 2017
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2017 to August 1, 2047

Note:
Translated to the number of common stock.

(2) Size and status of stock options

For stock options which existed during the consolidated fiscal year ended March 31, 2026, the number of stock options is translated to the number of common stock.

1) Number of stock options

	T&D Holdings, Inc. stock subscription rights (1st series)	T&D Holdings, Inc. stock subscription rights (2nd series)	T&D Holdings, Inc. stock subscription rights (3rd series)	T&D Holdings, Inc. stock subscription rights (4th series)	T&D Holdings, Inc. stock subscription rights (5th series)	T&D Holdings, Inc. stock subscription rights (6th series)
Before vesting:						
At the end of previous fiscal year	—	—	—	—	—	—
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	—
Outstanding	—	—	—	—	—	—
After vesting:						
At the end of previous fiscal year	31,700	21,400	34,100	36,100	79,800	56,500
Vested	—	—	—	—	—	—
Exercised	12,000	6,900	12,000	15,300	29,500	16,600
Forfeited	—	—	—	—	—	—
Exercisable	19,700	14,500	22,100	20,800	50,300	39,900

2) Unit price information

	T&D Holdings, Inc. stock subscription rights (1st series)	T&D Holdings, Inc. stock subscription rights (2nd series)	T&D Holdings, Inc. stock subscription rights (3rd series)	T&D Holdings, Inc. stock subscription rights (4th series)	T&D Holdings, Inc. stock subscription rights (5th series)	T&D Holdings, Inc. stock subscription rights (6th series)
Exercise price	1	1	1	1	1	1
Average stock price at the time of exercise	3,179	3,179	3,179	3,178	3,178	3,178
Fair value at the granted date	685	1,143	1,153	1,708	918	1,485

3. Method for estimating the number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Tax-Effect Accounting

As of March 31, 2025	As of March 31, 2026																																																																
1. Breakdown of the accrual of deferred tax assets and liabilities by main causes (Deferred tax assets) (Millions of yen) <table> <tr><td>Reserve for price fluctuations</td><td>81,284</td></tr> <tr><td>Policy reserves</td><td>65,656</td></tr> <tr><td>Retirement benefit liability</td><td>25,541</td></tr> <tr><td>Devaluation losses on securities</td><td>16,686</td></tr> <tr><td>Valuation difference on available-for-sale securities</td><td>4,983</td></tr> <tr><td>Others</td><td>34,002</td></tr> <tr><td>Subtotal</td><td>228,155</td></tr> <tr><td>Valuation allowance</td><td>(18,883)</td></tr> <tr><td>Total deferred tax assets</td><td>209,271</td></tr> </table> (Deferred tax liabilities) (Millions of yen) <table> <tr><td>Valuation difference on available-for-sale securities</td><td>(220,722)</td></tr> <tr><td>Others</td><td>(14,145)</td></tr> <tr><td>Total deferred tax liabilities</td><td>(234,867)</td></tr> <tr><td>Net deferred tax assets (liabilities)</td><td>(25,596)</td></tr> </table> Note: Tax loss carried forward and the deferred tax assets by carry forward period were as follows: There is no significance in tax loss carried forward for the year ended March 31, 2025. Therefore, notes are omitted. 2. Breakdown of important differences between the statutory effective tax rate and the corporate tax rate, etc., after applying tax-effect accounting by main item of the causes <table> <tr><td>Effective statutory tax rate (Adjustments)</td><td>28.0</td></tr> <tr><td>Revision of year-end deferred tax assets due to changes in tax rates</td><td>(3.3)</td></tr> <tr><td>Reversal of revaluation reserve for land</td><td>(2.3)</td></tr> <tr><td>Valuation allowance</td><td>1.0</td></tr> <tr><td>Others</td><td>1.1</td></tr> <tr><td>Corporate tax rate, etc., after applying tax-effect accounting</td><td>24.5</td></tr> </table> 3. Adjustment of deferred tax assets and deferred tax liabilities due to changes in statutory tax rates for income taxes Following the enactment of the "Act for Partial Amendment to the Income Tax Act, etc." by the Diet on March 31, 2025, deferred tax assets and deferred tax liabilities for the consolidated fiscal year ended March 31, 2025 (however, limited to those to be reversed on or after April 1, 2026) have been calculated using a statutory effective tax rate of 28.9% instead of 28.0%. This change resulted in a decrease of ¥5,609 million in income taxes (deferred), and an increase of ¥5,609 million in profit attributable to owners of parent. Additionally, deferred tax liabilities increased by ¥1,658 million, and valuation difference on available-for-sale securities decreased by ¥7,178 million.	Reserve for price fluctuations	81,284	Policy reserves	65,656	Retirement benefit liability	25,541	Devaluation losses on securities	16,686	Valuation difference on available-for-sale securities	4,983	Others	34,002	Subtotal	228,155	Valuation allowance	(18,883)	Total deferred tax assets	209,271	Valuation difference on available-for-sale securities	(220,722)	Others	(14,145)	Total deferred tax liabilities	(234,867)	Net deferred tax assets (liabilities)	(25,596)	Effective statutory tax rate (Adjustments)	28.0	Revision of year-end deferred tax assets due to changes in tax rates	(3.3)	Reversal of revaluation reserve for land	(2.3)	Valuation allowance	1.0	Others	1.1	Corporate tax rate, etc., after applying tax-effect accounting	24.5	1. Breakdown of the accrual of deferred tax assets and liabilities by main causes (Deferred tax assets) (Millions of yen) <table> <tr><td>Reserve for price fluctuations</td><td>86,655</td></tr> <tr><td>Policy reserves</td><td>69,221</td></tr> <tr><td>Retirement benefit liability</td><td>23,132</td></tr> <tr><td>Devaluation losses on securities</td><td>15,947</td></tr> <tr><td>Valuation difference on available-for-sale securities</td><td>6,636</td></tr> <tr><td>Others</td><td>38,265</td></tr> <tr><td>Subtotal</td><td>239,858</td></tr> <tr><td>Valuation allowance</td><td>(18,029)</td></tr> <tr><td>Total deferred tax assets</td><td>221,828</td></tr> </table> (Deferred tax liabilities) (Millions of yen) <table> <tr><td>Valuation difference on available-for-sale securities</td><td>(298,033)</td></tr> <tr><td>Others</td><td>(16,258)</td></tr> <tr><td>Total deferred tax liabilities</td><td>(314,292)</td></tr> <tr><td>Net deferred tax assets (liabilities)</td><td>(92,463)</td></tr> </table> Notes: 1. As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment. 2. Tax loss carried forward and the deferred tax assets by carry forward period were as follows: There is no significance in tax loss carried forward for the year ended March 31, 2026. Therefore, notes are omitted. 2. Breakdown of important differences between the statutory effective tax rate and the corporate tax rate, etc., after applying tax-effect accounting by main item of the causes The effective statutory tax rate for the year ended March 31, 2026 was 28.0%. As the difference between the effective statutory tax rate and the corporate tax rate, etc., after applying tax-effect accounting was 5% or less of the effective statutory tax rate. Therefore, notes are omitted.	Reserve for price fluctuations	86,655	Policy reserves	69,221	Retirement benefit liability	23,132	Devaluation losses on securities	15,947	Valuation difference on available-for-sale securities	6,636	Others	38,265	Subtotal	239,858	Valuation allowance	(18,029)	Total deferred tax assets	221,828	Valuation difference on available-for-sale securities	(298,033)	Others	(16,258)	Total deferred tax liabilities	(314,292)	Net deferred tax assets (liabilities)	(92,463)
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Devaluation losses on securities	15,947																																																																
Valuation difference on available-for-sale securities	6,636																																																																
Others	38,265																																																																
Subtotal	239,858																																																																
Valuation allowance	(18,029)																																																																
Total deferred tax assets	221,828																																																																
Valuation difference on available-for-sale securities	(298,033)																																																																
Others	(16,258)																																																																
Total deferred tax liabilities	(314,292)																																																																
Net deferred tax assets (liabilities)	(92,463)																																																																

As of March 31, 2025	As of March 31, 2026
4. Accounting treatment for corporate tax and local corporate tax, and tax-effect accounting related to these taxes The Company and some domestic consolidated subsidiaries have adopted group tax sharing system which regards the Company as the parent company of tax sharing. These companies have accounted for and made disclosure of corporate tax and local corporate tax, and tax effect accounting, based on the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 42, issued on August 12, 2021).	3. Accounting treatment for corporate tax and local corporate tax, and tax-effect accounting related to these taxes Same as left

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Asset Retirement Obligations

Asset retirement obligations recorded in the consolidated balance sheet are as follows:

1. Overview of the asset retirement obligations

Asbestos removal obligations for office buildings and rental properties are recorded as asset retirement obligations.

2. Calculation method for the amount of the asset retirement obligations

For the estimation of the present value of asset retirement obligations, 50 years from the acquisition of buildings is used as an estimated period before the cost will accrue and 2.11% as a discount rate.

3. Increase or decrease of the total amount of the asset retirement obligations

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Balance at the beginning of the year	2,200	2,200
Increase or decrease resulting from changes in the scope of consolidation	—	8
Decrease due to performance of asset retirement obligations	—	(8)
Balance at the end of the year	2,200	2,200

Real Estate for Rent

T&D Insurance Group owns real estate for rent, consisting mainly of office buildings in major cities in Japan. Their balance sheet amount, net increase or decrease and fair value at the end of the year are as follows:

(Millions of yen)

		Year ended March 31, 2025	Year ended March 31, 2026
Balance sheet amount	Balance at the beginning of the year	277,492	276,660
	Net increase (decrease)	(832)	(2,447)
	Balance at the end of the year	276,660	274,213
Fair value at the end of the year		408,848	419,455

Notes:

- Balance sheet amount represents acquisition cost less accumulated depreciation and accumulated impairment losses.
- For the year ended March 31, 2025, the increase mainly consisted of purchase of real estate totaling ¥10,819 million and the decrease mainly consisted of depreciation totaling ¥6,271 million and sales of real estate totaling ¥3,363 million. For the year ended March 31, 2026, the increase mainly consisted of purchase of real estate totaling ¥8,467 million and the decrease mainly consisted of depreciation totaling ¥6,545 million and sales of real estate totaling ¥3,640 million.
- Fair value at the end of the year of major properties is calculated based on their appraisal value by external real estate appraisers. The value of other properties is calculated in-house based on the posted price.

Gains (losses) on real estate for rent are as follows:

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Ordinary revenues	21,895	22,077
Ordinary expenses	13,976	14,533
Ordinary profit	7,919	7,543
Other gains (losses)	505	1,041

Notes:

- Ordinary revenues and ordinary expenses constitute income from lease and corresponding expenses, such as depreciation, repair expenses, insurance expenses and taxes. These amounts are recorded in investment income and investment expenses.
- For the years ended March 31, 2025 and 2026, other gains mainly consisted of gains on disposal of fixed assets and other assets, which were recorded as extraordinary income.

Revenue Recognition

Year ended March 31, 2025	Year ended March 31, 2026
Revenues arising from contracts with customers for the Company are immaterial since a large part of Ordinary revenues, substitute for Sales, consists of Income from insurance premiums and Investment income not subject to the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020) in accordance with Paragraph 3 of the standard. Therefore, the Company discloses the revenues without separating from other revenues on the consolidated statement of operations as well as discloses contract assets, contract liabilities and claims arising from contracts with customers without separating from other assets and liabilities on the consolidated balance sheet. Also, the Company omits notes on the following information. 1. Information on disaggregated revenue arising from contracts with customers 2. Information providing a basis for understanding revenue arising from contracts with customers (1) Information on contracts with customers and performance obligations (2) Information on determining the transaction price (3) Information on the calculation of the price allocated to a performance obligation (4) Information regarding the timing of satisfaction of performance obligations (5) Significant judgements on applying the Revenue Recognition Accounting Standard 3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from these contracts, and the amount and timing of revenue from contracts with existing customers at the end of the current fiscal year that are expected to be recognized in the following fiscal year or beyond (1) Balance of contract assets and contract liabilities, etc. (2) Transaction price allocated to remaining performance obligations	Same as left

Segment Information

1. Overview of reportable segments

The reportable segments of the Company are components of the Company for which separate financial information is available. These segments are subject to regular review by the Company's Board of Directors to determine the allocation of business resources and evaluate business performances.

The Company is an insurance holding company which manages life insurance companies and other subsidiaries in accordance with the Insurance Business Act. Under the Company, the Three Life Insurance Companies, with unique product strategies and sales strategies, operate life insurance business which is the Group's core business. Each of the Three Life Insurance Companies focuses on different markets. Taiyo Life focuses on the households market, Daido Life focuses on the small and medium enterprises market and T&D Financial Life focuses on independent insurance agent market and each company has different products under its unique marketing strategy.

In addition, T&D United Capital aims for diversification and optimization of the Group's business portfolio and focuses on establishing and strengthening functions as a profit center through the strategic investment in new growth business fields with a strong affinity for the life insurance business.

Therefore, the Company's four reportable segments are the Taiyo Life Insurance Company segment, the Daido Life Insurance Company segment, the T&D Financial Life Insurance Company segment and the T&D United Capital Company (consolidated) segment.

2. Method for calculating ordinary revenues, income or loss, assets and liabilities, and others by reportable segment

The method for the accounting treatment of the reportable segments is the same as described in "Summary of Significant Accounting Policies."

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(Application of the Revised U.S. Accounting Standards at Foreign Affiliates)

As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.

As a result, compared with the figures before retrospective application, segment assets of "T&D United Capital (Consolidated)" for the consolidated fiscal year ended March 31, 2025 increased by ¥93,933 million, segment liabilities decreased by ¥8,301 million, and tax expenses increased by ¥27 million.

3. Information on ordinary revenues, income or loss, assets and liabilities, and others by reportable segment

Year ended March 31, 2025

(Millions of yen)

	Reportable segments					Others	Total	Adjustments	Amount on consolidated financial statements
	Taiyo Life	Daido Life	T&D Financial Life	T&D United Capital (consolidated)	Subtotal				
Ordinary revenues	1,712,800	1,147,323	959,073	1,879	3,821,077	46,516	3,867,594	(137,115)	3,730,479
Intergroup transfers	3,500	1,150	—	—	4,651	96,284	100,935	(100,935)	—
Total	1,716,301	1,148,473	959,073	1,879	3,825,728	142,801	3,968,529	(238,050)	3,730,479
Segment income (loss)	79,486	113,562	7,783	(1,973)	198,858	82,674	281,533	(82,938)	198,595
Segment assets	6,692,604	7,964,439	1,861,932	109,063	16,628,039	1,163,611	17,791,650	(1,078,707)	16,712,943
Segment liabilities	6,319,150	7,029,948	1,782,150	149,425	15,280,675	328,143	15,608,819	(304,941)	15,303,878
Others									
Depreciation of real estate for rent	3,591	3,266	—	—	6,858	—	6,858	(362)	6,495
Depreciation	5,894	7,375	1,051	4	14,325	775	15,100	290	15,391
Provision for (reversal of) policy reserve	(687,842)	134,265	(26,336)	—	(579,912)	221	(579,691)	—	(579,691)
Provision for (reversal of) reserve for policyholder dividends	14,396	11,518	1	—	25,917	—	25,917	—	25,917
Interest, dividends and income from real estate for rent	148,611	206,265	5,433	273	360,583	82,017	442,600	(86,103)	356,497
Interest expenses	1,722	56	0	1,121	2,901	1,629	4,530	(2,127)	2,403
Equity in earnings (losses) of affiliates	—	—	—	—	—	—	—	(1,202)	(1,202)
Extraordinary gains	3,426	2,958	—	—	6,384	1,349	7,733	498	8,232
(Gains on negative goodwill)	—	—	—	—	—	—	—	1,341	1,341
Extraordinary losses	4,389	5,856	595	—	10,842	1,373	12,215	—	12,215
(Impairment losses)	459	1,120	—	—	1,580	—	1,580	—	1,580
(Provision for reserve for price fluctuations)	2,893	3,324	595	—	6,814	—	6,814	—	6,814
Taxes	12,267	26,530	1,600	794	41,193	681	41,874	(556)	41,318
Investments in affiliates	453	365	—	142,019	142,838	—	142,838	—	142,838
Increase in tangible fixed assets and intangible fixed assets	14,597	25,114	1,051	7	40,772	1,163	41,935	(68)	41,867

Notes:

1. Ordinary revenues instead of net sales are presented here.

2. Adjustments are as follows:

(1) The adjustment of ¥(137,115) million to ordinary revenues is the transferred amount, which mainly consists of provision for policy reserve of ¥134,486 million, provision for reserve for outstanding claims of ¥1,322 million, and foreign exchange losses, net of ¥811 million of ordinary expenses which are in ordinary revenues of the consolidated statement of operations as reversal of policy reserve, reversal of reserve for outstanding claims, and foreign exchange gains, net.

(2) The adjustment of ¥(82,938) million to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.

(3) The adjustment of ¥(1,078,707) million to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates and the elimination of intersegment receivables and payables.

(4) The adjustment of ¥(304,941) million to segment liabilities is mainly due to the elimination of intersegment receivables and payables.

3. Segment income (loss) is adjusted to align with the ordinary profit set forth in the consolidated statement of operations.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2026

(Millions of yen)

	Reportable segments					Others	Total	Adjustments	Amount on consolidated financial statements
	Taiyo Life	Daido Life	T&D Financial Life	T&D United Capital (consolidated)	Subtotal				
Ordinary revenues	1,275,387	1,246,058	912,827	4,218	3,438,491	44,596	3,483,087	(872)	3,482,214
Intergroup transfers	4,579	672	—	—	5,252	184,890	190,143	(190,143)	—
Total	1,279,966	1,246,730	912,827	4,218	3,443,743	229,487	3,673,230	(191,015)	3,482,214
Segment income (loss)	116,588	134,680	12,328	(1,816)	261,780	160,555	422,335	(165,144)	257,191
Segment assets	6,754,113	8,224,988	1,960,191	272,295	17,211,588	1,304,612	18,516,201	(1,197,871)	17,318,329
Segment liabilities	6,295,197	7,200,712	1,874,879	283,055	15,653,843	474,515	16,128,358	(427,666)	15,700,692
Others									
Depreciation of real estate for rent	3,620	3,510	—	—	7,131	—	7,131	(387)	6,744
Depreciation	6,403	7,827	1,084	7	15,323	935	16,258	339	16,598
Provision for (reversal of) policy reserve	49,287	107,311	99,328	—	255,927	713	256,641	—	256,641
Provision for (reversal of) reserve for policyholder dividends	14,612	10,847	(0)	—	25,459	—	25,459	—	25,459
Interest, dividends and income from real estate for rent	163,313	233,680	6,140	363	403,497	162,450	565,948	(168,173)	397,775
Interest expenses	5,220	22	0	2,532	7,776	3,049	10,825	(3,509)	7,316
Equity in earnings (losses) of affiliates	—	—	—	3,684	3,684	—	3,684	(1,717)	1,967
Extraordinary gains	963	3,513	—	—	4,476	179	4,655	1,721	6,377
(Gains on negative goodwill)	—	—	—	—	—	—	—	1,721	1,721
Extraordinary losses	29,691	17,799	907	1	48,400	192	48,593	(1,644)	46,949
(Impairment losses)	405	720	—	—	1,126	—	1,126	—	1,126
(Provision for reserve for price fluctuations)	2,623	15,663	295	—	18,582	—	18,582	—	18,582
Taxes	20,986	27,318	3,199	371	51,874	122	51,997	(812)	51,185
Investments in affiliates	453	365	—	244,476	245,295	—	245,295	—	245,295
Increase in tangible fixed assets and intangible fixed assets	9,121	22,656	4,428	6	36,211	1,643	37,855	16	37,872

Notes:

1. Ordinary revenues instead of net sales are presented here.

2. Adjustments are as follows:

- The adjustment of ¥(872) million to ordinary revenues is the transferred amount, which mainly consists of reversal of reserve for possible loan losses of ¥361 million, gains on financial derivatives of ¥160 million, and reversal of reserve for outstanding claims of ¥126 million of ordinary revenues which are in ordinary expenses of the consolidated statement of operations as provision for reserve for possible loan losses, losses on financial derivatives, and provision for reserve for outstanding claims, respectively, and provision for employees' retirement benefits of ¥118 million of ordinary expenses which is in ordinary revenues of the consolidated statement of operations as reversal of provision for employees' retirement benefits.
 - The adjustment of ¥(165,144) million to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.
 - The adjustment of ¥(1,197,871) million to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates and the elimination of intersegment receivables and payables.
 - The adjustment of ¥(427,666) million to segment liabilities is mainly due to the elimination of intersegment receivables and payables.
3. Segment income (loss) is adjusted to align with the ordinary profit set forth in the consolidated statement of operations.

Related Information

Year ended March 31, 2025

1. Information by product and service

Sales to external customers

(Millions of yen)

	Taiyo Life	Daido Life	T&D Financial Life	T&D United Capital (consolidated)	Others	Total
Income from insurance premiums	805,591	841,262	921,711	—	11,256	2,579,821
Insurance premiums	725,062	821,887	684,260	—	11,256	2,242,466
Individual insurance and individual annuities	626,776	769,627	684,117	—	—	2,080,521
Group insurance	27,824	19,698	—	—	—	47,523
Group annuities	69,545	31,242	126	—	—	100,914
Others	915	1,318	16	—	11,256	13,507
Ceded reinsurance recoveries	80,528	19,375	237,450	—	—	337,355

Note:

Income from insurance premiums instead of net sales is presented here.

2. Information by geographic area

(1) Net sales

Information by geographic area is omitted, as net sales (ordinary revenues) to external customers in Japan exceed 90% of net sales (ordinary revenues) in the consolidated statement of operations.

(2) Tangible fixed assets

Information by geographic area is omitted, as the amount of tangible fixed assets in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

3. Information by major customer

Information by major customer is omitted, as there are no customers to whom sales exceed 10% of net sales (ordinary revenues) to external customers in the consolidated statement of operations.

Year ended March 31, 2026

1. Information by product and service

Sales to external customers

(Millions of yen)

	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	983,087	855,326	784,664	12,706	2,635,783
Insurance premiums	649,130	834,345	625,354	12,706	2,121,537
Individual insurance and individual annuities	557,146	784,555	625,215	—	1,966,917
Group insurance	28,088	19,424	0	—	47,513
Group annuities	63,016	29,128	121	—	92,266
Others	878	1,237	16	12,706	14,838
Ceded reinsurance recoveries	333,956	20,980	159,309	—	514,246

Note:

Income from insurance premiums instead of net sales is presented here.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

2. Information by geographic area

(1) Net sales

Information by geographic area is omitted, as net sales (ordinary revenues) to external customers in Japan exceed 90% of net sales (ordinary revenues) in the consolidated statement of operations.

(2) Tangible fixed assets

Information by geographic area is omitted, as the amount of tangible fixed assets in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

3. Information by major customer

Information by major customer is omitted, as there are no customers to whom sales exceed 10% of net sales (ordinary revenues) to external customers in the consolidated statement of operations.

Information on impairment losses on fixed assets by reportable segment

Year ended March 31, 2025

Information on impairment losses on fixed assets by reportable segment is disclosed in "Segment Information."

Year ended March 31, 2026

Information on impairment losses on fixed assets by reportable segment is disclosed in "Segment Information."

Information on amortization of goodwill and unamortized balance of goodwill by reportable segment

Year ended March 31, 2025

Not applicable.

Year ended March 31, 2026

Not applicable.

Information on gains on negative goodwill by reportable segment

Year ended March 31, 2025

Information on gains on negative goodwill by reportable segment is disclosed in "Segment Information."

Year ended March 31, 2026

Information on gains on negative goodwill by reportable segment is disclosed in "Segment Information."

Related Party Information

Year ended March 31, 2025

1. Related party transactions

(1) Transactions with the Company

Not applicable.

(2) Transactions with the Company's consolidated subsidiaries

1) The Company's parent company and major shareholders (limited to companies, etc.), etc.

Not applicable.

2) The Company's non-consolidated subsidiaries and affiliates, etc.

Type	Name	Location	Paid-in Capital	Type of business	Voting rights ownership (%)	Relation of related party	Transaction	Amount of Transaction (Millions of yen)	Accounting item	Balance at the end of the year (Millions of yen)
Subsidiary of affiliate	Fortitude International Reinsurance Ltd.	Bermuda (British territory)	\$1 million	Reinsurance	Indirect ownership 26.37	Conclusion of reinsurance contract with Taiyo Life	Payment of reinsurance premiums	658,500	—	—
Subsidiary of affiliate	Fortitude International Reinsurance Ltd.	Bermuda (British territory)	\$1 million	Reinsurance	Indirect ownership 26.37	Conclusion of reinsurance contract with T&D Financial Life	Payment of reinsurance premiums	231,163	Reinsurance payable	14,142

Note:

Reinsurance premiums agreed with the reinsurer based on the reinsurance contract were recorded at the time of receipt of insurance premiums relating to the underlying insurance contract or at the time of conclusion of the reinsurance contract. Reinsurance premiums were determined by considering multiple quotes.

3) Companies, etc. having the same parent company as the Company and subsidiaries, etc. of the Company's other subsidiaries and affiliates

Not applicable.

4) The Company's officer and major shareholders (limited to individuals), etc.

Not applicable.

2. Notes on the parent company or any important affiliates

(1) Notes on the parent company

Not applicable.

(2) Summarized financial information of important affiliates

For the consolidated fiscal year ended March 31, 2025, the important affiliate was FGH Parent, L.P. and its summarized consolidated financial information (main consolidated balance sheet items and consolidated statement of operations items) is as follows.

The consolidated financial statements of the company have been prepared in accordance with U.S. GAAP.

	(Millions of yen)
	FGH Parent, L.P.
Total assets	16,562,416
Total liabilities	16,204,463
Total net assets	357,953
Total revenues	481,768
Total expenses	671,002
Income before income taxes	(189,233)
Profit	(143,828)

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2026

1. Related party transactions

(1) Transactions with the Company
Not applicable.

(2) Transactions with the Company's consolidated subsidiaries

1) The Company's parent company and major shareholders (limited to companies, etc.), etc.
Not applicable.

2) The Company's non-consolidated subsidiaries and affiliates, etc.

Type	Name	Location	Paid-in Capital	Type of business	Voting rights ownership (%)	Relation of related party	Transaction	Amount of Transaction (Millions of yen)	Accounting item	Balance at the end of the year (Millions of yen)
Subsidiary of affiliate	Fortitude International Reinsurance Ltd.	Bermuda (British territory)	\$1 million	Reinsurance	Indirect ownership 26.37	Conclusion of reinsurance contract with T&D Financial Life	Payment of reinsurance premiums	146,751	Reinsurance payable	6,570
Subsidiary of affiliate	Fortitude International Reinsurance Ltd.	Bermuda (British territory)	\$1 million	Reinsurance	Indirect ownership 26.37	Conclusion of reinsurance contract with Taiyo Life	Receipt of reinsurance recoveries	258,663	Reinsurance receivable	147,215

Note:
Reinsurance premiums agreed with the reinsurer based on the reinsurance contract were recorded at the time of receipt of insurance premiums relating to the underlying insurance contract or at the time of conclusion of the reinsurance contract. Reinsurance premiums were determined by considering multiple quotes.
Reinsurance recoveries and other amounts receivable under reinsurance agreements are recognized when insurance claims and other payments relating to the underlying insurance contracts are paid.

3) Companies, etc. having the same parent company as the Company and subsidiaries, etc. of the Company's other subsidiaries and affiliates
Not applicable.

4) The Company's officer and major shareholders (limited to individuals), etc.
Not applicable.

2. Notes on the parent company or any important affiliates

(1) Notes on the parent company
Not applicable.

(2) Summarized financial information of important affiliates

For the consolidated fiscal year ended March 31, 2026, the important affiliate was FGH Parent, L.P. and its summarized consolidated financial information (main consolidated balance sheet items and consolidated statement of operations items) is as follows.

The consolidated financial statements of the company have been prepared in accordance with U.S. GAAP.

	(Millions of yen)
	FGH Parent, L.P.
Total assets	18,339,853
Total liabilities	17,933,734
Total net assets	406,118
Total revenues	872,215
Total expenses	725,580
Income before income taxes	146,635
Profit	122,453

Note:FGH Parent, L.P. has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of the company were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.

Per Share Information

	Year ended March 31, 2025	Year ended March 31, 2026
Net assets per share	¥2,739.81	¥3,359.12
Net income per share	¥241.67	¥279.64
Net income per share (fully diluted)	¥241.55	¥279.54

Note:

A summary of the net assets per share, the net income per share and the net income per share (fully diluted) computations is as follows:

(1) Net income per share and net income per share (fully diluted) (Millions of yen)		
	Year ended March 31, 2025	Year ended March 31, 2026
Net income per share:		
Profit attributable to owners of parent	126,384	138,968
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent attributable to common shareholders	126,384	138,968
Weighted-average number of common stocks outstanding	522,960,330 shares	496,951,329 shares
Net income per share (fully diluted):		
Adjusted profit attributable to owners of parent	—	—
Increase in common stock	261,726 shares	186,303 shares
[Subscription rights to shares]	[261,726 shares]	[186,303 shares]
Summary of potential shares that are not included in computation of net income per share (fully diluted) due to lack of dilution effect	—	—

(2) Net assets per share (Millions of yen)		
	As of March 31, 2025	As of March 31, 2026
Net assets	1,409,064	1,617,637
Deduction from net assets	6,025	5,708
[Subscription rights to shares]	[304]	[196]
[Non-controlling interests]	[5,721]	[5,511]
Net assets available to common shareholders	1,403,038	1,611,928
The number of common stock outstanding	512,093,829 shares	479,865,829 shares

(3) The Company's shares remaining in the BIP (Board Incentive Plan) Trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares to be deducted in the calculation of the average number of shares during the period for calculation of net income per share and net income per share (fully diluted). Also, for the calculation of net assets per share, it is included in the number of treasury shares deducted from the total number of outstanding shares at the end of the fiscal year.

Accordingly, the average number of treasury shares to be deducted in calculation of net income per share and net income per share (fully diluted) is 2,761,401, and the number of treasury shares to be deducted in calculation of net assets per share is 2,708,643 for the consolidated fiscal year ended March 31, 2026. Also, for the consolidated fiscal year ended March 31, 2025, the average number of treasury shares to be deducted in calculation of net income per share and net income per share (fully diluted) was 2,491,583, and the number of treasury shares to be deducted in calculation of net assets per share was 2,867,231.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(4) As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.

As a result, compared to the figures prior to the retrospective application, net assets per share for the consolidated fiscal year ended March 31, 2025 increased by ¥199.64, while net income per share and net income per share (fully diluted) each decreased by ¥0.05.

Significant Subsequent Events

(Transfer of shares of a consolidated subsidiary)

The Company has resolved at the Board of Directors meeting held on June 4, 2026 to enter into separate share purchase agreements with PayPay Corporation ("PayPay") and with OneIM Indigo Holdings Ltd ("OneIM Indigo"), an affiliated entity of investment management firm One Investment Management Ltd ("OneIM"), to transfer shares of T&D Financial Life Insurance Company ("T&D Financial Life"), a consolidated subsidiary of the Company, to PayPay and OneIM Indigo.

The share transfer is expected to be completed on October 1, 2027, subject to the satisfaction of conditions precedent, including obtaining the necessary regulatory approvals and completing the International Financial Reporting Standards (IFRS) conversion required for consolidation into the PayPay group. Upon the completion of the share transfer, T&D Financial Life is expected to be excluded from the Company's consolidated subsidiaries.

(1) Purpose of the share transfer

In light of recent changes in the business environment, the Company has determined that to support T&D Financial Life's further growth, transferring its shares to PayPay, which leverages its payment platform to provide financial services, including credit card, banking, and securities services, represents the best course of action.

Going forward, PayPay aims to further enhance T&D Financial Life's bancassurance business and, by adding T&D Financial Life's life insurance products to PayPay's financial services ecosystem, to provide comprehensive financial services tailored to users' life stages. Through these initiatives, T&D Financial Life is expected to achieve further business growth.

Additionally, OneIM has strengths in alternative investments and is expected to contribute to enhancing T&D Financial Life's asset management capabilities.

The Company also intends to allocate the proceeds from this share transfer for shareholder returns and reallocate them to investments aimed at increasing group resilience (including the DX strategy) set forth in the Group long-term vision, thereby achieving further sustainable growth in profits and dividends.

(2) Names of counterparties to the transfer

- PayPay Corporation
- OneIM Indigo Holdings Ltd

(3) Timing of the transfer

- 1) Date of execution of the agreement: June 4, 2026
- 2) Date of completion of the transfer: October 1, 2027 (planned)

(4) Overview of the subsidiary

- 1) Name: T&D Financial Life Insurance Company
- 2) Business description: Life insurance business
- 3) Relationship between the Company and the subsidiary

Capital relationship	The subsidiary is a consolidated and wholly owned subsidiary of the Company.
Personnel relationship	An executive officer of the Company serves concurrently as a representative director of the subsidiary. The Company and the subsidiary also have a mutual employee secondment arrangement.
Business relationship	The Company provides corporate support including management administration to the subsidiary.

(5) Number of shares to be transferred, ownership ratio after transfer, and transfer price

- 1) Number of shares to be transferred 1,361,600 shares
- 2) Transfer price Approximately ¥160.0 billion
- 3) Ownership ratio after transfer 14.9%

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

*The above amount has been calculated on the basis that the share transfer will be completed on October 1, 2027. The final purchase price will be determined after certain adjustments are made in accordance with the method set forth in the share purchase agreement.

(6) Others

The impact of this share transfer on the consolidated financial results for the fiscal year ending March 31, 2028 is currently being assessed. The Company will promptly disclose the results as soon as they are finalized. Under the shareholders' agreement to be entered into among the Company, PayPay and OneIM on the closing date of the share transfer, the parties are expected to agree on a call option exercisable by PayPay from the closing date and a put option exercisable by the Company from the date falling three years after the closing date, with respect to the 238,400 shares of T&D Financial Life that the Company will continue to hold, representing an ownership ratio of 14.9%.

(Acquisition of treasury shares)

The Company has resolved the acquisition of treasury shares at the Board of Director's meeting held on June 4, 2026, based on the provisions of Article 31 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act of Japan.

(1) Reasons for the acquisition of treasury shares

To increase shareholder returns and improve the capital efficiency.

(2) Details of the acquisition

- 1) Type of shares to be acquired: Shares of common stock
- 2) Total number of shares to be acquired: Up to 12,000,000 shares
- 3) Total amount of acquisition: Up to ¥30,000 million
- 4) Period of acquisition: From June 8, 2026, to September 30, 2026
- 5) Method of acquisition: Open-market repurchase by the discretionary trading method

(6) Consolidated Supplementary Schedules

1) Schedule of bonds

(Millions of yen)

Company name	Name of bond	Date of issue	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Interest rate	Secured	Maturity date
The Company	First Series of Domestic Subordinated Unsecured Bonds with Interest Deferral Option and Early Redemption Option	September 20, 2018	50,000	50,000	1.12%	No	September 23, 2048
The Company	Third Series of Domestic Subordinated Unsecured Bonds with Interest Deferral Option and Early Redemption Option	January 30, 2020	40,000	40,000	0.94%	No	February 4, 2050
The Company	First Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	December 23, 2024	10,000	10,000	0.99%	No	December 21, 2029
The Company	Second Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	December 12, 2024	20,000	20,000	0.99%	No	December 12, 2029
The Company	Third Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	September 4, 2025	—	34,000	1.23%	No	September 4, 2028
The Company	Fourth Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	September 4, 2025	—	40,000	1.49%	No	September 4, 2030
The Company	Fifth Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	September 4, 2025	—	10,000	1.75%	No	September 3, 2032
The Company	Sixth Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	September 4, 2025	—	10,000	2.07%	No	September 4, 2035
The Company	Seventh Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	March 12, 2026	—	10,000	1.90%	No	March 12, 2031

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

T&D Lease Co., Ltd.	Short-term bonds	February 21, 2025 – March 23, 2026	7,989	7,980 [7,980]	0.67% – 1.44%	No	May 22, 2025 – June 24, 2026
Total	—	—	127,989	231,980 [7,980]	—	—	—

Notes:

1. The interest rate presented for First Series of Domestic Subordinated Unsecured Bonds with Interest Deferral Option and Early Redemption Option is the annual interest rate from the day after September 20, 2018 to September 20, 2028. From the day after September 20, 2028, 1.74% is added to the base interest rate.
2. The interest rate presented for Third Series of Domestic Subordinated Unsecured Bonds with Interest Deferral Option and Early Redemption Option is the annual interest rate from the day after January 30, 2020 to February 4, 2030. From the day after February 4, 2030, 1.80% is added to the base interest rate.
3. Amounts in square brackets under balance at the end of the fiscal year represent corporate bonds due to mature within one year.
4. Amounts of bonds due to mature within five years after the consolidated closing date are as follows:

(Millions of yen)

Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
8,000	—	34,000	30,000	50,000

2) Schedule of borrowings

(Millions of yen)

Category	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Average interest rate	Repayment periods
Short-term borrowings	—	—	—	—
Current portion of long-term borrowings	12,245	12,176	0.66%	—
Current portion of lease obligations	577	912	0.39%	—
Long-term borrowings (excluding the current portion due within one year)	44,123	84,785	1.36%	April 2027–June2051
Lease obligations (excluding the current portion within one year)	1,242	2,356	0.33%	April 2027–August2035
Other interest-bearing liabilities				
Accounts payable - installment purchase (due within one year)	94	72	0.67%	—
Accounts payable - installment purchase (due after one year)	72	—	—	—
Total	58,356	100,303	—	—

Notes:

1. The average interest rates represent weighted average interest rates based on the balances at the end of the fiscal year of borrowings, etc.
2. Amounts of long-term borrowings, lease obligations, and other interest-bearing liabilities (excluding the current portion due within one year) due within five years after the consolidated closing date are as follows:

(Millions of yen)

Category	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term borrowings	8,946	6,411	4,559	20,078
Lease obligations	795	731	596	197
Other interest-bearing liabilities	—	—	—	—

3) Schedule of asset retirement obligations

The schedule of asset retirement obligations is omitted as the amount of asset retirement obligations at the beginning and end of the fiscal year ended March 31, 2026 was no more than 1% of the total amount of liabilities and net assets at the beginning and end of the fiscal year ended March 31, 2026.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

2 Adequacy of Insurance Holding Company and Its Subsidiaries, etc. in Terms of Solvency to Meet Insurance Payments (solvency margin ratio)

What is the solvency margin ratio?

Solvency margin means the ability to pay claims.

The Company is fully capable of handling risks that are normally foreseeable by accumulating policy reserves for future insurance claims and other payments. However, risks beyond normal expectations, such as major natural disasters, share price plunges, and pandemics may occur. The solvency margin ratio is an indicator used in administrative supervision to determine whether an insurance company possesses sufficient ability to cope with such risks and pay claims.

If the solvency margin ratio of the insurance holding company or insurance companies has fallen below 100%, the regulatory authorities take early corrective measures.

Following the introduction of the economic value-based solvency regulations from the fiscal year ended March 31, 2026, the calculation standards were revised. Accordingly, no figure as of March 31, 2025 is provided.

(1) T&D Holdings, Inc.

1) Solvency margin ratio, eligible capital and required capital

(Millions of yen)

Summary (Consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	4,469,973	—
Required capital (B)	—	2,064,186	—
Solvency margin ratio ((A) / (B))	—	216.5%	—

2) Matters related to the composition of eligible capital

(Millions of yen)

Composition of eligible capital (Consolidated)		
Item	a	b
	As of March 31, 2025	As of March 31, 2026
Tier 1 eligible capital ((B)-(C)) (A)	—	4,345,712
Basic items of Tier 1 eligible capital (B)	—	4,455,202
Tier 1 capital procurement instruments not subject to inclusion limits	—	207,111
Tier 1 capital procurement instruments subject to inclusion limits	—	—
Tier 1 eligible capital other than capital procurement instruments	—	4,248,090
Surplus, etc. or retained earnings, etc.	—	996,196
Capital surplus (excluding amounts included in Tier 2 eligible capital)	—	—
Accumulated other comprehensive income or valuation and translation adjustment	—	906,208
Other contributions, etc.	—	196
Non-controlling interests (after applying the cap)	—	3,164
Economic value-based adjustments	—	2,342,324
Adjustment items for Tier 1 eligible capital (C)	—	109,490
Intangible fixed assets (net of deferred tax liabilities)	—	65,251
Deferred tax assets	—	335
Prepaid pension costs or retirement benefit assets (net of deferred tax liabilities)	—	12,497
Tier 1 capital procurement instruments intentionally held by other financial institutions, etc.	—	—
Investments in own Tier 1 capital procurement instruments	—	23,740
Ineligible reinsurance assets	—	—
Amount of restricted assets in excess of related liabilities and required capital	—	7,665
Tier 2 eligible capital ((E)-(F)-(G)) (D)	—	124,261
Basic items of Tier 2 eligible capital (E)	—	124,261
Tier 2 capital procurement instruments	—	103,500
Amount exceeding the limit for Tier 1 capital procurement instruments subject to inclusion limits	—	—
Paid-in Tier 2 capital procurement instruments	—	103,500
Unpaid Tier 2 capital procurement instruments	—	—
Tier 2 eligible capital other than capital procurement instruments	—	20,761
Capital surplus resulting from the issuance of capital procurement instruments included in Tier 2 capital procurement instruments	—	—
Amount of restricted assets deducted from Tier 1 eligible capital	—	7,665
Tier 2 basket (after applying the cap)	—	13,096
Adjustment items for Tier 2 eligible capital (F)	—	—
Tier 2 capital procurement instruments intentionally held by other financial institutions, etc.	—	—
Investments in own Tier 2 capital procurement instruments	—	—
Deduction resulting from applying the cap to Tier 2 eligible capital (G)	—	—
Eligible capital ((A)+(D))	—	4,469,973

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

3) Matters related to the composition of required capital

(Millions of yen)

Composition of required capital (Consolidated)		
Item	a	b
	As of March 31, 2025	As of March 31, 2026
Life insurance risk (A)	—	1,461,844
Mortality risk	—	195,051
Longevity risk	—	20,329
Morbidity/disability risk	—	151,794
Surrender and lapse risk	—	1,347,583
Expense risk	—	133,830
Effect of management actions	—	—
Non-life insurance risk (B)	—	2,235
Catastrophe risk (C)	—	41,847
Market risk (D)	—	1,642,411
Interest rate risk	—	71,730
Spread risk	—	110,775
Equity risk	—	1,191,722
Real estate risk	—	192,772
Currency risk	—	541,976
Asset concentration risk	—	40,315
Effect of management actions	—	—
Credit risk (E)	—	242,909
Operational risk (F)	—	82,320
Amount exceeding the cap on the effect of management actions (G)	—	—
Diversification effects (H)	—	832,936
Required capital for non-insurance business (I)	—	13,795
Required capital (before tax effects) ((A)+(B)+(C)+(D)+(E)+(F)+(G)-(H)+(I)) (J)	—	2,654,427
Tax effect on required capital (K)	—	590,240
Required capital (after tax effects) ((J)-(K))	—	2,064,186

Notes:

- As the amounts of each risk comprising required capital are calculated by aggregating the amounts listed in the breakdown using prescribed correlation coefficients that take into account diversification effects, among other factors, it does not match the simple sum of the amounts presented in the breakdown.
- Since the amount of non-life insurance risk is immaterial, the breakdown has been omitted.
- Since the amount of catastrophe risk is immaterial, the breakdown has been omitted.

4) Matters relating to the economic value-based balance sheet

(As of March 31, 2026)

(Millions of yen)

Consolidated economic value-based balance sheet					
Account	a	b	c	d	e
	Financial accounting-based amount	Adjustments relating to the scope of consolidation	Reclassification	Revaluation	Economic value-based amount (a+b+c+d)
Assets					
Total assets	17,318,329	—	3,140,164	(1,732,640)	18,725,853
Cash and deposits	416,182	—	32,840	—	449,022
Call loans	279,703	—	5,370	—	285,073
Monetary claims purchased	120,609	—	(397)	(14,260)	105,951
Monetary trusts	1,220,462	—	(1,220,462)	—	—
Securities	12,720,338	—	775,512	(1,716,218)	11,779,632
Loans	1,508,095	—	286,338	(60,113)	1,734,320
Tangible fixed assets	370,247	—	114,212	221,668	706,129
Land	207,188	—	35,794	221,197	464,180
Buildings	154,457	—	78,415	471	233,344
Lease assets	1,860	—	—	—	1,860
Construction in progress	713	—	2	—	715
Other tangible fixed assets	6,028	—	—	—	6,028
Intangible fixed assets	66,245	—	(994)	—	65,251
Software	65,119	—	—	—	65,119
Lease assets	7	—	—	—	7
Other intangible fixed assets	1,118	—	(994)	—	124
Retirement benefit asset	17,357	—	—	—	17,357
Deferred tax assets	359	—	—	(24)	335
Reserve for possible loan losses	(3,166)	—	28	2,940	(198)
Other assets	445,739	—	7,552	—	453,292
Assets in separate account, etc.	156,154	—	—	—	156,154
Reinsurance recoverables	—	—	3,140,164	(166,632)	2,973,532
Liabilities					
Total liabilities	15,700,692	—	2,666,316	(4,074,965)	14,292,043
Insurance liabilities (Policy reserves)	13,979,640	—	2,966,161	(5,161,078)	11,784,723
Current estimate (Policy reserves other than regulatory reserves)	13,805,637	—	—	—	11,173,387
Margin over current estimate (MOCE)	—	—	—	—	611,336
Regulatory reserves (contingency reserve, etc.)	174,002	—	(174,002)	—	—
Non-insurance liabilities	1,721,051	—	(299,844)	1,086,113	2,507,320
Short-term debentures	7,980	—	—	—	7,980
Bonds	224,000	—	—	(3,382)	220,618
Retirement benefit liability	22,976	—	—	—	22,976
Provision for directors' and audit and supervisory committee members' retirement benefits	19	—	—	—	19
Other provisions	3,557	—	—	—	3,557
Reserve for price fluctuations	299,844	—	(299,844)	—	—
Deferred tax liabilities	92,823	—	4,406	1,091,914	1,189,143
Deferred tax liabilities on land revaluation	4,406	—	(4,406)	—	—
Income taxes payable	28,647	—	—	—	28,647
Other liabilities	1,036,795	—	—	(2,419)	1,034,376

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(Millions of yen)

Consolidated economic value-based balance sheet					
Account	a	b	c	d	e
	Financial accounting-based amount	Adjustments relating to the scope of consolidation	Reclassification	Revaluation	Economic value-based amount (a+b+c+d)
Net assets					
Net assets	1,617,637	—	473,847	—	4,433,809
Total shareholders' equity	705,720	—	473,847	—	1,179,568
Capital stock	207,111	—	—	—	207,111
Retained earnings	522,349	—	—	—	522,349
Regulatory reserves		—	473,847	—	473,847
(-) Treasury shares	23,740	—	—	—	23,740
Total accumulated other comprehensive income	906,208	—	—	—	906,208
Valuation difference on available-for-sale securities	735,816	—	—	—	735,816
Deferred gains (losses) on hedging instruments	(1,891)	—	—	—	(1,891)
Revaluation reserve for land	(6,232)	—	—	—	(6,232)
Foreign currency translation adjustments	51,354	—	—	—	51,354
Valuation difference on policy reserves of foreign subsidiaries and affiliates	127,160	—	—	—	127,160
Subscription rights to shares	196	—	—	—	196
Non-controlling interests	5,511	—	—	—	5,511
Economic value-based adjustments					2,342,324

[Notes]

- Applicable laws and regulations
The economic value-based balance sheet is prepared in accordance with the Public Notice of the Financial Services Agency No. 74 of 2025 and the Public Notice of the Financial Services Agency No. 75 of 2025, pursuant to Article 210-10-2, Paragraph 1, Item 4(c) of the Regulation for Enforcement of the Insurance Business Act.
- Policy for the preparation of the economic value-based balance sheet
 - Asset valuation method
 - The valuation method of major assets is as follows.
 - Financial instruments, etc. recognized under assets
Among financial instruments, held-to-maturity bonds, policy-reserve-matching bonds, stocks without market prices, loans, etc., that have not been subject to fair value valuation under financial accounting have also been revalued at fair value.
Investment trusts, subject to reclassification are, to the extent practicable, recognized based on the individual assets and transactions underlying the exposures held (the "look-through approach") and are then revalued at fair value.
In the revaluation of financial instruments at fair value, we use the fair values disclosed in accordance with the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" ASBJ Guidance No. 19. For the fair value measurement of stocks without market prices, fair values are determined for major holdings based on their net asset value at fair value.
Among tangible fixed assets, real estate is revalued at fair value, and the fair value of major properties is calculated based on their appraisal value by external real estate appraisers. The value of other properties is calculated in-house based on the posted price.
 - Reinsurance recoverables for reinsured insurance contracts
Reinsurance recoverables for reinsured insurance contracts are recognized under assets as the probability-weighted average of the present value of future cash flows. The assumptions regarding future cash flows and discount rates are used in a manner consistent with those used for the underlying reinsured insurance contracts.
Additionally, the estimated uncollectible amount of reinsurance recoverables and other items is calculated using expected default rates and other factors set for each credit rating.
 - With respect to the valuation of assets of consolidated subsidiaries and affiliates that are classified as non-insurance companies, the general treatment is to measure such assets at fair value. However, taking into account the materiality of the impact on the calculation results, the proportionality principle is applied, and the carrying amounts on the balance sheet are used as a simplified treatment. The impact of applying the proportionality principle on the calculation results, including the solvency margin ratio, is immaterial.
 - No revaluation is performed for consolidated subsidiaries and subsidiaries and affiliates classified as non-insurance companies.
 - Liability valuation method
 - The evaluation method of liabilities is mainly as follows.
 - Economic value-based insurance liabilities
Economic value-based insurance liabilities are measured by first estimating the future cash flows arising from insurance contracts recognized as of the valuation date and calculating the present value of such cash flows using specified discount rates. The current estimate is then measured as the probability-weighted average of these present values, and an amount of margin that takes into account the uncertainty inherent in the current estimate ("MOCE") is added to the current estimate to determine the insurance liabilities. The details are as follows.
 - Recognition
As of the valuation date, all insurance contracts to which the Company is a party, are recognized until all obligations under such insurance contracts have been extinguished.
 - Estimates of future cash flows
 - Contract boundary
The contract boundary defining future cash flows included in the measurement of the current estimate is determined based on the rights and obligations under the insurance contracts.
 - Assumptions included in the estimates of cash flows
Assumptions used to estimate future cash flows, including mortality rates, morbidity rates, loss ratios, policyholder behavior such as surrender and lapse rates, renewal rates, and the operating expense rate, are established by product type, reflecting the latest actual results and policyholder characteristics.
The assumptions underlying the mortality rate incorporate future improvement trends based on the latest actual results and publicly available data such as demographic statistics.
The assumptions underlying surrender and lapse rates are estimated by insurance product type and policy duration based on the latest actual results.
The operating expense rate is based on recent expense levels and used to estimate future expenses. These future expense estimates are adjusted for inflation.
The actual results used in setting these assumptions are monitored periodically, and the results of such monitoring are reflected in the measurement of the current estimate.
Additionally, for policyholder dividends, the dividend rate assumptions are set based on the current level of dividend returns and set in line with economic scenarios, including yield curves that take into account adjusted spreads.
The measurement of future cash flows reflects dynamic policyholder dividends for participating contracts, minimum guarantees for variable products, minimum guaranteed interest rates for products with variable assumed interest rates, dynamic surrender, and other guarantees and options. These guarantees and options are evaluated using stochastic calculations to measure insurance liabilities.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

iii. Discount rates

Discount rates are calculated by adding an adjusted spread for each group of insurance contracts underwritten by the Company (an "insurance contract portfolio") to the yield curve of the risk-free rate.

The yield curve for the risk-free rate is set primarily based on market interest rates derived from liquid interest rate swaps or government bonds.

Adjusted spreads are calculated by classifying the insurance contract portfolios established based on product categories into the top bucket, middle bucket, and general bucket. The applicable buckets for each major insurance contract portfolio and the discount rates for the main maturities are as follows.

Major product category	Applicable bucket	5 years	10 years	15 years	20 years
Products of Taiyo Life classified as insurance liabilities subject to matching asset management	Middle bucket	2.080%	2.681%	3.204%	3.770%
Individual insurance, individual annuities, group insurance, etc. in the general assets category of Daido Life	Middle bucket	1.923%	2.524%	3.045%	3.607%
Other yen-denominated products	General bucket	1.889%	2.490%	3.013%	3.579%

iv. MOCE

MOCE is calculated by multiplying the cost of capital rate the discounted present value of estimated future required capital, which is calculated using the run-off pattern.

b. Financial instruments, etc. recognized under liabilities

Financial instruments have been revalued at fair value. The revaluation does not take into account changes in the credit status.

However, financial instruments, etc. included in eligible capital are recognized at the amounts on the balance sheet.

c. Deferred tax liabilities

Deferred tax liabilities are calculated by adding the amount of deferred tax liabilities arising from adjustments to economic value valuation to the amount of deferred tax liabilities recognized for financial accounting purposes.

- 2) In the valuation of liabilities, insurance liabilities relating to certain lines of insurance with relatively small amounts in force, as well as reserves for outstanding claims and other liabilities for expired portions of coverage, should, in principle, be revalued to economic value-based insurance liabilities using the method described in 1) above. However, taking into account the materiality of the impact on the calculation results, the proportionality principle is applied, and such liabilities are calculated using the accounting-basis amounts as a practical expedient. In addition, for low-cost, short-term insurers, no revaluation to an economic-value basis is performed. The application of the proportionality principle has a minimal impact on the results of calculations such as the solvency margin ratio.

- 3) We have determined that the valuations of liabilities are based on the latest reliable information and realistic assumptions, without any conservative or optimistic bias. However, expert judgment has been applied to certain assumptions underlying policyholder behavior included in the estimates of future cash flows.

- 4) No revaluation is performed for consolidated subsidiaries and subsidiaries and affiliates classified as non-insurance companies.

(3) Scope of consolidation and scope of application of the equity method in the calculation on a consolidated basis

The scope of consolidation has not changed from the scope of consolidation or the scope of application of the equity method of the consolidated balance sheet.

3. Accounting estimates in the preparation of the economic value-based balance sheet

(1) Economic value-based insurance liabilities

- 1) Amount recognized on the economic value-based balance sheet as of March 31, 2026 ¥11,784,723 million

2) Information that contributes to an understanding of accounting estimates

- a. Calculation method of amounts recognized on the economic value-based balance sheet as of March 31, 2026

As described in [Notes] 2. "(2) Liability valuation method."

- b. Major assumptions underlying the amounts recognized on the economic value-based balance sheet as of March 31, 2026 and the impact on the economic value-based balance sheet as of March 31, 2027

In terms of economic value-based insurance liabilities, the current estimate and MOCE may fluctuate significantly in the fiscal year ending March 31, 2027, due to the following changes in major assumptions. Information on these assumptions is as described in [Notes] 2. "(2) Liability valuation method."

- Assumptions used to estimate future cash flows, including mortality rates, morbidity rates, loss ratios, policy holder behavior such as surrender and lapse rates, renewal rates, and the operating expense rate
- Assumptions related to the discount rate

4. Assets in separate account, etc.

Amounts of assets classified as separate account assets as provided in Article 118, Paragraph 1 of the Insurance Business Act are recognized under "Assets in separate account, etc."

5. Significant subsequent events

(Transfer of shares of a consolidated subsidiary)

The Company has resolved at the Board of Directors meeting held on June 4, 2026 to enter into separate share purchase agreements with PayPay Corporation ("PayPay") and with OneIM Indigo Holdings Ltd ("OneIM Indigo"), an affiliated entity of investment management firm One Investment Management Ltd ("OneIM"), to transfer shares of T&D Financial Life Insurance Company ("T&D Financial Life"), a consolidated subsidiary of the Company, to PayPay and OneIM Indigo.

The share transfer is expected to be completed on October 1, 2027, subject to the satisfaction of conditions precedent, including obtaining the necessary regulatory approvals and completing the International Financial Reporting Standards (IFRS) conversion required for consolidation into the PayPay group. Upon the completion of the share transfer, T&D Financial Life is expected to be excluded from the Company's consolidated subsidiaries.

(1) Purpose of the share transfer

In light of recent changes in the business environment, the Company has determined that to support T&D Financial Life's further growth, transferring its shares to PayPay, which leverages its payment platform to provide financial services, including credit card, banking, and securities services, represents the best course of action.

Going forward, PayPay aims to further enhance T&D Financial Life's bancassurance businesses and, by adding T&D Financial Life's life insurance products to PayPay's financial services ecosystem, to provide comprehensive financial services tailored to users' life stages. Through these initiatives, T&D Financial Life is expected to achieve further business growth.

Additionally, OneIM has strengths in alternative investments and is expected to contribute to enhancing T&D Financial Life's asset management capabilities.

The Company also intends to allocate the proceeds from this share transfer for shareholder returns and reallocate them to investments aimed at increasing group resilience (including the DX strategy) set forth in the Group long-term vision, thereby achieving further sustainable growth in profits and dividends.

(2) Names of counterparties to the transfer

- PayPay Corporation
- OneIM Indigo Holdings Ltd

(3) Timing of the transfer

- 1) Date of execution of the agreement: June 4, 2026
- 2) Date of completion of the transfer: October 1, 2027 (planned)

(4) Overview of the subsidiary

- 1) Name: T&D Financial Life Insurance Company
- 2) Business description: Life insurance business
- 3) Relationship between the Company and the subsidiary

Capital relationship	The subsidiary is a consolidated and wholly owned subsidiary of the Company.
Personnel relationship	An executive officer of the Company serves concurrently as a representative director of the subsidiary. The Company and the subsidiary have a mutual employee secondment arrangement.
Business relationship	The Company provides corporate support including management administration to the subsidiary.

(5) Number of shares to be transferred, ownership ratio after transfer, and transfer price

- 1) Number of shares to be transferred 1,361,600 shares
- 2) Transfer price Approximately ¥160.0 billion
- 3) Ownership ratio after transfer 14.9%

*The above amount has been calculated on the basis that the share transfer will be completed on October 1, 2027. The final purchase price will be determined after certain adjustments are made in accordance with the method set forth in the share purchase agreement.

(6) Others

The economic value-based balance sheet as of March 31, 2026 has been prepared without taking into account the impact of this share transfer. Its impact is currently being assessed.

Under the shareholders' agreement to be entered into among the Company, PayPay and OneIM on the closing date of the share transfer, the parties are expected to agree on a call option exercisable by PayPay from the closing date and a put option exercisable by the Company from the date falling three years after the closing date, with respect to the 238,400 shares of T&D Financial Life that the Company will continue to hold, representing an ownership ratio of 14.9%.

(Acquisition of treasury shares)

The Company has resolved the acquisition of treasury shares at the Board of Directors' meeting held on June 4, 2026, based on the provisions of Article 31 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act of Japan.

(1) Reasons for the acquisition of treasury shares

To increase shareholder returns and improve the capital efficiency.

(2) Details of the acquisition

- 1) Type of shares to be acquired: Shares of common stock
- 2) Total number of shares to be acquired: Up to 12,000,000 shares
- 3) Total amount of acquisition: Up to ¥30,000 million
- 4) Period of acquisition: From June 8, 2026, to September 30, 2026
- 5) Method of acquisition: Open-market repurchase by the discretionary trading method

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

5) Information on economic value-based valuation amounts by type of securities

(As of March 31, 2026)

(Millions of yen)

Details of economic value-based valuation amounts by type of securities (Consolidated)	
Securities	11,779,632
Government bonds	4,359,374
Municipal bonds	384,384
Corporate bonds	1,855,138
Domestic stocks	1,216,101
Foreign securities	3,922,918
Foreign government bonds	507,467
Foreign municipal bonds	267,501
Foreign corporate bonds	1,420,231
Foreign stocks	1,056,541
Foreign other securities	671,175
Other securities	41,714

Note:

The amounts presented in this format do not include amounts attributable to separate accounts and other specified accounts.

6) Information on adjustments for differences in insurance liabilities by product

(As of March 31, 2026)

(Millions of yen)

Adjustments for differences in insurance liabilities by product (Consolidated)						
Item	a	b	c	d	e	f
	Financial accounting-based amount	Gross-up for reinsurance	Updates to non-economic assumptions	Updates to economic assumptions	Others	Economic value-based amounts (excluding MOCE)
Insurance liabilities	13,805,637	3,140,164	(2,665,000)	(3,245,298)	137,883	11,173,387
Life insurance contracts, etc.	13,799,509	3,140,164	(2,664,535)	(3,245,265)	137,883	11,167,756
Individual insurance	10,096,017	1,741,400	(3,033,616)	(2,578,738)	25,859	6,250,922
Individual annuities	2,120,628	1,398,764	56,897	(195,583)	22,242	3,402,949
Group insurance	52,651	—	(2,228)	(6,598)	—	43,825
Group annuities	1,521,867	—	314,400	(462,740)	89,781	1,463,308
Other than the above	8,345	—	10	(1,605)	—	6,750
Non-life insurance contracts, etc.	6,128	—	(465)	(32)	—	5,630
Reinsurance recoverables	—	3,140,164	(99,326)	(68,266)	961	2,973,532
Life insurance contracts, etc.	—	3,140,164	(99,326)	(68,266)	961	2,973,532
Individual insurance	—	1,741,400	(100,058)	(40,098)	961	1,602,204
Individual annuities	—	1,398,764	731	(28,168)	—	1,371,328
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Other than the above	—	—	—	—	—	—
Non-life insurance contracts, etc.	—	—	—	—	—	—

Note:

Since the amounts of insurance liabilities related to non-life insurance contracts, etc., and reinsurance recoverables are immaterial, the breakdown of each item under "Non-life insurance contracts, etc." has been omitted.

7) Information on sensitivity analysis of the solvency margin ratio, amounts of eligible capital and required capital

(As of March 31, 2026)

(Millions of yen)

Sensitivity analysis (Consolidated)								
Item	a	b	c	d	e	f	g	h
	Figures as of March 31, 2026	JPY interest rate increase of 50 bps	JPY interest rate decrease of 50 bps	USD interest rate increase of 50 bps	USD interest rate decrease of 50 bps	JPY interest rate UFR decrease by 50 bps	Decline in value of shares and real estate of 10%	Appreciation of JPY by 10%
Solvency margin ratio	216.5%	(6.5%)	7.4%	(0.5%)	0.5%	0.0%	(5.9%)	1.1%
Eligible capital	4,469,973	(19,944)	18,468	(23,431)	24,587	(6,819)	(309,567)	(112,253)
Total assets	18,725,853	(446,034)	486,651	(51,754)	53,800	2,138	(429,604)	(290,165)
Insurance liabilities (excluding MOCE)	11,173,387	(419,067)	464,462	(19,245)	19,716	16,564	—	(135,335)
Margin over current estimate (MOCE)	611,336	734	(3,467)	19	(49)	(4,962)	—	1,055
Non-insurance liabilities	2,507,320	(7,756)	7,187	(9,097)	9,546	(2,643)	(120,036)	(43,632)
Net assets	4,433,809	(19,944)	18,468	(23,431)	24,587	(6,819)	(309,567)	(112,253)
Required capital	2,064,186	53,987	(59,593)	(6,181)	6,423	(3,475)	(89,379)	(61,739)
Life insurance risk	1,461,844	90,112	(99,829)	(152)	66	(4,593)	—	1,778
Market risk	1,642,411	1,670	(3,399)	(8,671)	9,094	(1,210)	(143,360)	(94,794)

8) Information on assumptions and methods used in the calculation of the consolidated solvency margin ratio

(As of March 31, 2026)

1. Scope of consolidation The scope of consolidation has not changed from the scope of consolidation or the scope of application of the equity method of the consolidated balance sheet.
2. Assumptions and methods in the calculation of the current estimate The following items are as described in "(2) Liability valuation method" of "[Notes] 2. Policy for the preparation of the economic value-based balance sheet" under "4) Matters relating to the economic value-based balance sheet." • Discount rates • Method of setting non-economic assumptions in the calculation of future cash flows associated with insurance contracts • The value of guarantees and options reflected in the future cash flows associated with insurance contracts and the valuation methods thereof
3. Assumptions and methods in the calculation of required capital The calculation of required capital reflects the effects of risk mitigation techniques as follows. • Risk mitigation effects through reinsurance in the evaluation of life insurance risk • Risk mitigation effects through financial instruments such as derivatives in the evaluation of market risk • Risk mitigation effects through collateral assets of co-insurance-based reinsurance in the evaluation of credit risk

9) Overview of procedures and framework for the calculation and verification of the consolidated solvency margin ratio

(As of March 31, 2026)

In the internal rules, etc., we have designated the department responsible for calculating the consolidated solvency margin ratio. In addition, a person responsible for verifying the entire calculation process of the consolidated solvency margin ratio, and a person responsible for verifying the insurance liabilities used in the calculation of the consolidated solvency margin ratio (the "Verification Officers") are appointed independently of the operational departments. In the appointment of Verification Officers, we take into account their qualifications, including their knowledge and experience in actuarial science or risk management sufficient to verify the calculation of the solvency margin ratio and make necessary recommendations to management, as well as their independence from operational departments. Furthermore, the authority and responsibilities of the Verification Officers are set forth in the internal rules, etc. and have been approved by the Board of Directors. Such authority includes the right of the Verification Officers to report directly to the Board of Directors and other relevant bodies without being restricted by individuals within the organization or the Group. The Verification Officers prepare a report on the verification of the consolidated solvency margin ratio, and the Board of Directors receives reports on the verification results.
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Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

3 Adequacy of the Subsidiaries in Terms of Solvency to Meet Insurance Payments (solvency margin ratio)**(1) Taiyo Life Insurance Company**

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	1,268,006	—
Required capital (B)	—	687,746	—
Solvency margin ratio ((A) / (B))	—	184.3%	—

(Millions of yen)

Summary (Consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	1,271,148	—
Required capital (B)	—	684,862	—
Solvency margin ratio ((A) / (B))	—	185.6%	—

(2) Daido Life Insurance Company

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	2,879,490	—
Required capital (B)	—	1,256,160	—
Solvency margin ratio ((A) / (B))	—	229.2%	—

(Millions of yen)

Summary (Consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	2,886,419	—
Required capital (B)	—	1,255,753	—
Solvency margin ratio ((A) / (B))	—	229.8%	—

(3) T&D Financial Life Insurance Company

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	208,299	—
Required capital (B)	—	114,215	—
Solvency margin ratio ((A) / (B))	—	182.3%	—

(4) Pet & Family Insurance Co., Ltd.

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	4,728	—
Required capital (B)	—	2,604	—
Solvency margin ratio ((A) / (B))	—	181.5%	—

4 Adequacy of Low-cost, Short-term Insurers in Terms of Solvency to Meet Insurance Payments (solvency margin ratio)**(1) All Right Small Amount & Short Term Insurance Co., Ltd.**

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Solvency margin total (A)	—	1,540	—
Total amount of risk (B)	—	52	—
Solvency margin ratio ((A) / ((1/2) × (B))) × 100	—	5,911.9%	—

Notes:

- Low-cost, short-term insurers have different calculation standards from insurance companies, and the regulatory authorities will take early corrective measures if the solvency margin ratio has fallen below 200%.
- As All Right Small Amount & Short Term Insurance Co., Ltd. became a subsidiary in April 2025, there are no corresponding figures as of March 31, 2025.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

5 Embedded Value (EV)**(1) About embedded value**

Embedded value (EV) refers to the value 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. EV is an indicator used for measuring the corporate value of a life insurance company.

Under current financial accounting practices for life insurance companies, there is a time lag between the acquiring of new policies and the realization of profit. However, with EV, the future profit contribution is recognized at the time of the acquiring of new policies, so it is regarded as complementing financial information based on financial accounting practices.

The Group has previously disclosed Market Consistent Embedded Value (MCEV) based on the European Insurance CFO Forum Market Consistent Embedded Value Principles¹⁾ (MCEV Principles). However, in light of the introduction of the economic value-based solvency regulation (the "New Regulation"), from the end of the fiscal year ended March 31, 2026, the Group has disclosed EV reflecting calculation methods in line with the New Regulation as an indicator of the Group's corporate value.

Note:

The figures for the Group and the Three Life Insurance Companies as of March 31, 2025 have not been retrospectively restated, and the Group MCEV and the MCEV of each company are presented.

For details including the calculation method, please see the T&D Holdings' website (<https://www.td-holdings.co.jp/en/>).

(2) Group EV

	(Billions of yen)	
	As of March 31, 2025	As of March 31, 2026
Group EV	3,945.7	4,238.6
Adjusted net assets	988.8	777.7
Value of in-force business	2,956.9	3,460.8
Value of new business	166.1	169.0

(3) Factors behind changes in EV

	(Billions of yen)
	Group EV
Group EV as of March 31, 2025	3,945.7
1) Adjustment of Group EV as of March 31, 2025	(191.4)
Group EV as of March 31, 2025 (after adjustment)	3,754.2
2) FY2025 value of new business	169.0
3) Expected contribution of policies in force (made by reference interest rate)	59.6
4) Expected contribution of policies in force (made by excess over reference interest rate)	121.9
5) Difference between insurance-related assumptions and actual results	(24.3)
6) Changes in insurance-related assumptions	(166.3)
7) Impact of economic fluctuations and changes in economic assumptions	289.8
8) Changes in net assets outside the covered business	34.5
9) Changes due to other factors	—
Group EV as of March 31, 2026	4,238.6

1) Adjustment of Group EV as of March 31, 2025

This is the total amount of dividends paid by T&D Holdings to shareholders in FY2025, treasury shares acquired through market purchases, financial impacts of reflecting calculation methods in line with the New Regulation, and the financial impact of changes in U.S. GAAP (LDTI).

2) FY2025 value of new business

This represents the value as of March 31, 2026 of new policies (including converted policies) sold during FY2025.

3) Expected contribution of policies in force (made by reference interest rate)

This is the total amount of expected investment income (after tax) if assets equivalent to adjusted net assets were invested at the reference interest rate for a period of one year, one-year interest equivalent calculated by discounting the future value of in-force business as of March 31, 2025 using the reference interest rate, and the time value of options and guarantees and expenses for non-hedgeable risk, for FY2025.

4) Expected contribution of policies in force (made by excess over reference interest rate)

This is the portion of expected investment income (after tax) from each asset for one year in excess of what would be earned at the reference interest rate.

5) Difference between insurance-related assumptions and actual results

This is the impact of the difference between the insurance-related assumptions used in the calculation of EV as of March 31, 2026 and the actual results for FY2025.

6) Changes in insurance-related assumptions

This is the impact of changes in insurance-related assumptions made at the start of FY2025, of the occurrence rate of events insured against, surrender and lapse rate, operating expense rate, and the like.

7) Impact of economic fluctuations and changes in economic assumptions

This is the impact on future value of the difference between expected investment income and investment performance, and changes in the economic assumptions made on March 31, 2026. It includes the impact of inflation rate changes.

8) Changes in net assets outside the covered business

This is the total amount of profits earned from businesses within the Group other than the covered business and changes in the unrealized gains and losses on assets and liabilities held in such businesses. Note that the covered business refers to the life insurance subsidiaries in which T&D Holdings holds 100% of the shares (Taiyo Life, Daido Life, and T&D Financial Life), as well as their subsidiaries and affiliates.

9) Changes due to other factors

This represents changes due to factors not included in 1)–8).

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(4) EV of the Three Life Insurance Companies

		(Billions of yen)	
		As of March 31, 2025	As of March 31, 2026
Taiyo Life	EV	1,133.2	1,159.4
	Adjusted net assets	374.7	294.9
	Value of in-force business	758.4	864.5
	Value of new business	27.2	27.4
Daido Life	EV	2,731.9	2,845.7
	Adjusted net assets	694.7	479.9
	Value of in-force business	2,037.1	2,365.8
	Value of new business	130.0	132.6
T&D Financial Life	EV	171.7	184.6
	Adjusted net assets	10.4	(45.7)
	Value of in-force business	161.3	230.4
	Value of new business (Note)	8.8	8.9

Note:
T&D Financial Life's single-premium savings products are recorded based on the value at the time of acquiring of policies.

(5) Impact of changes in assumptions (sensitivities)

			(Billions of yen)	
	Change in Group EV	Change in value of new business		
As of March 31, 2026	4,238.6	169.0		
Sensitivity 1: Interest rate increase of 50 bps (Note)	(25.4)	0.2		
Sensitivity 2: Interest rate decrease of 50 bps (Note)	18.7	(0.6)		
Sensitivity 3: Decline in value of shares and real estate of 10%	(204.0)	0.0		
Sensitivity 4: Surrender and lapse rate decrease of 10%	221.7	21.7		
Sensitivity 5: Operating expense rate (operating expenses related to policy maintenance) decrease of 10%	58.9	5.8		
Sensitivity 6: Decrease in occurrence rate of events insured against by life insurance of 5%	78.9	6.9		

Note:
The ultimate forward rate level is unchanged.

(6) Main assumptions

• Reference interest rate

The reference interest rate (discount rate and investment yield) is the relevant government bond interest rate on the valuation date. Given the level of liquidity in the ultra-long-term zone, the ultimate forward rate (UFR) is used. Specifically, an UFR of 2.9% for the Japanese yen (3.8% for the U.S. dollar and Australian dollar) is assumed, and the extrapolation year is set as the 40th fiscal year (30th fiscal year for the U.S. dollar and Australian dollar). Forward rates beyond the extrapolation year are extrapolated using the Smith-Wilson method such that they converge to the UFR level over a period of 30 years.

Period	Japanese government bonds	
	As of March 31, 2025	As of March 31, 2026
1 year	0.641%	1.105%
5 years	1.114%	1.822%
10 years	1.521%	2.426%
20 years	2.322%	3.540%
30 years	2.688%	4.082%
40 years	2.970%	4.106%
50 years	3.029%	3.913%

Period	USD government bonds		AUD government bonds	
	As of March 31, 2025	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
1 year	4.018%	3.669%	3.781%	4.610%
5 years	3.963%	3.953%	3.858%	4.693%
10 years	4.256%	4.399%	4.468%	5.011%
20 years	4.756%	5.124%	5.002%	5.407%
30 years	4.639%	5.037%	5.254%	5.537%
40 years	4.460%	4.811%	5.118%	5.330%
50 years	4.337%	4.625%	4.884%	5.054%

• Other assumptions

Cash flows such as insurance premiums, operating expenses, insurance claims, insurance benefits, surrender payments, taxes, etc. are forecast for each life insurance subsidiary after taking into account past, current, and expected future performance (best estimate assumption) for each type of insurance over the duration of the policies.

(7) Note to use of EV

EV calculations use assumptions that include future forecasts involving risks and uncertainties, so future performance may differ greatly from the assumptions used in EV calculations. Furthermore, while EV is an indicator used for measuring the corporate value of a life insurance company, the actual market value of shares may deviate significantly from the EV.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

6 Certification of consolidated financial statements by certified public accountants or audit firm

Pursuant to the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, the Company has its consolidated financial statements for FY2025 audited by Ernst & Young ShinNihon LLC.

7 Submission of confirmation letter concerning content of securities report

Representative Director and President of the Company submits, along with the securities report, a confirmation letter confirming that the content of the securities report has been properly presented in accordance with the Financial Instruments and Exchange Act.

8 Submission of internal control report related to financial reporting

Representative Director and President of the Company assesses internal controls related to financial reporting on a consolidated basis, and then submits, along with the securities report, an internal control report to the effect that the Company's internal controls related to financial reporting are effective.

9 Existence of events or circumstances that may raise significant doubt regarding the assumption of the insurance holding company's ability to continue its business operations into the future, or the existence of other events that may materially affect the management of the insurance holding company, if any, as of the last day of the fiscal year, the indication and details thereof, details of analyses and examinations of such material events, etc., and specific measures to resolve or address such material events, etc.

No applicable issues to report.

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