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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

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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.

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.

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

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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.

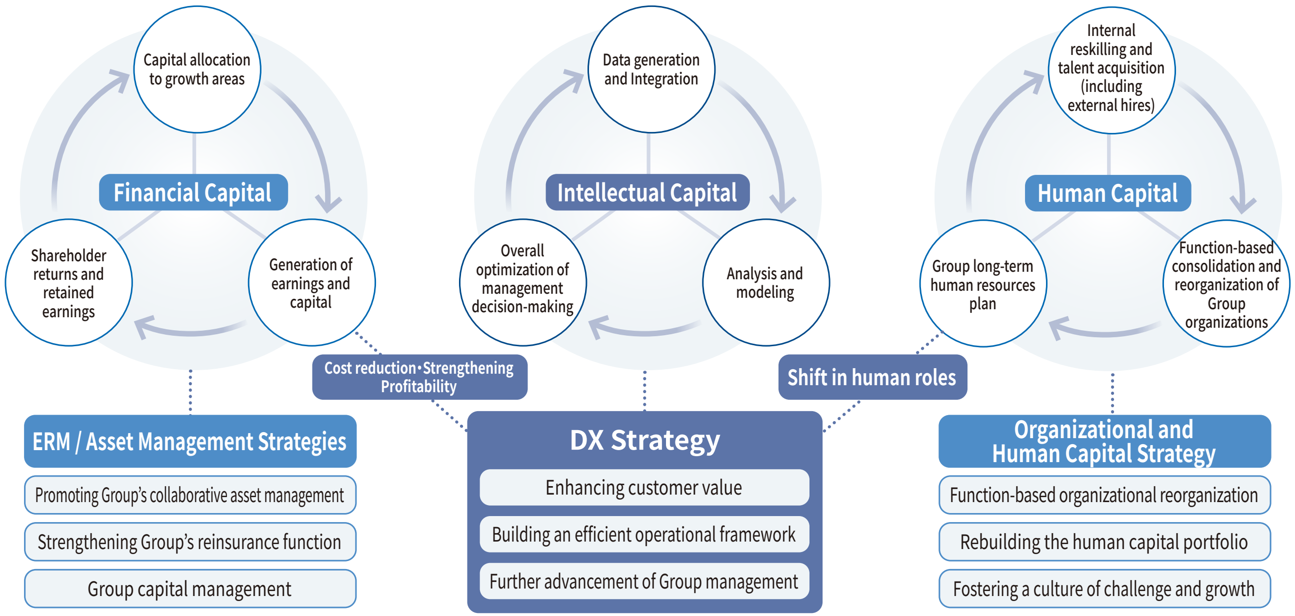
The evolution of AI represents a major opportunity for companies, but it is also a threat that could redefine competition itself. The factors that determine competitiveness - including customer touchpoints, how products and services are delivered, and the use of data - are changing significantly, and 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

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



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made more efficient through AI expands, the roles expected of people will become more sophisticated, making the ability 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 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.

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.

“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

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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.