This document is an English translation of the notice of convocation of the ordinary general meeting of shareholders in Japanese for the convenience of shareholders overseas. In the event of any discrepancy between the English translation and the Japanese version, the Japanese version shall prevail.

Securities Code 8795
June 6, 2022

To Our Shareholders

T&D Holdings, Inc.
7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan
Hirohisa Uehara
Representative Director and President

Notice of Convocation of the 18th Ordinary General Meeting of Shareholders

You are hereby notified that the 18th Ordinary General Meeting of Shareholders of the Company will be held as described below.

As shareholders may exercise your voting rights via the Internet or in writing instead of attending the Meeting in person, please review the Reference Materials for the General Meeting of Shareholders, and exercise your voting rights according to the "Announcement on Exercise of Voting Rights" (pages 3–4) by 5:00 p.m. on Monday, June 27, 2022 (JST).

Shareholders may also view a live broadcast of the General Meeting of Shareholders on the day of the Meeting. For details, please refer to "Information on the Live Streaming of the General Meeting of Shareholders via the Internet and Advance Questions" (Appendix).

1. Date & Time: 10:00 a.m. Tuesday, June 28, 2022 (JST)

2. Venue: Concord Ballroom, 5th Floor, Main Tower,
Keio Plaza Hotel Tokyo
2-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo, Japan

3. Agenda of the Meeting:

Matters to be reported:

Item No.1: Report on the Business Report and the Consolidated Financial Statements for fiscal year 2021 (from April 1, 2021 to March 31, 2022), as well as the results of audits on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee

Item No.2: Report on the Non-consolidated Financial Statements for fiscal year 2021 (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Eight Directors Who Are Not Audit & Supervisory Committee Members

Proposal No. 4: Election of Five Directors Who Are Audit & Supervisory Committee Members

Proposal No. 5: Election of One Alternate Director Who Is an Audit & Supervisory Committee Member

Requests to Shareholders

- The exercise of voting rights using the Voting Rights Exercise Form gives rise to the risk of infection during return of the Form, counting of votes or other acts. Therefore, you are kindly requested to exercise your voting rights preferably via the Internet.
- Shareholders who are considering attending the Meeting in person are asked to check the status of COVID-19 infections in Japan and to carefully consider the health and safety factors in deciding on to attend.
- Shareholders who have a fever or other symptoms of illness including coughing are asked to refrain from attending the Meeting to be mindful of your own health conditions and potential effect on others.
- Shareholders attending the Meeting are asked to wear a mask throughout the Meeting. Those who are found to have a fever or those who are believed to be ill may be denied entry and asked to go home.

We apologize for any inconvenience this may cause to our shareholders and appreciate your understanding.

Any major changes to the operation of the Meeting will be posted on the website below.
<The Company's website> https://www.td-holdings.co.jp/en/

Shareholders May Submit Questions via the Internet

- For the convenience of the shareholders who do not attend the Meeting, questions about the Company will be accepted via the Internet. After logging in the portal, please follow the instructions on the screen to select the category and to enter advance questions. The Company intends to address matters that are of particular interest to many shareholders on the day of the Meeting or on the Company's website.
- To allow the Company sufficient preparation time, shareholders are asked to send in questions by 5:00 p.m., on Wednesday, June 22 (JST).

Portal site: https://engagement-portal.tr.mufg.jp/ (available in Japanese only)
Please be advised that the Company will not provide individual replies.

Please note that if there arise any amendments to the Reference Materials for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements, such amendment will be posted on the Company's website.

The Company's website	https://www.td-holdings.co.jp/ir/stock/meeting/
English translation	https://www.td-holdings.co.jp/en/ir/stock/meeting/

T&D Holdings, Inc. Shareholders Meeting	Search

Announcement on Exercise of Voting Rights

Shareholders may exercise voting rights before the General Meeting of Shareholders by either of the following methods.
When you attend the Meeting in person, please submit the enclosed Voting Rights Exercise Form to the receptionist.

In the case of exercise of voting rights via the Internet
Access the voting rights exercise website ▶ https://evote.tr.mufg.jp/ and follow the on-screen instructions to exercise voting rights.

Deadline for exercising voting rights via the Internet By 5:00 p.m. Monday, June 27, 2022 (JST)

For details, please refer to "Exercise of voting rights via the Internet" in the following page.

Your exercising of voting rights via the Internet contributes to scholarship services to students.
The Company recommends its shareholders to exercise their voting rights via the Internet.
The Company will donate to Japan Student Services Organization (JASSO) the amount equal to postage fee saved by your exercising of voting rights via the Internet.

In the case of exercise of voting rights by mail
Please return the enclosed Voting Rights Exercise Form with your selections to each proposal by making a circle mark to the proposals you select, to the transfer agent (Mitsubishi UFJ Trust and Banking Corporation) of the Company.

Deadline for exercising voting rights by mail Received by 5:00 p.m. Monday, June 27, 2022 (JST)

Platform for Electronic Exercise of Voting Rights
If nominee shareholders such as trust & custody services banks, etc. (including standing proxies) make prior application to use the platform for the electronic exercise of voting rights operated by ICJ Inc. established by Tokyo Stock Exchange, Inc., etc., such shareholders may use the said platform.

Exercise of voting rights via the Internet

Exercise of voting rights via the Internet is only possible by accessing the **website (https://evote.tr.mufg.jp/)** designated by the Company for the purpose of exercising voting rights from your computer, smartphone, etc.

<For smartphones>

How to scan the QR Code

The exercise of voting rights via smartphone does not require a login ID or temporary password!

You can login by scanning the "Login QR Code" displayed on the side slip of the enclosed Voting Rights Exercise Form (right side).

Afterwards, please follow the on-screen instructions to exercise voting rights.

You can only login once using the QR Code.

When re-exercising or exercising your voting rights without using the QR Code, please confirm the "How to enter the login ID and temporary password" section below.

<For computers>

How to enter the login ID and temporary password

[1] Access the website of the platform for exercising voting rights.

i) Click "Proceed to the next screen."

[2] Log in.

ii) Enter the login ID and temporary password supplied on **the lower right-hand portion of your Voting Rights Exercise Form**.

iii) Click "Log in."

[3] Change the password.

iv) Enter your current password and new password, respectively.

v) Click "Submit."

Afterwards, please follow the on-screen instructions to exercise your voting rights.

(Precautions)

1) If you exercise your voting rights by two different methods, that is, via the Internet as well as by mailing your Voting Rights Exercise Form, your voting results via the Internet shall be deemed valid.
2) If you exercise your voting rights via the Internet more than once, using computer, smartphone, etc., only your final vote shall be deemed valid.

Contact for inquiries related to the exercise of voting rights via the Internet	Transfer Agent (Help desk), Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (9:00 a.m. to 9:00 p.m. (JST), toll free) *Please note that the above service is only available for the call from Japan.*

(Attachment)

Reference Materials for the General Meeting of Shareholders

Proposals and references

Proposal No.1: Appropriation of Surplus

The returns to shareholders for fiscal year 2021 has been prepared in line with the basic policy of the Company, which is to improve the future value of equity for our shareholders and to continue to distribute a constant dividend while ensuring the sound operation of the business of the Company and its group companies and securing the internal reserves necessary for the group.

In accordance with this basic policy and based on careful consideration of the Company's overall business performance during the term, we hereby propose that the year-end dividend be set at 28 yen per share. Since the Company paid 28 yen per share as an interim dividend, annual dividend for fiscal year 2021 will amount to 56 yen per share.

This amount represents an increase of 10 yen per share, relative to the annual dividend of 46 yen per share paid in fiscal year 2020.

1. Type of property for dividend

   Cash

2. Dividend and its total amount

   28 yen per share (common stock) total amount 15,751,162,084 yen

3. Effective date of distribution of surplus

   June 29, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The Company proposes to make necessary amendments to the current Articles of Incorporation of the Company for the following reasons.

This proposal will become effective at the conclusion of this General Meeting of Shareholders.

(1) Addition of business objectives with expanded scope of business of the insurance holding company

In response to amendments to the Insurance Business Act, by which the scope of business of the insurance holding company was amended, Article 2 (Purpose of the Company) of the current Articles of Incorporation shall be amended to include additional business objectives.

(2) Amendments about the system for electronic provision of materials for general meetings of shareholders

The amended provisions prescribed in the proviso of Article 1 of the supplementary provisions of the "Act for Partially Amending the Companies Act" (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically (proposed Article 14, Paragraph 1); and the scope shall be limited for matters to be included in the paper copy to be sent to shareholders who have requested it (proposed Article 14, Paragraph 2).

The provisions related to the Internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted. In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established (proposed Article 3 of supplementary provisions).

(3) Amendment that allows the Board of Directors to appropriate surplus

For the capital and dividend policies to be more flexible, the provision that allows the Company to decide on dividends of surplus by a resolution at the Board of Directors' meeting pursuant to Article 459, Paragraph 1 of the Companies Act shall be newly established (proposed Article 31). In line with this amendment, Article 32 (Dividends of Surplus) of the current Articles of Incorporation shall be amended and the provisions of Articles 7 and 33 of the current Articles of Incorporation that overlap part of the proposed Article 31 shall be deleted. As a provision of Articles of Incorporation pursuant to Article 460, Paragraph 1 of the Companies Act is not established, this amendment does not preclude a resolution at the general meeting of shareholders regarding dividends of surplus, etc.

(4) The term of Alternate Director who is an Audit & Supervisory Committee Member

The following provisions are newly established.

- The term of office of a Director who is an Audit & Supervisory Committee Member elected as an alternate to prepare for the event of an unexpected shortfall in the number of Directors who are Audit & Supervisory Committee Members required by law shall be until the term of office of a retired Director who is an Audit & Supervisory Committee Member expires. (proposed Article 19, Paragraph 3).
- If it is resolved to elect an Alternate Director who is an Audit & Supervisory Committee Member, the resolution shall be effective for two years (Proposed Article 19, Paragraph 4).

(5) Other necessary amendments to the Articles of Incorporation shall be made.

2. Details of amendments

The details of the amendments are as follows.

(Underlined parts indicate changes.)

Current Articles of Incorporation	Proposed Amendments
(Purpose of the Company) Article 2 The Company shall operate the following businesses as an insurance holding company. (1) Management of the operations of life insurance companies and any other company that has become its subsidiary company pursuant to the provisions of the Insurance Business Act (2) Other business incidental to businesses listed in the preceding item	(Purpose of the Company) Article 2 The Company shall operate the following businesses as an insurance holding company. (1) Management of the operations of life insurance companies and any other company that has become its subsidiary company pursuant to the provisions of the Insurance Business Act (2) Other business incidental to businesses listed in the preceding item
<Newly established>	(3) Businesses that an insurance holding company may operate pursuant to the Insurance Business Act other than the businesses listed in the preceding two items
(Acquisition of Own Shares) Article 7 The Company may acquire its own shares by resolution at the Board of Directors meetings pursuant to Article 165 Paragraph 2 of the Companies Act.	<Deleted>
Article 8–Article 14 <Omitted>	Article 7–Article 13 <Unchanged>
(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.	<Deleted>
<Newly established>	(Measures for Electronic Provision, Etc.) Article 14 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically. 2. Among the matters to be provided electronically, the Company may omit all or part of the matters set forth in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.
Article 16–Article 19 <Omitted>	Article 15–Article 18 <Unchanged>
(Term of Office of Directors) Article 20 <Omitted> 2. <Omitted>	(Term of Office of Directors) Article 19 <Unchanged> 2. <Unchanged>
<Newly established>	3. The term of office of a Director who is an Audit & Supervisory Committee Member elected as an alternate for a Director who is an Audit & Supervisory Committee Member who retires before his or her term of office expires shall be until the term of office of the retired Director who is an Audit & Supervisory Committee Member expires.

Current Articles of Incorporation	Proposed Amendments
<Newly established>	4. The effective period of the resolution for provisional election of an Alternate Director who is an Audit & Supervisory Committee Member shall expire at the commencement of the ordinary general meeting of shareholders related to the last fiscal year that ends within two years after the resolution.
Article 21–Article 31 <Omitted>	Article 20–Article 30 <Unchanged>
<Newly established>	(Organs that May Decide Dividends of Surplus) Article 31 The Company may decide on matters provided for in each item of Paragraph 1, Article 459 of the Companies Act including dividends of surplus by a resolution by the Board of Directors unless otherwise provided for in laws and regulations.
(Dividends of Surplus) Article 32 The dividends of surplus shall be distributed to the shareholders or the registered share pledgees who are recorded in the last shareholders' register as of March 31 each year	(Record Date for Dividends of Surplus) Article 32 The record date of year-end dividends of the Company shall be March 31 of each year. 2. The record date of interim dividends of the Company shall be September 30 each year.
(Interim Dividends) Article 33 The Company may, by a resolution of the Board of Directors, distribute dividends of surplus provided for in Paragraph 5, Article 454 of the Companies Act (hereinafter referred to as "Interim Dividends") to the shareholders or the registered share pledgees who are recorded in the last shareholders' register as of September 30 each year.	<Deleted>
Article 34 <Omitted>	Article 33 <Unchanged>
Supplementary provisions (Transitional Measures of Exemption from Liability of Audit & Supervisory Board Members) Article 1 <Omitted>	Supplementary provisions (Transitional Measures of Exemption from Liability of Audit & Supervisory Board Members) Article 1 <Unchanged>
Article 2 <Omitted>	Article 2 <Unchanged>
<Newly established>	(Effective Date of Measures for Electronic Provision, Etc.) Article 3 The deletion of Article 15 (Disclosure of Reference Materials, etc. for General Meetings of shareholders via Internet) and the establishment of amended Article 14 (Measures for Electronic Provision, Etc.) of the Articles of Incorporation shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the "Effective Date"). 2, Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date. 3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.

Proposal No. 2: Election of Eight Directors Who Are Not Audit & Supervisory Committee Members

The terms of office of seven Directors who are not Audit & Supervisory Committee Members, Hirohisa Uehara, Kanaya Morinaka, Mitsuhiro Nagata, Naoki Ohgo, Kensaku Watanabe, Naoki Soejima, and Mutsuro Kitahara will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect eight Directors who are not Audit & Supervisory Committee Members (six of whom are candidates for reappointment and two of whom are new candidates), in order to enhance corporate governance by securing the Board diversity and further strengthening its oversight function.

The candidates for Directors who are not Audit & Supervisory Committee Members are as follows.

The candidates have been resolved by the Board of Directors, upon deliberation by the Nomination and Compensation Committee, where the majority of the members are independent outside directors.

No.	Name (Age)		Current positions and responsibilities at the Company	Attendance to the Board of Directors' meetings
1	Hirohisa Uehara (60 years old)	Reappointment	Representative Director and President	All 17 meetings
2	Kanaya Morinaka (60 years old)	Reappointment	Representative Director and Executive Vice President Supervising Group Planning Department	All 17 meetings
3	Masahiko Moriyama (56 years old)	New	Senior Managing Executive Officer Supervising Sustainability Promotion Department In charge of Group Planning Department	—
4	Naoki Ohgo (60 years old)	Reappointment Outside Independent	Director	16 out of 17 meetings
5	Kensaku Watanabe (51 years old)	Reappointment Outside Independent	Director	All 17 meetings
6	Chieko Matsuda (57 years old)	New Outside Independent	—	—
7	Naoki Soejima (63 years old)	Reappointment	Director	All 17 meetings
8	Mutsuro Kitahara (62 years old)	Reappointment	Director	All 14 meetings

Reappointment: Candidate for Director to be reappointed
New: Candidate for Director to be newly appointed
Outside: Candidate for Outside Director
Independent: Independent director/auditor to be registered to Tokyo Stock Exchange, Inc.

Notes:
1. No special interest exists between the Company and the candidates above.
2. The age of the candidates is as of the conclusion of this General Meeting of Shareholders.

Opinion of the Audit & Supervisory Committee

We have confirmed the status of deliberations by the Nomination and Compensation Committee regarding the election of Directors who are not Audit & Supervisory Committee Members and concluded that the election process was appropriate and there were no particular opinions to note. With regard to the compensation of Directors who are not Audit & Supervisory Committee Members, we also have confirmed that the compensation has been determined through an appropriate process based on the policy for the determination of compensation set forth in the Basic Policy on Corporate Governance and have concluded that there were no particular opinions to note.

Composition of the Board of Directors including Directors who are Audit &Supervisory Committee Members if Proposals No. 3 and No. 4 are approved		
Board of Directors		13 Directors (of which, 6 Outside Directors (including 2 female Directors))
	Audit & Supervisory Committee	5 Members (of which, 3 Outside Directors (including 1 female Director))

<table>
<tr><td>1.</td><td colspan="2">Hirohisa Uehara (January 25, 1962)</td><td>Number of the Company's shares held: 51,600</td></tr>
<tr><td rowspan="18">Reappointment

Attendance to the Board of Directors' meetings: All 17 meetings

Tenure as Director: 5 years (at the conclusion of this General Meeting of Shareholders)</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1984</td><td colspan="2">Entered Taiyo Mutual Life Insurance Company</td></tr>
<tr><td>FEB 2005</td><td colspan="2">Director of T&D Asset Management Co., Ltd.</td></tr>
<tr><td>APR 2011</td><td colspan="2">Executive Officer of the Company</td></tr>
<tr><td>APR 2012</td><td colspan="2">Director of T&D Financial Life Insurance Company</td></tr>
<tr><td>APR 2014</td><td colspan="2">Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>JUN 2014</td><td colspan="2">Director and Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2015</td><td colspan="2">Director and Managing Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2016</td><td colspan="2">Director and Senior Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2017</td><td colspan="2">Director of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2017</td><td colspan="2">Executive Vice President of the Company</td></tr>
<tr><td>JUN 2017</td><td colspan="2">Director of T&D Financial Life Insurance Company</td></tr>
<tr><td>JUN 2017</td><td colspan="2">Representative Director and Executive Vice President of the Company</td></tr>
<tr><td>APR 2018</td><td colspan="2">Representative Director and President of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Representative Director and President</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">–</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Director who is not an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Hirohisa Uehara has operational experience within the Group including asset investment and sales. In addition, he has previously been in charge of Group Planning at the Company. Following service as Representative Director and Executive Vice President, he is currently serving as Representative Director and President of the Company. 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.</td></tr>
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<tr><td>2.</td><td colspan="2">Kanaya Morinaka (March 17, 1962)</td><td>Number of the Company's shares held: 28,400</td></tr>
<tr><td rowspan="16">Reappointment

Attendance to the Board of Directors' meetings: All 17 meetings

Tenure as Director: 2 years (at the conclusion of this General Meeting of Shareholders)</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1984</td><td colspan="2">Entered Daido Mutual Life Insurance Company</td></tr>
<tr><td>APR 2010</td><td colspan="2">Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2013</td><td colspan="2">Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>JUN 2015</td><td colspan="2">Director and Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2017</td><td colspan="2">Director and Senior Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>JUN 2019</td><td colspan="2">Representative Director and Senior Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2020</td><td colspan="2">Director of Daido Life Insurance Company (present)</td></tr>
<tr><td>APR 2020</td><td colspan="2">Executive Vice President, Executive Officer of the Company</td></tr>
<tr><td>JUN 2020</td><td colspan="2">Representative Director and Executive Vice President of the Company (present)</td></tr>
<tr><td>JUN 2021</td><td colspan="2">Director of T&D Financial Life Insurance Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Representative Director and Executive Vice President
Supervising Group Planning Department</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Director of Daido Life Insurance Company
Director of T&D Financial Life Insurance Company</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Director who is not an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Kanaya Morinaka has operational experience within the Group including sales, products, planning and human resources. In addition, he has previously been in charge of Group Planning Department and Sustainability Promotion Department at the Company. He is currently serving as Representative Director and Executive Vice President of the Company. Considering these factors, Mr. Kanaya Morinaka 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.</td></tr>
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<tr><td>3.</td><td colspan="2">Masahiko Moriyama (August 16, 1965)</td><td>Number of the Company’s shares held: 11,300</td></tr>
<tr><td rowspan="13">New</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1989</td><td colspan="2">Entered Daido Mutual Life Insurance Company</td></tr>
<tr><td>APR 2016</td><td colspan="2">Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2019</td><td colspan="2">Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>JUN 2019</td><td colspan="2">Director and Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2022</td><td colspan="2">Director of Daido Life Insurance Company (present)</td></tr>
<tr><td>APR 2022</td><td colspan="2">Senior Managing Executive Officer of the Company (present)</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Senior Managing Executive Officer
Supervising Sustainability Promotion Department
In charge of Group Planning Department</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Director of Daido Life Insurance Company</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Director who is not an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Masahiko Moriyama has operational experience within the Group including sales, products, planning and systems. In addition, he has been in charge of Group Planning Development at the Company. Considering these factors, Mr. Masahiko Moriyama 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.</td></tr>
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<tr><td>4.</td><td colspan="2">Naoki Ohgo (April 27, 1962)</td><td>Number of the Company’s shares held: 3,200</td></tr>
<tr><td rowspan="13">Reappointment
Outside
Independent

Attendance to the Board of Directors’ meetings:
16 out 17 meetings

Tenure as Director:
5 years
(at the conclusion of this General Meeting of Shareholders)</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1985</td><td colspan="2">Entered McKinsey Japan</td></tr>
<tr><td>JUL 1999</td><td colspan="2">Partner of McKinsey Japan</td></tr>
<tr><td>JUL 2005</td><td colspan="2">Executive Officer of GE Consumer Finance K.K. (current Shinsei Financial Co., Ltd.)</td></tr>
<tr><td>AUG 2008</td><td colspan="2">Representative Director of Root F Co., Ltd. (present)</td></tr>
<tr><td>JUN 2014</td><td colspan="2">Director of Orient Corporation (present)</td></tr>
<tr><td>JUN 2017</td><td colspan="2">Director of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Representative Director of Root F Co., Ltd.
Director of Orient Corporation</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Outside Director who is not an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Naoki Ohgo has sophisticated expertise and extensive insight based on his experience in providing consulting services mainly in the financial field, as Representative Director of Root F Co., Ltd., following his career as a partner (business partner) of a foreign consulting company, capitalizing on his global perspective and extensive insight. Mr. Naoki Ohgo is proposed as a candidate for Outside Director who is not an Audit & Supervisory Committee Member because 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.</td></tr>
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<tr><td>5.</td><td colspan="2">Kensaku Watanabe (February 17, 1971)</td><td>Number of the Company’s shares held: 700</td></tr>
<tr><td rowspan="11">Reappointment
Outside
Independent

Attendance to the Board of Directors’ meetings:
All 17 meetings

Tenure as Director:
2 years
(at the conclusion of this General Meeting of Shareholders)</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1997</td><td colspan="2">Registered as an Attorney</td></tr>
<tr><td>JUN 2016</td><td colspan="2">Audit & Supervisory Board Member of T&D Financial Life Insurance Company</td></tr>
<tr><td>JUN 2020</td><td colspan="2">Director of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Attorney</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Outside Director who is not an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Kensaku Watanabe has sophisticated expertise and extensive insight as an attorney at law specialized in corporate legal affairs. Mr. Kensaku Watanabe is proposed as a candidate for Outside Director who is not an Audit & Supervisory Committee Member because he can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.
Although Mr. Kensaku Watanabe has not been engaged in corporate management other than as an outside director and outside audit & supervisory board member, the Company believes that he can perform his duties appropriately as an Outside Director who is not an Audit & Supervisory Committee Member for the reasons above.</td></tr>
</table>

<table>
<tr><td>6.</td><td colspan="2">Chieko Matsuda (November 18, 1964)</td><td>Number of the Company’s shares held: 0</td></tr>
<tr><td rowspan="13">New
Outside
Independent</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1987</td><td colspan="2">Entered The Long-Term Credit Bank of Japan, Limited</td></tr>
<tr><td>OCT 2006</td><td colspan="2">Vice President (Partner) of Booz & Company, Inc.</td></tr>
<tr><td>APR 2011</td><td colspan="2">Professor of School of Business Administration, Faculty of Economics and Business Administration at Tokyo Metropolitan University (present)
Professor of Department of Business Administration, Graduate School of Management at Tokyo Metropolitan University (present)</td></tr>
<tr><td>MAR 2020</td><td colspan="2">Director of Kirin Holdings Company, Limited (present)</td></tr>
<tr><td>JUN 2020</td><td colspan="2">Director of IHI Corporation (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">N/A</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Professor of School of Business Administration, Faculty of Economics and Business Administration at Tokyo Metropolitan University
Professor of Department of Business Administration, Graduate School of Management at Tokyo Metropolitan University
Director of Kirin Holdings Company, Limited
Director of IHI Corporation</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Outside Director who is not an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Ms. Chieko Matsuda has sophisticated expertise and extensive insight in management as Professor of School of Business Administration, Faculty of Economics and Business Administration and Professor of Department of Business Administration, Graduate School of Management at Tokyo Metropolitan University, following her career as a partner of a foreign consulting company. Ms. Chieko Matsuda 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 her role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.</td></tr>
</table>

<table>
<tr><td>7.</td><td colspan="2">Naoki Soejima (November 20, 1958)</td><td>Number of the Company’s shares held: 21,710</td></tr>
<tr><td rowspan="14">Reappointment

Attendance to the Board of Directors’ meetings: All 17 meetings

Tenure as Director: 3 years (at the conclusion of this General Meeting of Shareholders)</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1981</td><td colspan="2">Entered Taiyo Mutual Life Insurance Company</td></tr>
<tr><td>APR 2009</td><td colspan="2">Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2011</td><td colspan="2">Managing Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>JUN 2011</td><td colspan="2">Director and Managing Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2014</td><td colspan="2">Representative Director and Senior Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2016</td><td colspan="2">Representative Director and Executive Vice President of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2019</td><td colspan="2">Representative Director and President of Taiyo Life Insurance Company (present)</td></tr>
<tr><td>JUN 2019</td><td colspan="2">Director of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Representative Director and President of Taiyo Life Insurance Company</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Director who is not an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Naoki Soejima has operational experience within the Group including products, planning and sales. He currently serves as Representative Director and President of Taiyo Life Insurance Company. In addition, he currently holds office of Director of the Company. Mr. Naoki Soejima 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.</td></tr>
</table>

<table>
<tr><td>8.</td><td colspan="2">Mutsuro Kitahara (November 7, 1959)</td><td>Number of the Company’s shares held: 34,300</td></tr>
<tr><td rowspan="15">Reappointment

Attendance to the Board of Directors’ meetings: All 14 meetings

Tenure as Director: 1 year (at the conclusion of this General Meeting of Shareholders)</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1982</td><td colspan="2">Entered Daido Mutual Life Insurance Company</td></tr>
<tr><td>APR 2010</td><td colspan="2">Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2013</td><td colspan="2">Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>JUN 2013</td><td colspan="2">Director and Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2015</td><td colspan="2">Managing Executive Officer of the Company</td></tr>
<tr><td>APR 2016</td><td colspan="2">Director and Senior Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2017</td><td colspan="2">Senior Managing Executive Officer of the Company</td></tr>
<tr><td>JUN 2019</td><td colspan="2">Representative Director and Senior Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2020</td><td colspan="2">Representative Director and Executive Vice President of Daido Life Insurance Company</td></tr>
<tr><td>APR 2021</td><td colspan="2">President and Representative Director of Daido Life Insurance Company (present)</td></tr>
<tr><td>JUN 2021</td><td colspan="2">Director of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">President and Representative Director of Daido Life Insurance Company</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Director who is not an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Mutsuro Kitahara has operational experience within the Group including products, planning and human resources. He is currently serving as Representative Director and President of Daido Life Insurance Company and as Director of the Company. Considering these factors, Mr. Mutsuro Kitahara 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.</td></tr>
</table>

<Notes on candidates for Outside Directors who are not Audit & Supervisory Committee Members>

1. Mr. Naoki Ohgo, Mr. Kensaku Watanabe, and Ms. Chieko Matsuda are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Japanese Companies Act. Mr. Naoki Ohgo and Mr. Kensaku Watanabe have been registered to the Tokyo Stock Exchange, Inc. by the Company as independent directors/auditors without potential conflict of interests with general shareholders. If election of Ms. Chieko Matsuda is approved, the Company will register her to the Tokyo Stock Exchange, Inc. as an independent director/auditor. In addition, Mr. Naoki Ohgo, Mr. Kensaku Watanabe, and Ms. Chieko Matsuda meet the independence criteria for Outside Directors/Auditors prescribed by the Company.
2. The Company now has an agreement with Mr. Naoki Ohgo and Mr. Kensaku Watanabe that liabilities which may be claimed against them under Article 423, Paragraph 1 of the Japanese Companies Act shall not exceed ¥10 million or the minimum amount as set forth by law, whichever is higher. If the reelection of Mr. Naoki Ohgo and Mr. Kensaku Watanabe are

approved, the Company will continue the liability limitation agreement with them. If the election of Ms. Chieko Matsuda is approved, the Company will enter into the liability limitation agreement with her.

Proposal No. 4: Election of Five Directors Who Are Audit & Supervisory Committee Members

The terms of office of five Directors who are Audit & Supervisory Committee Members, Junichi Yanai, Yasuo Teraoka, Haruka Matsuyama, Seiji Higaki, and Shinnosuke Yamada will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect five Directors who are Audit & Supervisory Committee Members, separately from Directors who are not Audit & Supervisory Committee Members.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows.

The candidates have been resolved by the Board of Directors upon consent by Audit & Supervisory Committee after deliberation by the Nomination and Compensation Committee, where the majority of the members are independent outside directors.

No.	Name (Age)		Current positions and responsibilities at the Company	Attendance to the Board of Directors' meetings	Attendance to the Audit & Supervisory Committee meetings
1	Takashi Ikawa (59 years old)	New	Senior Managing Executive Officer, Vice in charge of Risk Control Department and Internal Auditing Department	—	—
2	Takashi Tojo (58 years old)	New	Executive Officer, Appointed General Manager of Risk Control Department	—	—
3	Seiji Higaki (71 years old)	Reappointment Outside Independent	Director	All 17 meetings	All 21 meetings
4	Shinnosuke Yamada (66 years old)	Reappointment Outside Independent	Director	All 17 meetings	All 21 meetings
5	Atsuko Taishido (46 years old)	New Outside	—	—	—

Reappointment: Candidate for Director to be reappointed
New: Candidate for Director to be newly appointed
Outside: Candidate for Outside Director
Independent: Independent director/auditor to be registered to Tokyo Stock Exchange, Inc.

Notes:
1. No special interest exists between the Company and the candidates above.
2. The age of the candidates is as of the conclusion of this General Meeting of Shareholders.
3. Ms. Atsuko Taishido meets the independence criteria for Outside Directors/Auditors prescribed by the Tokyo Stock Exchange and therefore has no risk of potential conflict of interests with general shareholders. However, she will not be registered to the Tokyo Stock Exchange, Inc. by the Company as independent director/auditor to follow the regulations of Mori Hamada & Matsumoto to which she belongs. In addition, Ms. Atsuko Taishido meets the independence criteria for Outside Directors/Auditors prescribed by the Company.

<table>
<tr><td>1</td><td colspan="2">Takashi Ikawa (July 17, 1962)</td><td>Number of the Company’s shares held: 21,800</td></tr>
<tr><td rowspan="13">New</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1985</td><td colspan="2">Entered Daido Mutual Life Insurance Company</td></tr>
<tr><td>APR 2012</td><td colspan="2">Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2016</td><td colspan="2">Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>JUN 2017</td><td colspan="2">Director and Managing Executive Officer of Daido Life Insurance Company</td></tr>
<tr><td>APR 2020</td><td colspan="2">Managing Executive Officer of the Company</td></tr>
<tr><td>APR 2021</td><td colspan="2">Director and Senior Executive Officer of Daido Life Insurance Company (present)</td></tr>
<tr><td>APR 2021</td><td colspan="2">Senior Managing Executive Officer of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Senior Managing Executive Officer
Vice in charge of Risk Control Department and Internal Auditing Department</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Director and Senior Executive Officer of Daido Life Insurance Company (Scheduled to retire from the office on June 17, 2022)
Audit & Supervisory Board Member of T&D United Capital Co., Ltd. (Scheduled to assume the office on June 17, 2022)</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Director who is an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Takashi Ikawa has operational experience within the Group including asset investment and accounting, and he has considerable expertise in finance and accounting. He is currently in change of Risk Control and Internal Auditing departments. Considering these factors, Mr. Takashi Ikawa 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 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.</td></tr>
</table>

<table>
<tr><td>2</td><td colspan="2">Takashi Tojo (October 29, 1963)</td><td>Number of the Company's shares held: 12,100</td></tr>
<tr><td rowspan="11">New</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1986</td><td colspan="2">Entered Taiyo Mutual Life Insurance Company</td></tr>
<tr><td>APR 2017</td><td colspan="2">Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2021</td><td colspan="2">Executive Officer of the Company (present)</td></tr>
<tr><td>APR 2021</td><td colspan="2">Director of Pet & Family Insurance Co., Ltd. (present)</td></tr>
<tr><td>JUN 2021</td><td colspan="2">Director of T&D United Capital Co., Ltd.</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Executive Officer
Appointed General Manager of Risk Control Department</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Director of Pet & Family Insurance Co., Ltd. (Scheduled to retire from the office on June 27, 2022)</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Director who is an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Takashi Tojo has operational experience within the Group including asset investment and legal affairs, and he has considerable expertise in finance and accounting. He is currently in change 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 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.</td></tr>
</table>

<table>
<tr><td>3.</td><td colspan="2">Seiji Higaki (May 25, 1951)</td><td>Number of the Company's shares held: 1,700</td></tr>
<tr><td rowspan="16">Reappointment
Outside
Independent

Attendance to the Board of Directors' meetings:
All 17 meetings

Attendance to the Audit & Supervisory Committee meetings
All 21 meetings

Tenure as Director:
4 years
(at the conclusion of this General Meeting of Shareholders)</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1975</td><td colspan="2">Entered The Daiwa Bank, Ltd.</td></tr>
<tr><td>JUN 2003</td><td colspan="2">Executive Officer of Resona Bank, Ltd.</td></tr>
<tr><td>JUN 2005</td><td colspan="2">Executive Officer of Resona Holdings, Inc.</td></tr>
<tr><td>JUN 2006</td><td colspan="2">Director of Resona Holdings, Inc.</td></tr>
<tr><td>JUN 2007</td><td colspan="2">Director, President and Representative Executive Officer of Resona Holdings, Inc.</td></tr>
<tr><td>APR 2009</td><td colspan="2">Representative Director and Executive Officer of Resona Bank, Ltd.</td></tr>
<tr><td>JUN 2011</td><td colspan="2">Deputy Chairman and Director of Resona Bank, Ltd. (Retired in March 2013)</td></tr>
<tr><td>APR 2013</td><td colspan="2">Director of Resona Holdings, Inc. (Retired in June 2013)</td></tr>
<tr><td>JUN 2013</td><td colspan="2">Chairman of Resona Research Institute Co., Ltd. (Retired in June 2015)</td></tr>
<tr><td>JUN 2018</td><td colspan="2">Director of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">–</td></tr>
<tr><td colspan="4">(Reasons for appointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="3">Mr. Seiji Higaki has wealth of knowledge and experience in corporate management, having served as Director, President and Representative Executive Officer of a bank holding company and Representative Director and Executive Officer of a bank.
Mr. Seiji Higaki is proposed as a candidate for Outside Director who is an Audit & Supervisory Committee Member because 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.</td></tr>
</table>

<table>
<tr><td>4.</td><td colspan="2">Shinnosuke Yamada (February 20, 1956)</td><td>Number of the Company's shares held: 900</td></tr>
<tr><td rowspan="14">Reappointment
Outside
Independent

Attendance to the Board of Directors' meetings:
All 17 meetings

Attendance to the Audit & Supervisory Committee meetings
All 21 meetings

Tenure as Director:
2 years
(at the conclusion of this General Meeting of Shareholders)</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>MAR 1987</td><td colspan="2">Registered as a certified public accountant</td></tr>
<tr><td>JUL 2010</td><td colspan="2">Partner of KPMG AZSA LLC</td></tr>
<tr><td>JUL 2010</td><td colspan="2">Executive Board Member of the Japanese Institute of Certified Public Accountant</td></tr>
<tr><td>JUN 2020</td><td colspan="2">Director of the Company (present)</td></tr>
<tr><td>JUN 2020</td><td colspan="2">Auditor of Kyowa Exeo Corporation (current EXEO Group, Inc.) (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Certified Public Accountant
Auditor of EXEO Group, Inc.</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member)</td></tr>
<tr><td></td><td colspan="2">Mr. Shinnosuke Yamada has sophisticated expertise and extensive insight as a Certified Public Accountant. Mr. Shinnosuke Yamada is proposed as a candidate for Outside Director who is an Audit & Supervisory Committee Member because 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.</td></tr>
</table>

5.	Atsuko Taishido (July 3, 1975)	Number of the Company's shares held: 0
New	Personal history, position, responsibilities and significant concurrent positions	
	OCT 2001	Registered as an Attorney
	JAN 2010	Partner of Mori Hamada & Matsumoto (present)
	JUN 2015	Audit & Supervisory Board Member of Kanda Holdings Co., Ltd. (present)
	APR 2019	Audit & Supervisory Board Member of Pigeon Corporation (present)
	(Significant concurrent positions)	
	Attorney Audit & Supervisory Board Member of Kanda Holdings Co., Ltd. (Scheduled to retire from the office on June 28, 2022) Audit & Supervisory Board Member of Pigeon Corporation	
	(Reasons for appointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member)	
	Ms. Atsuko Taishido has sophisticated expertise and extensive insight as an attorney at law specialized in corporate legal affairs. Ms. Atsuko Taishido 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 management decisions as well as auditing and supervising the execution of duties of Directors who are not Audit & Supervisory Committee Members from a perspective of protecting general shareholders. Although Ms. Atsuko Taishido has not been engaged in corporate management other than as an outside audit & supervisory board member, the Company believes that she can perform her duties appropriately for the reasons above.	

<Notes on candidates for Outside Directors who are Audit & Supervisory Committee Members>

1. Mr. Seiji Higaki and Mr. Shinnosuke Yamada are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Japanese Companies Act, who have been registered to the Tokyo Stock Exchange, Inc. by the Company as independent directors/auditors without potential conflict of interests with general shareholders. In addition, Mr. Seiji Higaki and Mr. Shinnosuke Yamada meet the independence criteria for Outside Directors/Auditors prescribed by the Company.
2. Ms. Atsuko Taishido is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Japanese Companies Act. She meets the independence criteria for Outside Directors/Auditors of the Tokyo Stock Exchange and therefore has no risk of potential conflict of interests with general shareholders. However, she will not be registered to the Tokyo Stock Exchange, Inc. by the Company as independent director/auditor to follow the regulations of Mori Hamada & Matsumoto to which she belong. In addition, Ms. Atsuko Taishido meets the independence criteria for Outside Directors/Auditors prescribed by the Company.
3. The Company now has an agreement with Mr. Seiji Higaki and Mr. Shinnosuke Yamada that liabilities which may be claimed against them under Article 423, Paragraph 1 of the Japanese Companies Act shall not exceed ¥10 million or the minimum amount as set forth by law, whichever is higher. If the election of Ms. Atsuko Taishido is approved, the Company will enter into the liability limitation agreement with her.

Proposal No. 5: Election of One Alternate Director Who Is an Audit & Supervisory Committee Member

Since the validity of the appointment of Mr. Yuichiro Shimma as Alternate Director who is an Audit & Supervisory Committee Member made effective at the 17th Ordinary General Meeting of Shareholders held on June, 25, 2021, will expire at the beginning of this General Meeting of Shareholders, it is proposed that the Company preliminarily elect one person as an Alternate Outside Director who is an Audit & Supervisory Committee Member in order to prepare for the event of an unexpected shortfall in the number of Directors who are Audit & Supervisory Committee Members required by law.

The candidate for Alternate Director who is an Audit & Supervisory Committee Member is as follows.

The election under this proposal may be cancelled upon the consent of the Audit & Supervisory Committee and the subsequent resolution by the Board of Directors, provided such cancellation is done prior to the assumption of office.

The candidate has been resolved by the Board of Directors upon consent by Audit & Supervisory Committee after deliberation by the Nomination and Compensation Committee, where the majority of the members are independent outside directors.

	Yuichiro Shimma (December 11, 1978)		Number of the Company's shares held: 0
	Personal history, position and significant concurrent positions		
	OCT 2004	Registered as an Attorney	
	JUN 2020	Audit & Supervisory Board Member of T&D Financial Life Insurance Company (present)	
	(Significant concurrent positions)		
		Attorney Audit & Supervisory Board Member of T&D Financial Life Insurance Company	
	(Reasons for appointment as a candidate for Alternate Outside Director who is an Audit & Supervisory Committee Member)		
		Mr. Yuichiro Shimma has sophisticated expertise and extensive insight as an attorney at law specialized in corporate legal affairs. Mr. Yuichiro Shimma is proposed as a candidate for Alternate Director who is an Audit & Supervisory Committee Member because he can be expected to capitalize on this knowledge and experience to serve his role in making key management decisions as well as auditing and supervising the execution of duties of Directors who are not Audit & Supervisory Committee Members from a perspective of protecting general shareholders. Although Mr. Yuichiro Shimma has not been engaged in corporate management other than as an outside audit & supervisory board member, the Company believes that he can perform his duties appropriately for the reasons above if he is appointed as a Director who is an Audit & Supervisory Committee Member of the Company.	

Notes:

1. No special interest exists between the Company and Mr. Yuichiro Shimma.
2. Mr. Yuichiro Shimma is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Japanese Companies Act. If his appointment is approved as proposed and he assumes office of Director who is an Audit & Supervisory Committee Member, the Company will register him to the Tokyo Stock

Exchange, Inc. as an independent director/auditor without potential conflict of interests with general shareholders. In addition, Mr. Yuichiro Shimma meets the independence criteria for Outside Directors/Auditors prescribed by the Company.

3. The Company has an agreement with each Outside Director that liabilities which may be claimed against him or her under Article 423, Paragraph 1 of the Japanese Companies Act shall not exceed ¥10 million or the minimum amount as set forth by law, whichever is higher. If the election of Mr. Yuichiro Shimma is approved, and he assumes office of Director who is an Audit & Supervisory Committee Member, the Company will enter into the liability limitation agreement with him.

(Reference)

The Composition, Expertise, Experience, Etc. of the Board of Directors, after Proposals No. 3 and 4 are Approved by this Ordinary General Meeting of Shareholders

The Company aims to further demonstrate the functions of the Board of Directors by ensuring a balance of the necessary expertise and experience from the standpoint of the three major board functions.
By electing talent with experience in corporate management from outside of the Group as well as expertise and experience in finance, legal affairs and other fields for its outside Directors, and electing talent equipped with expertise and experience in line with the wide-ranging fields of the Group's core business of life insurance for its internal Directors, the Company ensures a balance of expertise and experience of the entire Board of Directors.

The Three Main Functions of the Board of Directors

Formulation of overall strategy function	Supervisory function	Business management function

■ Board of Directors Skills Matrix

The following illustrates the expertise and experience that are particularly anticipated from the Outside and Internal Directors of the Company.

	Name	Position at the Company	Nomination and Compensation Committee	Expertise and experience particularly anticipated from the Outside Directors			
				Corporate management	Capital and financial markets	Finance and accounting	Legal affairs and risk management
Outside Directors	Naoki Ohgo	Director	●	●	●		
	Kensaku Watanabe	Director	●				●
	Chieko Matsuda	Director	●	●	●		
	Seiji Higaki	Director (Audit & Supervisory Committee Member)		●	●		
	Shinnosuke Yamada	Director (Audit & Supervisory Committee Member)				●	
	Atsuko Taishido	Director (Audit & Supervisory Committee Member)					●

	Name	Position at the Company	Nomination and Compensation Committee	Expertise and experience particularly anticipated from the Internal Directors				
				Planning and business strategy	Sales and marketing	Asset management	Finance and accounting	Legal affairs and risk management
Internal Directors	Hirohisa Uehara	Representative Director and President	●	●	●	●		
	Kanaya Morinaka	Representative Director and Executive Vice President		●	●			
	Masahiko Moriyama	Director and Senior Managing Executive Officer		●	●			
	Naoki Soejima	Director		●	●	●		
	Mutsuro Kitahara	Director		●	●	●		
	Takashi Ikawa	Director (Audit & Supervisory Committee Member)				●	●	●
	Takashi Tojo	Director (Audit & Supervisory Committee Member)					●	●

* The Company intends to further utilize knowledge from outside the Company through such initiatives as inviting talent with expertise and experience in areas other than the above to advisory committees in each field (e.g. digital and SDGs), which will be established, as necessary.

<Reference>
Directors and Officers (D&O) Liability Insurance

・The Company has concluded a directors and officers liability insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with the Directors as the insured. The insurance policy covers any damages that may result from the Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. However, there are grounds for exemptions, including such damages caused intentionally or with gross negligence, and a compensation curtailment rate has been set for the insurance claims.

・If the candidates are elected and assume office as Directors, each Director will be included as an insured in the D&O insurance.

・The contract period of the directors and officers liability insurance is one year, and the Company intends to renew the contract prior to the expiry of this period upon resolution of the Board of Directors.

Basic Policy on Corporate Governance of T&D Holdings, Inc.

(Appointment of Directors)
Article 6

The Board of Directors shall discuss the appointment of candidates for directors in the Nomination and Compensation Committee, and shall appoint individuals that satisfy, in principle, the following criteria:

(1) The candidate possesses the knowledge and experience needed to accurately, impartially and efficiently manage business as well as possessing a sufficient degree of public trust.
(2) In addition to the requirements set forth in the previous criterion, candidates for outside director must satisfy the independence criteria established by the Company and the Tokyo Stock Exchange, and must be recognized as being free from the risk of any conflicts with the common interests of shareholders.

(Appointment of Audit & Supervisory Committee Members)
Article 11

The Board of Directors shall discuss candidates for audit & supervisory committee members in the Nomination and Compensation Committee. After obtaining the consent of the Audit & Supervisory Committee, the Board of Directors shall appoint individuals that satisfy, in principle, the following criteria:

(1) The candidate possesses the knowledge and experience needed to accurately, impartially and efficiently audit the directors' performance of duties as well as possessing a sufficient degree of public trust.
(2) In addition to the requirements set forth in the previous criterion, candidates for the position of outside audit & supervisory committee member must satisfy the independence criteria established by the Company and the Tokyo Stock Exchange, and must be recognized as being free from the risk of any conflicts with the common interests of shareholders.

(Independence Criteria for Independent Outside Directors)
Article 13

The Company shall appoint candidates for outside director from among individuals who satisfy the following independence criteria:

(1) The candidate is not currently, nor has been in the past 10 years, a person who executes the business of the Company or its subsidiaries.
(2) The candidate is not currently, nor has recently been, a person/entity for which the Company is a major client or a person who executes business for such client, nor a major client of the Company or a person who executes business for such client.
(3) The candidate is not currently, nor has recently been, a consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/auditor compensation from the Company.
(4) The candidate is not currently, nor has recently been, a relative of a person who executes business of the Company or its subsidiary, or a relative of persons described in (2) or (3) above.
(5) In addition to the above, there must be no doubt about the independence of the candidate in terms of fulfilling his or her duties as an independent outside director.

(Attached Documents)

Business Report for Fiscal Year 2021

(From April 1, 2021 to March 31, 2022)

1. Matters concerning the current state of the insurance holding company

(1) Development and performance, etc. of the business of the corporate group

Main business lines of the corporate group

T&D Insurance Group ("the Group") comprises mainly the Company's three direct subsidiaries (hereafter, the "Three Life Insurance Companies"), namely Taiyo Life Insurance Company, Daido Life Insurance Company and T&D Financial Life Insurance Company ("Taiyo Life," "Daido Life," and "T&D Financial Life," respectively), along with 18 subsidiaries and 10 affiliated entities, and operates life insurance business as its core business. T&D United Capital Co., Ltd. ("T&D United Capital"), a direct subsidiary of the Company, is working to diversify its business portfolio by investing in overseas closed book business Glossary and other areas that have a highly affinity with the life insurance business.

Glossary Please see the Glossary (page 75) for the closed book business.

Financial and economic environment

In fiscal 2021, despite the continued impact of COVID-19, the Japanese economy was on a recovery trend, supported by the recovery of overseas economies, an accommodative financial environment, and government economic measures.

In the life insurance industry, although the impact of the spread of COVID-19 remained, new policy performance increased from the previous fiscal year due to expanded insurance needs and the continued use of digital technology in sales activities. In the asset management environment, overseas interest rates rose toward the end of the fiscal year due to an increase in inflation in response to expanding global demand and other factors and a shift towards tightening monetary policy in the United States. With regard to domestic interest rates, 10-year long-term government yields rose to near the upper limit of the range allowed by the Bank of Japan (0.25%). On the other hand, domestic stocks declined due to heightened geopolitical risks caused by Russia's invasion of Ukraine and increased uncertainty about the global economic outlook.

Development and performance of the business of the corporate group for the current fiscal year

The Group carries out its business management under the Group management philosophy "to contribute to people and society through the value creation with the 'Try & Discover' spirit." In April 2021, we established a new five-year management policy, "Group Long-Term Vision: Try & Discover 2025—In Pursuit of the Happiness of All Stakeholders—." This policy is based on the belief that we need to once again clarify the Group's medium to long-term vision as a company that is unaffected by environmental changes, including the COVID-19 pandemic, in an era of high uncertainty. In the Group Long-Term Vision, we set the overall policy to promote a growth story with improved capital efficiency by establishing new Group KPIs and the Group's growth strategies. In addition, we renewed our management vision to "Create happiness for society as a whole through insurance, starting with each individual, and become a Group that engages closely with stakeholders and makes bold changes" to clearly show the Group's management guidelines both internally and externally.

In April 2022, the Company shifted to the Prime Market [note 1] of the Tokyo Stock Exchange.

● Group Key Performance Indicators (KPIs)

Financial KPIs	Group Adjusted Profit*1	FY2025: ¥130 billions
	Adjusted ROE*2	FY2025: 8.0%
	Value of New Business	FY2025: ¥200 billions
	ROEV*3	Stable and sustainable growth of over 7.5% per year over the medium to long term

*1 Group adjusted profit = net income ± valuation gains/losses caused by discrepancy of accounting treatment of assets and liabilities + additional internal reserves in excess of the legal standard requirements
*2 Adjusted ROE = Group adjusted profit / Average net asset balance
*3 ROEV = Amount of EV increase (excluding increases or decreases in capital, etc.) / Average EV balance (Group basis)

Non-financial KPIs	Customer satisfaction	Minimum FY2020 level
	Employee satisfaction	Minimum FY2020 level
	CO_2 emission volume	Reduction of 40% from FY2013 levels by FY2025

● Group Growth Strategy (Five Primary Themes)

I	Strengthening of core business	・ The three domestic life insurance companies will aim to build the top brand in each specialized market.
II	Diversification and optimization of business portfolio	・ Further developing existing investment sectors, such as the closed book business and developing new domains
III	Further advancement of ERM (Upgrading of capital management)	・ Improving capital efficiency through new capital management and risk management
IV	Promoting integrated Group management	・ Seeking unconventional new synergies transcending the boundaries between life/non-life insurance, asset management and other businesses
V	SDGs management and creation of value	・ Contributing to a sustainable society with the creation of shared value to create both financial and social value

Here we report on the major initiatives of the Company, the Three Life Insurance Companies of the Group, and T&D United Capital in fiscal 2021.

The Company, as an insurance holding company, aims to control the management of its subsidiaries, and businesses pertaining thereto, as its business objectives.
The Company serves the role of formulating and executing the management strategies and capital policies of the Group and adequately allocating management resources. Additionally, the Company promotes the Enterprise Risk Management (ERM) Glossary system to accurately identify management risks in direct subsidiaries, mainly the Three Life Insurance Companies, and to carry out integrated management of the capital, profit, and risk of the Group as a whole on an economic value basis. In particular, in fiscal 2021, the Company implemented the following measures under a severe business environment, including prolonged low interest rates and the spread of COVID-19.

Glossary Please see the Glossary (page 75) for ERM.

■ Major initiatives of the Company
(i) Enhancement of capital policies
With regard to capital policies, we have introduced a new concept of capital management that quantitatively clarifies our policy on shareholder returns more clearly, considering the balance between growth investment and shareholder returns to advance the ERM system. Based on this approach, the Company aimed for stable and sustainable increases in dividends and flexible and strategic treasury stock repurchases. The Company paid a year-end dividend of ¥24 per share in June 2021 (an increase of ¥2 from the year-end dividend for the previous fiscal year) and an

interim dividend of ¥28 per share in December 2021 (an increase of ¥6 from the interim dividend for the previous fiscal year). In addition, the Company purchased treasury stock of approximately ¥10 billion from May to June 2021 and approximately ¥40 billion from November 2021 to May 2022.

(ii) Formulating the Group Digital Vision
We formulated the T&D Insurance Group Digital Vision in August 2021 as a policy for effectively incorporating digital technology into management strategies, including accelerating and enhancing the use of advancing digital technology and the data held by the Group. The Group will make maximum use of technology to reform sales activities by integrating real and digital technologies and providing optimal products and services utilizing data.

The Company and the Three Life Insurance Companies were both certified as DX Glossary Certified Business Operators under the DX certification system established by the Ministry of Economy, Trade and Industry in recognition of their promotion of DX initiatives based on the Group Digital Vision.

Glossary Please see the Glossary (page 75) for DX.

(iii) Enhancing corporate governance
In line with the revision of the Corporate Governance Code Glossary on June 21, 2021, the principles related to the fulfillment of the functions of the Board of Directors, ensuring diversity in core corporate human resources, and addressing sustainability issues have been strengthened. The Company complies with and implements all 83 principles of the revised Corporate Governance Code. We will continue our efforts to enhance our corporate governance to achieve the sustainable growth of the Group and increase its corporate value over the medium- and long-term.

Glossary Please see the Glossary (page 75) for Corporate Governance Code.

(iv) ESG-related initiatives
We promote contributions to the Sustainable Development Goals (SDGs) as an initiative related to the environment, society, and governance (ESG) and work to resolve the primary sustainability themes. To respond to climate change risks, we became a supporter of the TCFD Glossary recommendations and disclosed climate-related financial information in accordance with the TCFD framework. In order to help mitigate and adapt to climate change across the entire Group, the Group has set a long-term target of reducing CO_2 emissions to zero in real terms (net zero) by fiscal 2050. In April 2022, we joined RE100, an international initiative aimed at procuring 100% of the electricity used in our business activities from renewable energy. As a responsible institutional investor, the Group also targets net zero emissions of CO_2 from its investments and loans (under Scope 3, Category 15). As part of its efforts to achieve this target, the Group set an interim target in April 2022 (a 40% reduction by fiscal 2030 compared to 2020).

We are also promoting creating work environments where all people can play an active role by reforming working styles with a focus on work-life balance and using an advanced IT and office environment.

In terms of asset management, the three Group companies that conduct asset management operations—Taiyo Life, Daido Life, and T&D Asset Management—are signatories to the Principles for Responsible Investment (PRI) supported by the UN. Based on these principles, we are advancing asset management aimed at achieving a sustainable society, with full understanding of environmental, social and governance (ESG) challenges. In April 2021, the Group established the T&D Insurance Group ESG Investment Policy to communicate our Group's approach to ESG investment.

In recognition of these initiatives, the Company was chosen for all of the ESG indices selected by the Government Pension Investment Fund (GPIF) among domestic stocks. (As of March 31, 2022)

Glossary Please see the Glossary (page 75) for TCFD.

(v) Responses to COVID-19
The Group has introduced various support measures to ensure that customers affected by COVID-19 can continue their policies and make benefit claims, etc., with peace of mind. We are also working to develop new products and services for the with COVID-19 era while ensuring our employees' health and safety to fulfill our social mission of providing peace of mind and meeting our customers' changing needs in the pandemic COVID-19.

■ Major initiatives of the Group Companies
Led by the Group-wide, customer-oriented philosophy, the Company has defined the T&D Insurance Group's Basic Polices Related to Customer-oriented Business Operations in order to engage in sincere, earnest, fair, and appropriate corporate activities which benefit customers, and will work to foster a corporate culture that respects the spirit and intent of this Basic Policy. In accordance with this Basic Policy, the Three Life Insurance Companies worked on core business enhancement based on their individual, unique business models within their own specialized markets.

(i) Taiyo Life
Taiyo Life is working to enhance contents of its products in order to provide lifelong security to customers through high-quality products and services. Specifically, it provides "Himawari Dementia Prevention Insurance" and other products to help customers face dementia, one of the social issues, so that they can spend their retirement with peace of mind. In June 2021, as the second part of its prevention insurance series, the company launched "Cancer/Critical Illness Prevention Insurance," supporting efforts to prevent serious diseases. In September 2021, it also launched "Pregnancy & maternity insurance" under the supervision of an obstetrician and gynecologist to support women before and after childbirth as a product exclusively for pregnant women to counteract the declining birthrate.

In terms of services, Taiyo Life provides various services, such as "Kaketsuke-Tai Service," "Senior Visit Service," "Guide to preventing dementia," and "Taiyo Life Sign Language Relay Service," to ensure that all customers, including senior citizens and people with disabilities, can continue their policies with peace of mind after they take out policies.

Taiyo Life is also working on "Taiyo's GENKI Project" to take on the social challenge of living long and healthy lives. Specifically, it is expanding various support systems for employees, including balancing childcare and nursing care and extending the retirement age. It provides disease prevention services and apps that support health promotion for customers. For society, the Taiyo Life Aging Society Institute supports initiatives that contribute to the extension of healthy life expectancy and companies and organizations engaging in support for the health and longevity of customers.

(ii) Daido Life
To further contribute to the sustainable development of SMEs, Daido Life has been working on expanding the range of products that support their business continuity and services that help resolve management issues.

In terms of products, Daido Life is working to provide total insurance combining corporations and individuals, which combines a death benefit and a benefit for incapacity to work for corporate customers with an individual benefit for management. As part of its efforts, in January 2022, Daido Life launched "Kaisha Minnade KENCO+," health promotion insurance combining the functions of "preparing for unexpected retirements" and "health and productivity management® [note 2]." The company is also working to develop a system that can flexibly respond to changes in customer needs after they take out policies to make it easier for customers to continue necessary coverage over the long term.

In terms of services, with health management becoming even more important for SMEs, Daido Life is working to support the promotion of health management by identifying health risks and improving the lifestyle habits of people working at SMEs by offering the "Daido Life's KENCO SUPPORT PROGRAM [note 3]" and expanding its function. In March 2022, the company

launched a new web service called "*Dodai?*" with the aim of working together with small- and medium-sized enterprise owners to solve problems.

(iii) T&D Financial Life
T&D Financial Life's core business is to sell insurance products through sales channels such as financial institutions. It has been working to increase its corporate value by developing new products that consider the financial market environment and customer needs and expanding services for customers and agents by using IT.

In terms of products, T&D Financial Life developed a yen-denominated single premium variable whole life insurance product that supports asset formation through self-help efforts in a centenarian society through the integration of investment trusts and life insurance. In June 2021, it launched "Hybrid Asset Life." In December 2021, the company launched "Hybrid Anshin Life," a yen-denominated single premium variable whole life insurance product specializing in asset succession and asset management functions to prepare for a long life.

In terms of improving customer convenience, in September 2021, T&D Financial Life started handling online applications for "*Kakei ni Yasashii Shushin Iryo*" in order to meet diversifying customer needs in line with lifestyle changes due to the progress of DX and the impact of COVID-19.

(iv) T&D United Capital
In addition to increasing profits in the Group's existing businesses, with the domestic life insurance business as its core, we are working to improve capital efficiency by allocating management resources of the Group to growth businesses. Under this policy, in June 2020, T&D United Capital acquired a 25% stake in Fortitude Group Holdings, LLC ("Fortitude"), an insurance company specializing in the closed book business, from U.S.-based American International Group, Inc. (AIG), and entered into the Fortitude business.

Fortitude decided to acquire U.S. variable annuity block from Prudential Financial, Inc. in September 2021 and restructured the Fortitude Group in October 2021 to enhance its competitive advantage. As a result, Fortitude continues developing its business aggressively to achieve its strategic growth goals.

In addition, in March 2022, T&D United Capital agreed to make an additional investment in the restructured holding company of Fortitude to support the growth of the company. The Company and T&D United Capital position closed book business as a growing new business domain. In addition to gaining investment income, we will acquire and accumulate business expertise and pursue synergies with its domestic life insurance business.

Main performance during the current fiscal year [note 4]

Annualized premiums of new policies combining individual insurance and individual annuities for this fiscal year rose to ¥121.9 billion (10.5% increase year-on-year) due to the establishment of sales activities that combine face-to-face and non-face-to-face sales amid growing coverage needs. Third Sector annualized premiums of new policies also rose to ¥35.9 billion (12.1% increase year-on-year).

Annualized premiums of total policies combining individual insurance and individual annuities at the end of this fiscal year were ¥1,543.1 billion (0.5% increase year-on-year).

New policy amount for the current fiscal year was ¥3,482.4 billion (9.5% increase year-on-year). Policy amount in force as at year-end was ¥54,250.2 billion (2.9% decrease year-on-year).

Income from insurance premiums decreased by 0.1% year-on-year to ¥1,781.9 billion. Income from interests and dividends increased by 10.3% year-on-year to ¥319.8 billion. Reversal of policy reserve was ¥259.9 billion due to the reversal of policy reserve in line with the implementation of reinsurance transactions at Taiyo Life. As a result, ordinary revenues increased to ¥2,614.3 billion (10.8% increase year-on-year).

Ordinary expenses increased by 17.0% year-on-year to ¥2,557.3 billion, due primarily to the payment of reinsurance premiums associated with the implementation of reinsurance transactions at Taiyo Life.

As a result, ordinary profit decreased by 67.3% year-on-year to ¥57.0 billion.

Profit attributable to owners of parent decreased by 86.9% year-on-year to ¥14.1 billion. In addition, Group adjusted profit [note 8] decreased by 49.6% year-on-year to ¥39.2 billion.

Combined total core profit for this fiscal year at the Three Life Insurance Companies increased by 14.3% year-on-year to ¥184.0 billion. Positive spread increased by 63.2% year-on-year to ¥94.8 billion, due primarily to increased interest and dividend income.

The Company's consolidated TCFD Glossary, a criterion subject to government supervision, indicating management soundness of an insurance holding company (consolidated) and an insurance company, was 1,026.3% at the end of the current fiscal year (1,094.7% at the end of the previous fiscal year).

Solvency margin ratios of the Group's Three Life Insurance Companies were 734.2% for Taiyo Life Insurance Company (852.8% at the end of the previous fiscal year), 1,203.8% for Daido Life Insurance Company (1,293.5% at the end of the previous fiscal year) and 749.5% for T&D Financial Life Insurance Company (826.8% at the end of the previous fiscal year).

Glossary Please see the Glossary (page 75) for the solvency margin ratio.

Results of individual insurance and individual annuities at the Three Life Insurance Companies (along with combined results)

(100 millions of yen)

Company Name	FY2020		FY2021 (year under review)	
Annualized premiums of new policies (Third Sector products)	1,103	(320)	1,219	(359)
Taiyo Life Insurance Company	331	(177)	341	(197)
Daido Life Insurance Company	510	(139)	606	(155)
T&D Financial Life Insurance Company	262	(4)	271	(7)
Annualized premiums of total policies (Third Sector products)	15,354	(2,674)	15,431	(2,775)
Taiyo Life Insurance Company	5,897	(1,209)	5,800	(1,277)
Daido Life Insurance Company	7,978	(1,435)	7,989	(1,463)
T&D Financial Life Insurance Company	1,478	(29)	1,641	(34)
New policy amount	31,815		34,824	
Taiyo Life Insurance Company	2,435		1,796	
Daido Life Insurance Company	25,112		28,814	
T&D Financial Life Insurance Company	4,266		4,212	
Policy amount in force as at the end of the year	558,942		542,502	
Taiyo Life Insurance Company	162,784		145,275	
Daido Life Insurance Company	369,123		367,252	
T&D Financial Life Insurance Company	27,035		29,973	

Notes:

1. Annualized premiums refer to an amount equivalent to premiums per year, calculated by multiplying the insurance premium paid each time by a coefficient according to the premium payment method (for single premium policies, etc., the amount is calculated by dividing the premium by the insurance period).
2. Annualized premiums for the Third Sector products recorded above include health benefits (hospitalization benefits, surgical benefits, etc.), living benefits (critical illness benefits, nursery care benefits, etc.), and a waiver of premium benefits (excluding accident coverage, but including critical illness and nursery care coverage).
3. The new policy amount of individual insurance and individual annuities includes net increase from conversions.
4. The new policy amount and policy amount in force as of the end of the year of individual insurance represent the total of the death protection policy amount and living protection policy amount.
5. New policy amount of individual annuities is the amount of annuity resources at the commencement of annuity payment.
6. Policy amount in force of individual annuities at the end of each fiscal year is the total sum of the annuity resource at the commencement of payment of the annuity contracts under which payments have not yet commenced, and the policy reserve of the annuity contracts under which payments have already commenced.

Challenges to be addressed by the Group

Although uncertainty remains due to the impact of COVID-19, the Japanese economy is expected to continue to recover. The impact will ease over time thanks to establishing a foundation to achieve both infection control and economic activities and the emergency of carry-over demand.

The life insurance industry must also continue to deal with the impact of COVID-19 swiftly and steadily. In addition, the management environment is changing due to such factors as the increasingly low birthrate and aging population, diversifying customer needs, and the prolonged low interest rate environment, and the Group must work to further improve the quality of our business operations, including improvement of capital efficiency, corporate management based on societal issues (sustainable development goals (SDGs)), offering customer-oriented products and services, and enhancing asset management.

Under the five primary themes set forth in the Group's long-term vision, which was formulated in April 2021, the Group will engage closely with individual stakeholders to identify changes that

will lead to bold endeavors that are not limited by conventional frameworks. The Group will implement the creation of shared value to progress even further in its pursuit of both economic value and social value to ensure that we continue to be chosen by our customers and those in financial markets. Through these efforts, we will endeavor to maintain our position as an essential part of society.

(i) Strengthening of core business
The Group's strength and distinguishing feature is that "multiple independent life insurance companies pursue their own specialized strategies." The Three Life Insurance Companies will work to strengthen their insurance earnings power and solidify the Group's earning base by expanding and strengthening our business domains through pursuing strategies specific to each company.

Taiyo Life is working to increase the number of customers and earnings based on its management policy of becoming a company that supports the health and longevity of many customers. It will increase the number of customers by expanding opportunities to approach new customers through the promotion of DX, such as the use of the "Taiyo Life My Page," an Internet service exclusively for customers, and hybrid sales using digitally derived information such as "Sma-Hoken." Taiyo Life aims to achieve sustainable growth by supporting the health and longevity of more customers and increasing corporate value through improved earnings.

Daido Life will protect SMEs by providing total insurance combining corporations and individuals. It will also further contribute to the growth and development of SMEs that support the economy, family planning and employment in Japan by developing and providing services to help SMEs resolve various issues they face in response to recent major environmental changes. It will deliver value beyond expectations to SMEs and aim to realize a better future society as a trusted partner for SMEs.

T&D Financial Life will strive to improve capital efficiency by implementing various strategies, including a top-line strategy based on customer-oriented business operations, SDGs, and DX perspectives. Specifically, it will develop variable insurance into a core product after foreign-currency linked type insurance. At the same time, it will expand its market share by flexibly developing and revising products with differentiated benefits and value-added services, promoting the expansion of agents, and strengthening agent support systems.

(ii) Diversification and optimization of business portfolio
The Three Life Insurance Companies are focusing on the senior market, and further expansion is expected in this sector in the future. However, the Companies are also expanding their business portfolio domains as part of their management strategies to deal with the possibility of future domestic market shrinkage and the rapid evolution of digital technologies. While maintaining the domestic life insurance business as its foundation, the Group will expand and develop its closed book business and create new businesses to leverage the Group's strengths in areas with a high affinity with the life insurance business. The Group will also manage the Group's business portfolio, including optimization of the existing Group businesses, to improve the entire Group's capital efficiency through effective use of capital.

(iii) Further advancement of ERM (Upgrading of the Group's capital management)
The foundation of the Group's capital management is to secure sufficient capital, working to improve profitability through further utilization of ERM, while ensuring capital adequacy. The Group will strive to improve capital efficiency by optimizing the Group's management resources and balancing investment in growth and shareholder returns, while responding appropriately to fluctuations in financial markets resulting from the impact of COVID-19.

In regard to risk management, we are preparing for the introduction of an economic value-based solvency regulation by working to reduce interest rate risk and cross-held stocks in cases where there is a high level of uncertainty or low returns in comparison to risk. This will enable us to control asset management risks while allowing us to expand risk from business investment and achieve an optimum balance with insurance underwriting risk.

(iv) Promoting integrated Group management
The Group recognizes the need to maximize the effective use of management resources within the Group to cope with a highly uncertain business environment. Based on this recognition, we will further pursue business and cost synergies among Group companies in areas such as mutual sales of insurance products and advanced asset management. To strengthen the governance of the Group for this purpose, we will strive to enhance human capital by fostering a new group culture and vitalizing communication.

(v) SDGs management and creation of value
Through the Group's business, the Group will create shared value and contribute to the achievement of the SDGs by addressing the primary sustainability themes (four materiality themes): promoting healthy and abundant lives for all people, providing workplace environments that enable all people to participate actively, helping mitigate and adapting to climate change, and investing to help build a sustainable society.

Fiscal 2022 will see the continuous implementation of initiatives to achieve the Group's long-term vision, and we will endeavor to create happiness for society as a whole through insurance. The business environment and people's sense of values have drastically changed with increased uncertainty. Under such circumstances, the Group will strive to ensure smooth and stable business operations while protecting the health and safety of the Group's officers and employees and their families. The life insurance business has a social mission: taking part in the creation of a sustainable society, as a foundation for stabilizing and improving the lives of the Japanese people, development of the economy, and social infrastructure. The Group is united in its commitment to fulfilling this social mission.

We would like to ask all of our shareholders for their continued support.

(Notes) [1] The concept of the Prime Market, one of the new market segments of the Tokyo Stock Exchange, is "a market for companies which have appropriate levels of market capitalization (liquidity) to be investment instruments for many institutional investors, keep a higher quality of corporate governance, and commit to sustainable growth and improvement of medium- to long-term corporate value, putting constructive dialogue with investors at the center."
[2] The term "health and productivity management®" is a registered trademark of the Workshop for the Management of Health on Company and Employee.
[3] This online service offers integrated support for implementing a PDCA cycle necessary for health management, such as providing support to promote taking health exams for companies, risk analysis for lifestyle diseases, etc. for individual managers and employees, as well as solutions for healthier living and incentives to encourage continuous efforts towards the promotion of health.
[4] As part of the group restructuring of Fortitude, a U.S. reinsurance affiliate, as of October 1, 2021, Fortitude's liabilities as of June 2, 2020 was re-evaluated using a new calculation method. The Company, having applied the equity method to Fortitude, applies the same accounting method as of June 2, 2020 from this fiscal year. The comparison with the previous year in this Business Report is based on the figures for the previous year after retrospective application reflecting the said accounting change.
[5] An indicator to express the Group's management status, partially adjusting for factors such as temporary appraisal profit and loss, etc. for the current period accounted due to market fluctuations in comparison to profit attributable to owners of parent.

(2) Transition of assets and profits (losses) of the corporate group and the insurance holding company

A. Transition of assets and profits (losses) of the corporate group

(Millions of yen)

Categories	FY2018	FY2019	FY2020	FY2021 (year under review)
Ordinary revenues	2,140,162	2,197,928	2,360,470	2,614,377
Ordinary profit	146,949	125,422	174,649	57,029
Profit attributable to owners of parent	72,825	67,103	108,512	14,180
Comprehensive income	48,596	2,341	418,061	(36,079)
Net assets	1,159,588	1,123,149	1,501,796	1,389,506
Total assets	15,794,711	16,520,137	17,826,238	17,813,408

Notes:

1. Financial results for FY2020 are as stated in (1) Development and performance, etc. of the business of the corporate group.
2. The Group's adjusted profit for the year under review decreased by 49.6% year-on-year to ¥39.2 billion.
3. As part of the group restructuring of Fortitude, Fortitude's liabilities as of June 2, 2020 was re-evaluated using a new calculation method. The Company, having applied the equity method to Fortitude, applies the same accounting method as of June 2, 2020 from this fiscal year. The figures for fiscal 2020 in the above table are the figures after retrospective application reflecting the said accounting treatment.

B. Transition of assets and profits (losses) of the insurance holding company

(Millions of yen, except for net income per share)

Categories	FY2018	FY2019	FY2020	FY2020 (year under review)
Operating revenues	38,976	45,809	44,136	132,007
Dividend received	34,925	41,234	39,048	126,736
Insurance operating subsidiaries	34,925	41,234	39,048	126,736
Other subsidiaries	–	–	–	–
Net income	34,983	41,272	39,277	126,842
Net income per share (¥)	¥56.92	¥68.46	¥65.71	¥218.13
Total assets	826,843	896,719	913,299	957,122
Stocks, etc. of insurance operating subsidiaries	734,827	734,827	734,827	736,527
Stocks, etc. of other subsidiaries	10,649	21,649	21,649	21,649

(3) Principal offices of the corporate group (as of March 31, 2022)

The Company

Name of office	Address	Date of establishment
Head office	7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	January 1, 2016

Subsidiaries

Company name	Name of office	Address	Date of establishment
Taiyo Life Insurance Company	Head office	7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	January 1, 2016
Daido Life Insurance Company	Head office	2-1 Edobori 1-chome, Nishi-ku, Osaka, Osaka-fu, Japan	October 1, 1993
T&D Financial Life Insurance Company	Head office	1-1 Shibaura 1-chome, Minato-ku, Tokyo, Japan	May 2, 2016

Notes:
1. The information here refers only to the main Three Life Insurance Companies among all the subsidiaries.
2. Head office of Daido Life Insurance Company was originally established at the time when it was a mutual company. Thus the date of establishment as in the registration of head office is quoted here. Incidentally Daido Life Insurance Company was converted from a mutual company to a stock corporation on April 1, 2002.

(4) Employees of the corporate group

Employees of the Company

Company name	At the end of FY2019	At the end of FY2020	Change during FY2020	At the end of the current fiscal year		
				Average age	Average service years	Average monthly salary
T&D Holdings, Inc.	118	117	(1)	45.8 years	21.3 years	¥589 thousand

Notes:
1. For employees seconded from Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company, the cumulative total service years at each company are used to calculate average service years.
2. Average monthly salary is the average monthly salary for March 2022 (including overtime payment), excluding bonus payment.

Employees of the consolidated companies

Divisions	At the end of FY2019	At the end of FY2020	Change during FY2020
Insurance and insurance-related businesses	18,354	18,411	57
Investment-related businesses	472	451	(21)
Administration-related businesses	789	783	(6)
Total	19,615	19,645	30

(5) The Group's main source of debt

Not applicable.

(6) Financing of the corporate group

(Capital increase)
On April 1, 2020, the Company's subsidiary Pet & Family Insurance Co., Ltd. provided capital as follows.

Date of issue	Total	Purpose of funds	Issue price per share
December 15, 2021	17 million yen	Capital increase	2,000 yen

(Issuance of bonds)
For the purpose of diversifying means of financing, T&D Lease Co., Ltd. has issued the following short-term bonds:

(Millions of yen)

Date of issue	Maturity date	Amount (face value)
May 24, 2021	August 24, 2021	3,000
June 24, 2021	September 24, 2021	3,000
August 24, 2021	November 24, 2021	3,000
September 24, 2021	December 24, 2021	3,000
November 24, 2021	February 24, 2022	3,000
December 24, 2021	March 24, 2022	3,000
February 24, 2022	May 24, 2022	3,000
March 24, 2022	June 24, 2022	3,000
Total amount issued in FY2021 (Balance at the end of FY2021)		24,000 (6,000)

(7) Capital expenditure of the corporate group

A. Total capital expenditure

(Millions of yen)

Divisions	Amount
Insurance and insurance-related businesses	20,642
Investment-related businesses	71
Administration-related businesses	537
Total	21,252

B. New construction of material equipment, etc.

Not applicable.

(8) Significant affairs at the parent company and subsidiaries, etc.

A. Affairs at the parent company

Not applicable.

B. Affairs at the subsidiaries

Company name	Location	Main operations	Date of incorporation	Capital (Millions of yen, except where otherwise noted)	The Company's share of voting right (%)	Remarks
Taiyo Life Insurance Company	Chuo-ku, Tokyo	Life Insurance Business	February 16, 1948	62,500	100.0	
Daido Life Insurance Company	Nishi-ku, Osaka, Osaka-fu	Life Insurance Business	July 14, 1947	110,000	100.0	
T&D Financial Life Insurance Company	Minato-ku, Tokyo	Life Insurance Business	July 16, 1947	56,000	100.0	
T&D United Capital Co., Ltd.	Chuo-ku, Tokyo	Principal investment and investment management business	June 11, 2019	5,500	100.0	
T&D Asset Management Co., Ltd.	Minato-ku, Tokyo	Type II financial instruments business, investment management business, investment advice and agency business	December 19, 1980	1,100	100.0	
Pet & Family Insurance Co., Ltd.	Taito-ku, Tokyo	Non-life Insurance Business	August 8, 2003	3,656	100.0	
T&D United Capital North America Inc.	New York, United States	Principal investment and investment management business	December 11, 2019	USD 10	100.0 (100.0)	
T&D Customer Services Co., Ltd.	Urawa-ku, Saitama, Saitama-ken	Life insurance policy clerical services, including delivery and receipt of securities, and drafting, arrangement, custody and distribution of documents, etc.	April 2, 1984	10	100.0 (100.0)	
T&D Confirm Ltd.	Kita-ku, Tokyo	Policyholder confirmation agency services	July 5, 1991	30	100.0 (100.0)	
T&D Information Systems, Ltd.	Urawa-ku, Saitama, Saitama-ken	Computer software and system services	July 15, 1999	300	100.0 (100.0)	
T&D Lease Co., Ltd.	Minato-ku, Tokyo	Leasing business	September 5, 1966	150	88.4 (88.4)	
Taiyo Credit Guarantee Co., Ltd.	Toshima-ku, Tokyo	Credit guarantee services	April 1, 1981	50	100.0 (100.0)	
Toyo Insurance Agency Co., Ltd.	Kita-ku, Tokyo	Insurance agency business	June 4, 1971	70	100.0 (100.0)	
Taiyo Life Aging Society Institute	Chuo-ku, Tokyo	Surveys and research on health and medical care	April 1, 2020	20	100.0 (100.0)	
Capital Taiyo Life Insurance Ltd.	Yangon, Myanmar	Life Insurance Business	October 12, 2012	MMK 9,230 million	35.0 (35.0)	
Thuriya Ace Technology Co., Ltd.	Yangon, Myanmar	IT for insurance companies, IT systems and software solutions design, and development services	February 1, 2017	MMK 2,351 million	49.0 (49.0)	
Daido Management Service Co., Ltd.	Chuo-ku, Tokyo	Insurance agency business	November 1, 1974	30	100.0 (100.0)	
Nihon System Shuno, Inc.	Suita, Osaka-fu	Premium collection	October 1, 2002	36	50.0 (50.0)	
Zenkoku Business Center Co., Ltd.	Chuo-ku, Tokyo	Premium collection	May 18, 1972	12	100.0 (100.0)	
Alternative Investment Capital, Ltd.	Chiyoda-ku, Tokyo	Investment in private equity funds	July 15, 2002	400	36.0 (36.0)	
FGH Parent, L.P.	Bermuda, British Overseas Territory	Insurance holding company	October 1, 2021	USD 3,185 million	25.0 (25.0)	

Company name	Location	Main operations	Date of incorporation	Capital (Millions of yen, except where otherwise noted)	The Company's share of voting right (%)	Remarks
Fortitude Group Holdings, LLC	New Jersey, United States	Insurance intermediate holding company	June 19, 2018	USD 3,185 million	0.0 (0.0)	
Fortitude Reinsurance Company Ltd.	Bermuda, British Overseas Territory	Reinsurance business	January 1, 2017	USD 1 million	0.0 (0.0)	

Notes:

1. The Company's material consolidated subsidiaries and affiliated entities accounted for under the equity method are listed above.
2. Shares of voting rights at subsidiary entities that belong to subsidiary entities (including subsidiaries) are stated within the parenthesis of the column for "The Company's share of voting right."
3. Dates of incorporation of Taiyo Life Insurance Company and Daido Life Insurance Company are the dates of incorporation as mutual companies. Both were converted to stock corporations, the former on April 1, 2003, and the latter on April 1, 2002 respectively.
4. Date of incorporation 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 stock corporation on October 17, 2001 and its company name was changed to the current one.
5. Date of incorporation 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.
6. The yen equivalent of the capital amount of Capital Taiyo Life Insurance Ltd., calculated using the exchange rate as of the date of the close of the account, is ¥629 million.
7. The yen equivalent of the capital amount of Thuriya Ace Technology Co., Ltd., calculated using the exchange rate as of the date of the close of the account, is ¥160 million.
8. Fortitude Group Holdings, LLC is a wholly owned subsidiary of FGH Parent, L.P.
9. Fortitude Reinsurance Company Ltd. is a wholly owned subsidiary of Fortitude Group Holdings, LLC.
10. Development and performance of significant business combination
    The Group comprises 18 subsidiaries and 10 affiliated entities, where the consolidated ordinary revenues and profit attributable to owners of parent of the Group including the Company for fiscal year 2021 were ¥2,614.3 billion and ¥14.1 billion, respectively.

(9) Transfer of business from or to the corporate group

Not applicable.

(10) Other significant matters regarding the current state of the corporate group

Not applicable.

2. Matters concerning corporate officers

(1) Status of corporate officers

(As of March 31, 2022)

Name	Positions/Responsibilities	Significant concurrent positions held	Remarks
Hirohisa Uehara	Representative Director and President	–	
Kanaya Morinaka	Representative Director and Executive Vice President Supervising Group ERM Strategy Department In charge of Group Planning Department and Social Communication Department	Director, Daido Life Insurance Company Director of T&D Financial Life Insurance Company	
Mitsuhiro Nagata	Director and Senior Managing Executive Officer (In charge of Risk Control Department)	Director and Senior Managing Executive Officer, Daido Life Insurance Company	Received approval from the Commissioner of Financial Services Agency under the provisions of Article 8, Paragraph 1 of the Insurance Business Act.
Naoki Ohgo	Director (Outside Officer)	Representative Director, Root F Co., Ltd. Director, Orient Corporation	
Kensaku Watanabe	Director (Outside Officer)	Attorney	
Naoki Soejima	Director	Representative Director and President, Taiyo Life Insurance Company	
Mutsuro Kitahara	Director	Representative Director and President, Daido Life Insurance Company	
Junichi Yanai	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member, Taiyo Life Insurance Company	He has considerable expertise in finance and accounting, gained through his operational experience in asset management and planning, etc. at a life insurance subsidiary of the Group.
Yasuo Teraoka	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member, Daido Life Insurance Company Audit & Supervisory Board Member, T&D United Capital Co., Ltd.	He has considerable expertise in finance and accounting, gained through his operational experience in asset management and business investment, etc. at a life insurance subsidiary of the Group.

Name	Positions/Responsibilities	Significant concurrent positions held	Remarks
Haruka Kato	Director (Audit & Supervisory Committee Member) (Outside Officer)	Attorney Audit & Supervisory Board Member, MITSUI & CO., LTD. Director, Restar Holdings Corporation	
Seiji Higaki	Director (Audit & Supervisory Committee Member) (Outside Officer)	–	
Shinnosuke Yamada	Director (Audit & Supervisory Committee Member) (Outside Officer)	Certified public accountant Auditor, EXEO Group, Inc.	As a certified public accountant, he has considerable expertise in finance and accounting.

Notes:

1. Executive officers (excluding directors concurrently serving as executive officers) as of March 31, 2022 are as follows:

Name	Positions/Responsibilities
Yasuro Tamura	Senior Managing Executive Officer (in charge of General Affairs Department and Internal Auditing Department)
Takashi Ikawa	Managing Executive Officer (vice in charge of Risk Control Department and Internal Auditing Department)
Yoshihisa Tanaka	Managing Executive Officer (vice in charge of Group Planning Department)
Tomoyasu Isobe	Managing Executive Officer (in charge of Business Development Department)
Hotaka Nagai	Managing Executive Officer (in charge of Group ERM Strategy Department and Group Finance & Accounting Department)
Shuichi Nakamura	Executive Officer, General Manager of Group Finance & Accounting Department
Takashi Tojo	Executive Officer, General Manager of Risk Control

2. Apart from the above, changes in executive officers (excluding directors concurrently serving as executive officers) as of April 1, 2022 are as follows:
   Senior Managing Executive Officer Masahiko Moriyama

3. Messrs. Naoki Ohgo, Kensaku Watanabe, Ms. Haruka Kato, Messrs. Seiji Higaki and Shinnosuke Yamada have been registered with Tokyo Stock Exchange, Inc. as independent directors/auditors without potential conflict of interests with general shareholders.
4. Messrs. Junichi Yanai and Yasuo Teraoka have been selected as Full-time Audit & Supervisory Committee Members to ensure the effectiveness of Audit & Supervisory Committee auditing and supervisory functions facilitated by the gathering and sharing of information through attendance at Executive Management Board meetings and other important meetings, receiving operational reports from business execution divisions, and collaborating closely with internal auditing divisions.
5. Ms. Haruka Kato's maiden name was Haruka Matsuyama.

(2) Executive compensation, etc.

1. Amounts of compensation, etc. for Directors during the current fiscal year

(Millions of yen)

Categories	Monthly compensation		Reserve for bonus		Trust-type stock compensation (BIP trust executive compensation)		Total amount of compensation, etc.	
	Number of persons paid	Amount	Number of persons paid	Amount	Number of persons paid	Amount	Number of persons paid	Amount
Directors who are not Audit & Supervisory Committee Members	10	146	3	35	3	38	10	220
(Of which, Outside Directors who are not Audit & Supervisory Committee Members)	2	20	0	–	0	–	2	20
Directors who are Audit & Supervisory Committee Members	5	96	0	–	0	–	5	96
(Of which, Outside Directors who are Audit & Supervisory Committee Members)	3	37	0	–	0	–	3	37
Total	15	242	3	35	3	38	15	316

Notes:

1. Monthly compensation and reserve for bonus for Directors (excluding part-time Directors (includes Outside Directors) and Directors who are Audit & Supervisory Committee Members) are performance-linked compensation and trust-type stock compensation is non-monetary compensation. For Directors who are not Audit & Supervisory Committee Members (excluding part-time Directors (includes Outside Directors)) (four Directors), performance-linked compensation is a total of ¥139 million and non-monetary compensation, etc. is a total of ¥38 million.
2. The compensation limit stipulated at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020 is ¥450 million per annum for Directors who are not Audit & Supervisory Committee Members, of which ¥40 million per annum is for Outside Directors. (There were nine Directors who were not Audit & Supervisory Committee Members immediately after the conclusion of the shareholders meeting (two of those were Outside Directors.)) The total bonus amount within this figure is decided as an annual figure by the Board of Directors. Aside from the above compensation limit for Directors who are not Audit & Supervisory Committee Members, the upper limit of the trust money to be contributed to the trust relating to trust-type stock compensation resolved at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020 is ¥500 million for every three consecutive fiscal years. The upper limit of the number of points to be awarded to Directors per fiscal year will be 215,000 points (1 point = 1 share of the Company). (There were four Directors who were not Audit & Supervisory Committee Members eligible for trust-type stock compensation immediately after the conclusion of the shareholders meeting.)
   The compensation limit resolved at the 16th Ordinary General Meeting of Shareholders held on June 25, 2020 is ¥150 million per annum for Directors who are Audit & Supervisory Committee Members. (There were five Directors who were Audit & Supervisory Committee Members immediately after the conclusion of the shareholders meeting (three of those were Outside Directors.)) Compensation within this limit is determined by discussions with Directors who are Audit & Supervisory Committee Members.
3. The number of persons paid and the amount of compensation, etc. above include those for three Directors who retired as of the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 25, 2021. As of the end of the current fiscal year, the Company had seven Directors who are not Audit & Supervisory Committee Members and five Directors who are Audit & Supervisory Committee Members.
4. The amount of trust-type stock compensation indicates the cost of points awarded during the fiscal year under review based on this system.
5. In addition to the above, the Company paid ¥8 million that was not included in reserve for bonus to directors and audit & supervisory board members recognized in fiscal year 2020 as a bonus to four Directors who are not Audit & Supervisory Committee Members (including one resigned Director) during the current fiscal year.

6. Policy related to determining compensation for individual officers and calculation formulae

The Company's executive compensation system lays down compensation systems and compensation amounts that function as sound incentives, towards enhancing Group business performance and increasing corporate value over the medium- to long-term. Compensation, etc. to Directors (excluding part-time Directors which include Outside Directors and Directors who are Audit & Supervisory Committee Members) comprises of monthly compensation that varies depending on role and performance, bonuses, and trust-type stock compensation which delivers shares of the Company and utilizes a trust mechanism (excluding Directors residing outside of Japan). The Company regards company performance linked compensation as not suitable for part-time Directors including Outside Directors and Directors who are Audit & Supervisory Committee Members who are independent from operational functions. Therefore, a fixed amount of compensation is paid.
Furthermore, the Basic Policy on Corporate Governance (hereinafter, the "Basic Policy") stipulates the Company's policy related to determining compensation for individual officers and calculation formulae. The amendment or abolition of the Basic Policy shall be determined by the Company's Board of Directors.

Compensation type	Timing of payment	Calculation formulae for individual officer compensation, etc.	Payment method
Monthly compensation	Monthly	Monthly compensation and bonuses are within the scope stipulated by a resolution of the shareholders meeting. Figures are calculated based on the compensation table determined by the Board of Directors and individual evaluations of each officer. Amounts are determined by the President Hirohisa Uehara following consultation with the Representative Directors and then approved at the Board of Directors meeting. Individual evaluations of officers are based on an assessment of the Company's performance and an evaluation of the division the officer is in charge of, in accordance with the evaluation criteria decided on by the Board of Directors. Evaluations are discussed by the Nomination and Compensation Committee and finalized by the President following consultation with the Representative Directors.	Monetary
Bonuses	Annually		
Trust-type stock compensation	Upon retirement	Trust-type stock compensation for Directors (excluding part-time Directors (includes Outside Directors), Directors who are Audit & Supervisory Committee Members, and Directors residing outside of Japan) is calculated based on the table determined by the Board of Directors and awarded as points in accordance with their position. This compensation will be provided in the form of Company stock and monetary payments based on accumulated points when a Company officer retires. Malus and clawback provisions (*) have been established for this system.	Shares: 70% Monetary: 30%

(*) Malus and clawback provisions
The trust-type stock compensation system includes provisions to halt the issue of Company stock and payments from sales of that stock if the person concerned is found to have engaged in misconduct, etc. as stipulated by the Company (significant negligence of duties, illegal conduct, leaking of confidential information, etc.) before the date of acquisition of the beneficial interest. If misconduct, etc. is discovered after the date of acquisition of the beneficial interest, the provisions stipulate that compensation can be claimed for the amount calculated by multiplying the stock price by the basic number of shares.

<Reason for delegating the determination of individual officer compensation (monthly compensation and bonus) amounts to the President >

- President Hirohisa Uehara oversees and supervises the overall business performance and business execution of the Company. He is also a member of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors. Therefore, Mr. Uehara is the most suitable person to determine individual compensation (monthly compensation and bonus) based upon the status of discussions of each officer's evaluation within the Nomination and Compensation Committee.

<Involvement of the Nomination and Compensation Committee and the Board of Directors>

- In January 2015, the Company established the non-statutory Nomination and Compensation Committee as an advisory body to the Board of Directors for deliberations on the fairness and reasonableness of executive appointment or dismissal (including planning of successors) and compensation, with a view to enhancing the corporate governance system of the Company and the T&D Insurance Group by ensuring management transparency and clarified accountability. Nomination and Compensation Committee consists of the President and Outside Directors, and the majority of the members are assigned from Outside Directors to ensure independence and neutrality. Furthermore, the chair of the Committee is chosen out of Outside Directors by mutual vote of the Committee's members.
- The Nomination and Compensation Committee deliberates items regarding important decisions or changes relating to executive treatment at the Company or direct subsidiaries and, together with reporting the results of its deliberations to the Board of Directors, offers its opinions as required. The amount of monthly compensation and bonuses is determined based on individual evaluations of officers decided through deliberations by the Nomination and Compensation Committee and the compensation table, etc. determined by the Board of Directors.

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

Assessment of company performance	● To clarify the assessment according to how much progress has been made on achieving company targets, total shareholder return (TSR) is used as a benchmark to assess the company's performance, alongside a number of other performance indicators stipulated based on the mid- to long-term management strategy. ● For performance indicators, a coefficient according to the achievement rate for each item is multiplied to yield a score. ● For TSR, the score is calculated based on the rate of divergence between the Company's figure and those of listed life insurance companies set as the benchmark.
Evaluation of the division in charge	● A score for the division an individual officer is in charge of is calculated based on how much progress has been made on achieving divisional targets.

<Key performance indicators of Company performance (FY2021)>

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

(i) Single fiscal year evaluation items

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

	Target in FY2025
Group adjusted profit	¥130 billion
Value of new business	¥200 billion

	Single year target	Actual	Achievement ratio
Group adjusted profit	¥73 billion	¥39.2 billion	53.7%
Value of new business	¥147.1 billion	¥166.9 billion	113.5%

(ii) Medium- and long-term evaluation items

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

	Target in FY2025
Revised ROE	8.0%
ROEV	7.5%

- Actual revised ROE is 2.7%.
- Actual ROEV is 7.0%.

(iii) Market evaluation items

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

Actual TSR performance is 117.4% over five years.

Note: TSR is calculated as follows:

- Five years: (Share price on March 31, 2021 + cumulative total of dividends per share from FY2017 to FY2021) / share price on March 31, 2016

(iv) ESG evaluation items

- In addition to the above financial performance indicators, the following non-finanicla performance indicators were evaluated.

	Evaluation criteira, etc.
Customer satisfaction level	• The status of achivement of these items are evaluated based on the levels of these items in the previous fiscal year as the evaluation criteria.
Employee satisfaction level	
Reduction of CO_2 emissions	

- The results of the customer satisfaction level and the employee satisfaction level have achieved or exceeded the levels of the previous fisacal year.
- CO_2 emissions have been reduced by 4.3% compared to the level of the previous fiscal year.

<Payment ratios by type of compensation>

In terms of the compensation structure for officers, we assign ratios to performance-linked compensation (monthly compensation and bonuses) and the trust-type stock compensation so the system can function as a sound incentive geared towards boosting the Group's medium-to long-term earnings and enhancing corporate value. Monthly compensation, which is performance-linked, shall range between approximately 57% and 74% of the total compensation (commensurate with the duties of each position), while bonuses shall range between approximately 14% and 21%, and trust-type stock compensation shall range between approximately 10% and 22%.

Furthermore, for monthly compensation, the ratio fluctuates either negatively or positively by

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

(Ratio of compensation components)

Performance-linked compensation		Stock compensation
Monthly compensation approximately 57% and 74%	Bonus approximately 14% and 21%	Trust-type stock compensation Approx. 10-22%

<Reason for the Board of Directors' decision that details of individual Director compensation, etc. are in line with the Basic Policy>

The Board of Directors determined that details of individual compensation, etc. are in line with the Basic Policy after confirming that individual compensation is calculated based on the compensation table determined by the Board of Directors and individual evaluations of each officer deliberated by the Nomination and Compensation Committee.

(3) Liability limitation agreement

Name	Outline of the liability limitation agreement
Naoki Ohgo	He has concluded an agreement with the Company which limits the liability prescribed in Article 423, Paragraph 1 of the Japanese Companies Act to the greater of either ¥10 million or the minimum amount set forth in laws and regulations.
Kensaku Watanabe	Same as above
Haruka Kato	Same as above
Seiji Higaki	Same as above
Shinnosuke Yamada	Same as above

Notes:

1. The Company stipulates in its Articles of Incorporation provisions for liability limitation agreements with Outside Directors. The above is an outline of the liability limitation agreements the Company has entered into with all Outside Directors, in accordance with the Articles of Incorporation.
2. Ms. Haruka Kato's maiden name was Haruka Matsuyama.

(4) Directors and Officers Liability Insurance contract

The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company as stipulated in Article 430-3 of the Japanese Companies Act.

	Overview of Directors and Officers Liability Insurance contract
Scope of insured individuals	Directors and Executive Officers of the Company as well as Directors, Audit & Supervisory Board Members, and Executive Officers of direct subsidiaries
Actual ratio of premiums paid by the insured	None (Insurance premiums are fully borne by the Company and its direct subsidiaries)
Outline of events insured against	The policy covers damages payments and expenses arising from corporate litigations, derivative lawsuits, and third party litigations against corporate officers.
Measures to avoid undermining the proper performance of duties by Directors and Officers	Liability claims arising from intentional or gross negligence are outside the scope of insurance payments. A reduced coverage rate has been established for insurance amounts.

Note: Direct subsidiaries are 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., and Pet & Family Insurance Co., Ltd.

3. Matters concerning outside officers

(1) Concurrent positions held by outside officers

Name	Concurrent positions, etc.	
Naoki Ohgo	Root F Co., Ltd. Orient Corporation	Representative Director Outside Director
Kensaku Watanabe	—	
Haruka Kato	Mitsui & Co., Ltd.	Outside Audit & Supervisory Board Member
	Restar Holdings Corporation	Outside Director
Seiji Higaki	—	
Shinnosuke Yamada	EXEO Group, Inc.	Outside Audit & Supervisory Board Member

Notes:
1. The Company has neither major transactions nor any other type of relationship with Root F Co., Ltd., Orient Corporation, MITSUI & CO., LTD., Restar Holdings Corporation, or EXEO Group, Inc.
2. Ms. Haruka Kato's maiden name was Haruka Matsuyama.

(2) Main activities of outside officers

The Company appoints five Outside Directors to appropriately reflect the opinions of individuals with extensive experience and knowledge in their capacity as outside corporate managers, legal experts, accounting professionals and so forth in the Group's management policies and development of internal controls and other systems as well as in the oversight of execution of business. Our Outside Directors have sophisticated expertise and extensive insight, and they can be expected to capitalize on their 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. The main activities of our Outside Directors are as follows:

Name	Term of office	Attendance to Board of Directors' Meetings and Audit & Supervisory Committee Meetings	Remarks made at Board of Directors' Meetings and Audit & Supervisory Committee Meetings, and other activities
Naoki Ohgo	4 years 9 months (assumed office in June 2017)	Board of Directors' Meeting: attended 16 of 17 meetings	At the Board of Directors' Meetings, he has presented his views as necessary from a global perspective and with a broad insight as a business manager, following his career as a partner (business partner) of a foreign consulting company. Additionally, as a member of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors, he has presented valuable opinions as to appointment/dismissal of corporate officers of the Company and its main subsidiaries, their compensation, etc. In addition to the above, Mr. Ohgo carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, heads of the departments under his supervision, and Representative Directors and Presidents of major subsidiaries.

Name	Term of office	Attendance to Board of Directors' Meetings and Audit & Supervisory Committee Meetings	Remarks made at Board of Directors' Meetings and Audit & Supervisory Committee Meetings, and other activities
Kensaku Watanabe	1 year 9 months (assumed office in June 2020)	Board of Directors' Meeting: attended all 17 meetings	At the Board of Directors' Meetings, he has presented his views as an attorney as necessary, mainly from a professional perspective of corporate legal affairs. Additionally, as a member of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors, he has presented valuable opinions as to appointment/dismissal of corporate officers of the Company and its main subsidiaries, their compensation, etc. In addition to the above, Mr. Watanabe carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, heads of the departments under his supervision, and Representative Directors and Presidents of major subsidiaries.
Haruka Kato	8 years 9 months (assumed office in June 2013)	Board of Directors' Meeting: attended 16 of 17 meetings Audit & Supervisory Committee Meeting: attended all 21 meetings	At the Board of Directors' Meetings and Audit & Supervisory Committee Meetings, she has presented her views as an attorney as necessary, mainly from a professional perspective of corporate legal affairs. Additionally, as chair of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors, she has presented valuable opinions as to appointment/dismissal of corporate officers of the Company and its main subsidiaries, their compensation, etc. In addition to the above, Ms. Kato carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, heads of the departments under her supervision, and Representative Directors and Presidents of major subsidiaries.

Name	Term of office	Attendance to Board of Directors' Meetings and Audit & Supervisory Committee Meetings	Remarks made at Board of Directors' Meetings and Audit & Supervisory Committee Meetings, and other activities
Seiji Higaki	3 years 9 months (assumed office in June 2018)	Board of Directors' Meeting: attended all 17 meetings Audit & Supervisory Committee Meeting: attended all 21 meetings	At the Board of Directors' Meetings and Audit & Supervisory Committee Meetings, he has presented his views as necessary from his wealth of knowledge and experience in corporate management, having served as Director, President and Representative Executive Officer of a bank holding company and Representative Director and Executive Officer of a bank. In addition to the above, Mr. Higaki carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, heads of the departments under his supervision, and Representative Directors and Presidents of major subsidiaries.
Shinnosuke Yamada	1 year 9 months (assumed office in June 2020)	Board of Directors' Meeting: attended all 17 meetings Audit & Supervisory Committee Meeting: attended all 21 meetings	At the Board of Directors' Meetings and Audit & Supervisory Committee Meetings, he has presented his views as a certified public accountant as necessary, mainly from a professional perspective of finance and accounting matters. In addition to the above, Mr. Yamada carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, heads of the departments under his supervision, and Representative Directors and Presidents of major subsidiaries.

Note: Ms. Haruka Kato's maiden name was Haruka Matsuyama.

(3) Opinions of outside officers

Not applicable.

4. Matters regarding shares

(1) Number of shares

Total number of shares authorized to be issued	1,932,000 thousand shares
Total number of shares issued	589,000 thousand shares

(2) Number of shareholders (as of March 31, 2021)

212,485

(3) Major shareholders

Name	Status of equity participation	
	Shares held (Thousand shares)	Percentage of ownership (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	101,470	18.04
Custody Bank of Japan, Ltd. (Trust Account)	32,173	5.72
SSBTC Client Omnibus Account	12,608	2.24
State Street Bank West Client—Treaty 505234	9,444	1.68
JP Morgan Securities Japan Co., Ltd.	8,311	1.48
JP Morgan Chase Bank 385781	8,103	1.44
Custody Bank of Japan, Ltd. (Trust Account 4)	7,107	1.26
State Street Bank West Client—Treaty 505103	6,943	1.23
The Bank of New York Mellon 140044	6,675	1.19
AIG General Insurance Company, Ltd.	6,000	1.07

Note: The Company owns treasury stock of 26,458 thousand shares but is excluded from the list of major shareholders shown above. Percentage of ownership is calculated after deducting treasury stock.

(4) Stock issued to corporate officers

Not applicable.

5. Matters regarding new share subscription rights etc.

(1) New share subscription rights, etc. of the insurance holding company held by the executives of said insurance holding company as of the end of the fiscal year

	Summary of the new share subscription rights, etc.	Number of holders of new share subscription rights, etc.
Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	T&D Holdings, Inc. New Share Subscription Rights (1st series) (issued in July 2012) • Total number of new share subscription rights issued: 0 • Class and number underlying the new share subscription rights: 0 shares of common stock (100 shares for each new share subscription right) • Amount to be paid in for new share subscription rights: ¥68,500 for each new share subscription right • Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share • Exercise period of the new share subscription rights: From August 1, 2012 to July 31, 2042 • Conditions for exercise of new share subscription rights: (Note 1)	0
	T&D Holdings, Inc. New Share Subscription Rights (2nd series) (issued in August 2013) • Total number of new share subscription rights issued: 0 • Class and number underlying the new share subscription rights: 0 shares of common stock (100 shares for each new share subscription right) • Amount to be paid in for new share subscription rights: ¥114,300 for each new share subscription right • Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share • Exercise period of the new share subscription rights: From August 2, 2013 to August 1, 2043 • Conditions for exercise of new share subscription rights: (Note 1)	0
	T&D Holdings, Inc. New Share Subscription Rights (3rd series) (issued in August 2014) • Total number of new share subscription rights issued: 0 • Class and number underlying the new share subscription rights: 0 shares of common stock (100 shares for each new share subscription right) • Amount to be paid in for new share subscription rights: ¥115,300 for each new share subscription right • Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share • Exercise period of the new share subscription rights: From August 2, 2014 to August 1, 2044 • Conditions for exercise of new share subscription rights: (Note 1)	0

	Summary of the new share subscription rights, etc.	Number of holders of new share subscription rights, etc.
	T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015) • Total number of new share subscription rights issued: 0 • Class and number underlying the new share subscription rights: 0 shares of common stock (100 shares for each new share subscription right) • Amount to be paid in for new share subscription rights: ¥170,800 for each new share subscription right • Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share • Exercise period of the new share subscription rights: From August 4, 2015 to August 3, 2045 • Conditions for exercise of new share subscription rights: (Note 1)	0
Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	T&D Holdings, Inc. New Share Subscription Rights (5th series) (issued in August 2016) • Total number of new share subscription rights issued: 0 • Class and number underlying the new share subscription rights: 0 shares of common stock (100 shares for each new share subscription right) • Amount to be paid in for new share subscription rights: ¥91,800 for each new share subscription right • Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share • Exercise period of the new share subscription rights: From August 2, 2016 to August 1, 2046 • Conditions for exercise of new share subscription rights: (Note 1)	0
	T&D Holdings, Inc. New Share Subscription Rights (6th series) (issued in August 2017) • Total number of new share subscription rights issued: 69 • Class and number underlying the new share subscription rights: 6,900 shares of common stock (100 shares for each new share subscription right) • Amount to be paid in for new share subscription rights: ¥148,500 for each new share subscription right • Amount of assets to be contributed upon exercise of new share subscription rights: ¥1 per share • Exercise period of the new share subscription rights: From August 2, 2017 to August 1, 2047 • Conditions for exercise of new share subscription rights: (Note 1)	1

	Summary of the new share subscription rights, etc.	Number of holders of new share subscription rights, etc.
Outside Directors (excluding Directors who are Audit & Supervisory Committee Members and limited to Outside Directors)	-	-
Directors who are Audit & Supervisory Committee Members	-	-

Notes:

1. The holder of the new share subscription rights shall exercise his/her new share subscription rights only within ten days from the day following the date on which he/she is relieved of his/her position(s) as a Director or Executive Officer of each of the companies of the Company, Taiyo Life Insurance Company, Daido Life Insurance Company, and/or T&D Financial Life Insurance Company (if the tenth date is not a business day of the Company, then the following business day). The holder of the new share subscription rights shall exercise the total number of rights allotted to him/her at once.
2. The table indicates the new share subscription rights issued by the Company to its officers as a result of offsetting the officers' claims to monetary compensation representing consideration for the execution of duties against the amount payable for the new share subscription rights.
3. This table contains Directors of the Company who also were a Director or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company when new share subscription rights were issued, and to whom rights were granted by the Company as a Director of the Company and as a Directors or Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company. Number of such persons as of the end of the current fiscal year is as follows:
   T&D Holdings, Inc. New Share Subscription Rights (1st series) (issued in July 2012): 0
   T&D Holdings, Inc. New Share Subscription Rights (2nd series) (issued in August 2013): 0
   T&D Holdings, Inc. New Share Subscription Rights (3rd series) (issued in August 2014): 0
   T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015): 0
   T&D Holdings, Inc. New Share Subscription Rights (5th series) (issued in August 2016): 0
   T&D Holdings, Inc. New Share Subscription Rights (6th series) (issued in August 2017): 0
4. This table does not contain the number of Directors of the Company who also were a Director or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company when new share subscription rights were issued, and to whom the rights were granted only as a Director or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company, but not as a Director of the Company. The number of such persons as of the end of the current fiscal year is as follows:
   T&D Holdings, Inc. New Share Subscription Rights (1st series) (issued in July 2012): 0
   T&D Holdings, Inc. New Share Subscription Rights (2nd series) (issued in August 2013): 0
   T&D Holdings, Inc. New Share Subscription Rights (3rd series) (issued in August 2014): 0
   T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015): 0
   T&D Holdings, Inc. New Share Subscription Rights (5th series) (issued in August 2016): 0
   T&D Holdings, Inc. New Share Subscription Rights (6th series) (issued in August 2017): 0
5. This table does not contain new share subscription rights that were issued to the Directors of the Company who also were an officer or an Executive Officer of Taiyo Life Insurance Company, Daido Life Insurance Company or T&D Financial Life Insurance Company when new share subscription rights were issued, by offsetting the monetary compensation claims representing

consideration for the execution of duties at each company except the Company against the amount payable for the new share subscription rights. The number of such rights and the class and number of shares underlying them as of the end of the current fiscal year is as follows:

T&D Holdings, Inc. New Share Subscription Rights (1st series) (issued in July 2012): 0
(0 shares of common stock)
T&D Holdings, Inc. New Share Subscription Rights (2nd series) (issued in August 2013): 0
(0 shares of common stock)
T&D Holdings, Inc. New Share Subscription Rights (3rd series) (issued in August 2014): 0
(0 shares of common stock)
T&D Holdings, Inc. New Share Subscription Rights (4th series) (issued in August 2015): 0
(11,500 shares of common stock)
T&D Holdings, Inc. New Share Subscription Rights (5th series) (issued in August 2016): 0
(22,800 shares of common stock)
T&D Holdings, Inc. New Share Subscription Rights (6th series) (issued in August 2017): 0
(19,700 shares of common stock)

(2) New share subscription rights, etc. of the insurance holding company issued to employees, etc. during the fiscal year

Not applicable.

6. Matters regarding the Accounting Auditor

(1) Accounting Auditor

Name of the audit corporation	Remuneration for the fiscal year under review	Others
Ernst & Young ShinNihon LLC Designated partner Kenji Usukura Designated partner Norio Hashiba Designated partner Yohei Kondo	¥199 million	i) Reason for consent to remuneration by Audit & Supervisory Committee under Article 399, Paragraph 1 of the Japanese Companies Act based on Paragraph 3 of the Act • Audit & Supervisory Committee checked and deliberated on the status of execution of the previous fiscal year's audit, the audit plan for the current fiscal year, the basis for calculation of remuneration estimates, etc., after receiving necessary materials and reports from the Board of Directors, relevant internal departments, and the Accounting Auditor. As a result of the checking and deliberation, the Audit & Supervisory Committee determined that these items were appropriate and consented to the remuneration of the Accounting Auditor. ii) Non-audit related duties • The amount of remuneration paid in addition to the remuneration for audit work, etc. stated on the left was ¥6 million for guarantee service, etc. for sustainability reports.

Notes:
1. Amount of remuneration for the fiscal year under review is the total amount in return for the audit under the Japanese Companies Act and that under the Financial Instruments and Exchange Act, as the audit engagement by the Accounting Auditor does not differentiate the two.
2. Total amount of money and other property benefits payable by the Company and its subsidiary entities is ¥452 million.

(2) Liability limitation agreement

Not applicable.

(3) Other matters regarding the Accounting Auditor

A. Company policy in deciding the dismissal or non-reappointment of the Accounting Auditor

The Audit & Supervisory Committee shall dismiss the Accounting Auditor based on the consent of all Audit & Supervisory Committee Members, if the Accounting Auditor is found applicable to the provisions specified in items of Article 340, Paragraph 1 of the Japanese Companies Act.

In addition, the Audit & Supervisory Committee holistically assesses the capability, organization and structure, audit quality, independence and other characteristics of the Accounting Auditor in accordance with the assessment criteria for an accounting auditor defined by the Audit & Supervisory Committee. Based on this assessment, the Audit & Supervisory Committee shall implement the procedure of presenting to a General Meeting of Shareholders a proposal on the dismissal or non-reappointment of the Accounting Auditor if the Accounting Auditor is found to have difficulty in carrying out duties adequately and appropriately, or at other circumstances deemed appropriate.

B. Whether any certified public accountant or audit corporation other than the Accounting Auditor for the insurance holding company is engaged in auditing the account statements of the significant subsidiary entities of the insurance holding company

Not applicable.

7. Basic policy as respects the manner of presence of the party having control over the financial and business policy of the Company

Not applicable.

8. Structures to ensure adequacy of business operations

1 Outline of resolutions of the Board of Directors

The Company has built up a system to ensure the properness of business operations (internal control system) in accordance with the Japanese Companies Act and the Group management philosophy, etc. for the purpose of achieving the Group's sustainable growth and enhancing corporate value in a medium- and long-term to provide adequate policyholders protection as the basis of insurance business, by ensuring the management soundness and compliance preparedness across the Group. The resolutions concerned have been revised when appropriate and the amendments were voted on by the Board of Directors. The details of the current resolutions are as follows.

(1) Internal controls within the Group

1) The Group clarifies the following matters by entering into business management agreements with its directly managed subsidiaries with a view to establishing a structure to ensure the adequacy of operations within the Group:

   i) Basic policy applicable across the Group
   ii) Matters to be decided at subsidiaries subject to prior consultation with the Company
   iii) Matters to be reported to the Company by subsidiaries
   iv) Guidance and advice to be provided by the Company to subsidiaries
   v) Implementation by the Company of internal audits at each subsidiary

2) "Matters to be decided at subsidiaries subject to prior consultation with the Company" above include important matters that impact the operation of the Group, such as the agenda at shareholders meetings, management plans, accounting strategies, as well as the important matters as part of the business management at a Group company by one of the Company's direct subsidiaries.

(2) Structures for compliance with laws and regulations, etc.

1) Basic policy and reference regarding compliance with laws and regulations, etc. of the Group are to be established and made fully known to Directors, Audit & Supervisory Board Members, Executive Officers and employees of the Group in an effort to promote compliance.
2) Directors and Executive Officers must fulfill their duties faithfully for the Company, according to the above basic policy and reference regarding the compliance with laws and regulations, etc., and with the care of a good manager.
3) A Group-wide committee subordinate to the Board of Directors is to be established, with the purpose to monitor and enhance the compliance preparedness across the Group.
4) Determination and preparedness to exclude the anti-social forces must be resolutely declared, along with the formulation of the practical procedures to this purpose, which shall be thoroughly followed through by Directors, Audit & Supervisory Board Members, Executive Officers and employees of the Group.
5) A whistle-blowing procedure available to Directors, Audit & Supervisory Board Members, Executive Officers and employees, etc. of the Group is to be developed and thoroughly communicated, in which an entity is arranged outside the Group that receives information from whistle-blowers under confidentiality obligation, while the general rules to prohibit disadvantageous treatment of whistle-blowers are introduced, to create an effective system for preventing, or identifying immediately any breach of compliance and any acts which are liable to damage the credibility or reputation of the Group.
6) Rules are to be established to develop methods to adequately and promptly deal with the situation in the event of misconducts by employees, as well as methods to prescribe preventative measures.

(3) Structures for ensuring efficiency

1) Rules regarding the organization and administrative authority are to be established, in order to clarify the purposes and functions of the meeting bodies and matters concerning basic job duties, responsibilities and authority, related to the execution of duties by Directors and Executive Officers, etc., for more flexible and efficient running of the organization.
2) With a view to enhancing corporate governance, the Executive Officer System is in place to clarify the roles of supervision and business execution. At the same time, the Group Strategy Board is in place to deliberate important matters concerning the Group's growth strategies, etc., and the Executive Management Board is in place to discuss and resolve important matters concerning the management of businesses of the Group.
3) Internal rules are in place to facilitate the proper control of the Group management plans, and to serve as the basis for the development of the Group's long-term vision and single fiscal year plans, etc. at the Board of Directors level.

(4) Structures for information retention and management

1) Information relating to the execution of duties by Directors and Executive Officers must be kept and managed properly according to the record management rules which specify the responsible department and storage period for each information.
2) Guidelines on the proper management of Group's information assets are to be clearly established by the rules including the Group's policy on information security, to develop the framework which protects information assets from leakage, wrongful alteration, or damage, etc. due to accidents, mechanical failure, natural disasters and fire.

(5) Structures for Enterprise Risk Management (ERM)

1) In order to increase profitability in a steady manner, while grasping the risk status of the Group and ensuring sound management, the Company shall develop an ERM (Enterprise Risk Management) system for the integrated management of capital, profit, and risk.
2) A committee is to be established to promote the Group's ERM, in order to appropriately manage the status of capital, profit, and risk of the Group as a whole based on the "Group Risk Appetite" that sets standards for soundness and profitability.
3) The Company defines a basic concept of the Group's risk management, and establishes the Group-wide risk management structure to ensure sound and appropriate management for the future.
4) The committee is to be established with the authority to coordinate risk management across the Group, which grasps and manages the status of various risks at each Group company through the Group-wide risk monitoring based on the consolidated risk management criteria.
5) Basic policy and other primary framework to cope with the crisis in the Group are to be established, in an effort to develop the Group-wide crisis preparedness.

(6) Internal controls of financial reporting

(1) Based on the full recognition that financial reporting provides critically important information for the concerned parties both inside and outside the Group to appreciate its performance and activities, and that ensuring the credibility of financial reporting is vital to maintain and enhance the public trust in the Group, internal controls of financial reporting in an appropriate manner must be developed.

(7) Internal audits structure

1) In order to ensure effectiveness of internal audits, basic matters relating to internal audits shall be prescribed under the Group's basic policy on internal auditing and internal audit rules, while independence of the Internal Audit Department from other operational functions shall be established, and internal audits shall be carried out appropriately according to the internal audit plan.

2) Appropriateness and validity of the Group's internal control system shall be tested and evaluated through internal audits, and improvements thereof shall be facilitated to ensure appropriateness of operations.

(8) Structures for ensuring the effectiveness of Audit & Supervisory Committee's audits

[Structures for ensuring independence of the employees of Audit & Supervisory Committee Office]

1) The Audit & Supervisory Committee Office is in place in which employees are placed to assist the Audit & Supervisory Committee's work and to do the day-to-day running of the Audit & Supervisory Committee. Personnel matters such as merit rating and transfer, etc. of the employees of the Audit & Supervisory Committee Office shall require approval of the Audit & Supervisory Committee, to ensure their independence from Directors (excluding Directors who are Audit & Supervisory Committee Members).
2) Command authority over the employees shall belong to Audit & Supervisory Committee Members, and the authority for access to the information required in the work to be done under the instruction of Audit & Supervisory Committee Members shall be prescribed under the relevant internal rules.
3) Directors and Executive Officers shall do their best to comply with the requests from Audit & Supervisory Committee Members or the Audit & Supervisory Committee on staffing of the Audit & Supervisory Committee Office and related issues.

[Structures for the reporting to the Audit & Supervisory Committee]

1) Directors and Executive Officers shall report to the Audit & Supervisory Committee on the status of their business execution through the key meetings including those of the Board of Directors and Executive Management Board.
2) Directors, Executive Officers and employees shall provide prompt explanations, in conjunction with the review of significant decisions and reports of the Company by Audit & Supervisory Committee Members, if such explanation is found necessary or requested by Audit & Supervisory Committee Members.
3) Directors, Executive Officers and employees shall report promptly to the Audit & Supervisory Committee on the facts which could cause serious damage to the Company, wrongful conducts of Directors and Executive Officers in the execution of their duties, significant facts in breach of laws and regulations and the Articles of Incorporation, reports on the status of internal audits, facts reported via the whistle-blowing procedure and other information required for the purpose of the Audit & Supervisory Committee's audits.
4) Concerning the above 1) to 3), Directors and Executive Officers shall establish a system in which Directors, Audit & Supervisory Board Members, Executive Officers and employees of subsidiaries or persons having received reports therefrom, report without exception to the Audit & Supervisory Committee of the Company.
5) Provisions shall be established in the relevant internal rules to the effect that persons having reported to the Audit & Supervisory Committee regarding the above 1) to 4) shall not be subjected to any disadvantageous treatment.

[Other structures for ensuring the effectiveness of Audit & Supervisory Committee's audits]

1) Directors and the Board of Directors endeavor to develop a basic framework for smooth and effective implementation of Audit & Supervisory Committee's audits.
2) Guidelines on the expenses or obligations arising from the execution of duties of Audit & Supervisory Committee Members shall be provided under the relevant internal rules, while opportunities to appoint legal counsel and other outside advisors shall be ensured, if they are found necessary by Audit & Supervisory Committee Members for the purpose of audits.
3) Representative Directors are to have regular meetings with Audit & Supervisory Committee Members to exchange opinions on the important audit agenda, development of the framework for Audit & Supervisory Committee's audits, along with the matters to be addressed by the Company.
4) Departments responsible for compliance with laws and regulations shall have regular meetings with Audit & Supervisory Committee Members to exchange opinions on the

matters to be addressed.

5) Internal Audit Department shall report to the Audit & Supervisory Committee on the formulation of internal audit plans and the results of internal audits, have regular exchanges of opinions, and receive specific instructions, as necessary, from the Audit & Supervisory Committee.

2 Overview of status of operation

A summary of the operational status of the structure to ensure adequacy of operations (hereinafter referred to as the "Internal Control System") is as follows.

(1) Internal Control System in general

- The Company ensures to achieve sustainable growth and enhance the corporate value in a medium- and long-term while ensuring the adequacy of business operations by the development of the Internal Control System following the resolution of the Board of Directors.
- Monitoring of the internal control system is conducted twice each year. The Board of Directors verified the adequacy of development and operation of the Internal Control System and made revisions as necessary to work to improve and strengthen the Internal Control System consistently.
- The Group promotes business operations based on the customers' point of view under the basic policies related to customer-oriented business operations. The result of customer-oriented business operations was announced in June 2021.

(2) Initiatives to ensure the adequacy of the business operation of the Group

- The Company has entered into a Business Management Agreement with its directly invested subsidiaries ("direct subsidiaries") that clarifies the basic policy to be standardized with across the Group, and prescribes matters subject to prior consultation and matters to be reported regarding decision-making, etc., on important matters, in order to secure adequate business management.
- Based on the above-mentioned agreement, the Company provides guidance and advice, as appropriate to its direct subsidiaries to improve and reinforce the internal control system within the Group.

(3) Initiatives regarding compliance with laws and regulations

- In order to gain a thorough understanding of the Group's basic policy and standards regarding compliance, the Company conducted training sessions and educational training sessions for raising compliance awareness on an ongoing basis.
- The Company formulated the "Compliance Program," which is a practical plan for promoting compliance, and regularly reports to the Group Compliance Committee and the Board of Directors on the preparedness for compliance with laws and regulations achieved through the implementation of the Program by the Company and its group companies.
- The Company formulated the "T&D Insurance Group's Basic Policy of Measure to Anti-social Forces" and has been consistently providing education and training on the exclusion of anti-social forces based on its "Compliance Program." The status of measures taken to exclude connection with anti-social forces is regularly reported to the Group Compliance Committee and the Board of Directors.
- To prevent money laundering and terrorist financing, the Company conducts regular monitoring of the status of measures taken by the Group companies and reports to the Group Compliance Committee and the Board of Directors.
- The "T&D Insurance Group Helpline," the Group's whistle-blowing contact, is established externally, and the reported cases are being dealt with, while at the same time the rules of the whistle-blowing system including the prohibition of disadvantageous

treatment for whistleblowers are being communicated.

(4) Initiatives to ensure efficiency

- The Company defines matters to be resolved by, and to be reported to the Board of Directors, as well as the division of duties and administrative authorities in the overall organization. Directors and Executive Officers execute their duties based on the defined division of duties and administrative authorities.
- Rules for the adequate control of the Group's management plan were developed, and in April 2021, the Group formulated "Try & Discover 2025," the Group's long-term vision to clarify the course the Group will take in the long-term, and the strategic approaches needed to achieve its goals. The review and evaluation of the progress and results of the Group's long-term vision were reported to the Board of Directors every six months.

(5) Initiatives regarding retention and management of information

- The Company adequately stores and manages information related to the execution of duties by Directors and Executive Officers, such as materials and minutes of the meetings of the Board of Directors and the Executive Management Board, based on the rules for managing documents.
- The Company has formulated various policies and rules including the "Group Information Security Policy" in order to develop a system for protecting information assets from leakage, alteration, accident, failure, and loss from natural disasters or fire, etc., and appropriately manage information assets within the Group.
- The Company makes an effort to reinforce its incident response system and raise its security management level by means such as conducting drills cooperated with an external organization in preparation for cyber-attacks, etc. Additionally, in the first half of fiscal year 2021, the Company provided cybersecurity training and drills to prepare for cyberattacks that were expected to be increased during the period of Tokyo Olympics in 2021. In the latter half of fiscal year 2021, a third-party evaluation of the Group's cybersecurity system by an external professional institution was conducted across the Group, as a result of which the Group was evaluated as "having taken a high level of cybersecurity measures."

(6) Initiatives regarding Enterprise Risk Management (ERM)

- The Company, through the Group ERM Committee which promotes Enterprise Risk Management (ERM), regularly analyzed and evaluated the status of capital, profit and risk of the Group, based on the "Group Risk Appetite," which sets forth appropriate levels of soundness and profitability while reported the results to the Executive Management Board, the Group Strategy Board, and the Board of Directors.
- The Company conducted a quantitative evaluation based on unified risk indicators, analyzed and evaluated the status of various risks through the Group Risk Management Committee, which coordinates risk management throughout the Group, and reported the results to the Executive Management Board and the Board of Directors.
- The Company has formulated the "Rules on the Group's Crisis Management," which addresses the dealing of crisis caused by major natural disasters and cyber-attacks that lead to difficulty in continuing the execution of operation, and developed a Group-wide crisis response framework, as well as regularly conducting emergency drills for a possible crisis. The Company also reviews the status of responses to the events of crisis after the event occurs and makes revisions as appropriate, as well as regularly conducts drills, etc. in order to ensure the effectiveness of response to the crisis.
- In response to the current spread of COVID-19, the Company, upon establishing a Group Crisis Management Headquarters headed by the Representative Director and President, closely coordinates information within the Group and is appropriately engaged in measures to prevent the spread of the infection and ensure business continuity.

(7) Initiatives for internal control over financial reporting

- In accordance with the basic policy for developing the internal control over the Group's financial reporting and evaluating the status of asset management, the Company appropriately implemented an evaluation regarding the effectiveness of internal control over financial reporting and reported the results to the Board of Directors.

(8) Initiatives concerning internal audit

- The Company has determined the basic policy to ensure the effectiveness of the Group internal audit system in the Group Basic Policy on Internal Audits, and verifies and evaluates the adequacy and effectiveness of the internal control system within the Group through on-site audits and the off-site monitoring conducted based on the internal audit plan resolved by the Board of Directors, and reports the results to the Representative Director and President, the Audit & Supervisory Committee, and the Board of Directors.

(9) Initiatives to ensure the effectiveness of audits by the Audit & Supervisory Committee

- Audit & Supervisory Committee Members as Board members participate in the resolutions of the Board of Directors. The Company also ensures opportunities for Audit & Supervisory Committee Members to attend the Executive Management Board and other key meetings to receive reports from Directors (excluding Directors who are Audit & Supervisory Committee Members; the same applies hereinafter) and Executive Officers, etc., on the execution of their duties, and to voice their opinions.

- The Company has developed rules regarding reporting to the Audit & Supervisory Committee so that Directors, Executive Officers and employees may report to the Audit & Supervisory Committee regarding the status of execution of business, etc. They also report, without delay and as necessary, regarding the matters for which an explanation is required by the Audit & Supervisory Committee Members.

- Regular meetings were arranged between Audit & Supervisory Committee Members and the Representative Director and President in order to exchange opinions on matters to be addressed by the Company, important audit agenda, the development of the framework for Audit & Supervisory Committee's audits.

- The Company has established the Audit & Supervisory Committee Office, which is independent from the chain of command of the Directors, and assigns staff who assists the Audit & Supervisory Committee in performing its duties.

- The Risk Management Department regularly organized liaison meetings, to ensure effective audits by the Audit & Supervisory Committee. They reported on the matters requested by the Audit & Supervisory Committee Members and exchanged opinions regarding the issues to be addressed, etc., during the meetings.

- The Internal Audit Department, to ensure effective audits by the Audit & Supervisory Committee, regularly reported the status of the Group's internal audits to the Audit & Supervisory Committee, as well as matters instructed by the Audit & Supervisory Committee. Furthermore, the formulation of internal audit plans and the merit rating and transfer, etc. of the General Manager of the Internal Audit Department have been designated as matters requiring the advance consent of the Audit & Supervisory Committee.

9. Matters concerning specified wholly owned subsidiaries

Name	Address	Total book value	Total assets of the Company
Taiyo Life Insurance Company	7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	¥275,240 million	¥957,122 million
Daido Life Insurance Company	2-1 Edobori 1-chome, Nishi-ku, Osaka, Osaka-fu, Japan	¥363,053 million	

10. Matters concerning transactions with the parent company, etc.

Not applicable.

11. Matters concerning Accounting Advisors

Not applicable.

12. Other matters

Not applicable.

[Reference]

1. Governance Structure

(Establishment of the Basic Policy on Corporate Governance)

The Company's basic approach to corporate governance is to create efficient and transparent management systems to facilitate flexible and cohesive Group operations, and the Company has continuously endeavored to enhance corporate governance.

In respect for the spirit of the "Corporate Governance Code," which applies to all listed companies, the Company has adopted all of its principles, and has formulated the "Basic Policy on Corporate Governance," which provides the Company's initiatives to addresses the major principles, etc. of the code.

(Basic approach)

The Company is working to achieve sustainable growth and increase corporate value over the medium- and long-term by continuously enhancing corporate governance, as follows.

1. The Company shall respect the rights of all shareholders and strive to develop a conducive environment for shareholders to appropriately exercise those rights. Efforts shall also be made to ensure the effective equality of all shareholders
2. The Company shall strive to foster a sound corporate culture and climate by appropriately collaborating with a variety of stakeholders, including customers, all shareholders, employees, insurance agents, business partners and local communities.
3. The Company shall strive to increase the transparency of management through appropriate and timely disclosure of corporate information, including financial information and non-financial information regarding management strategies, management challenges, and other matters.
4. The Company shall strive to ensure the effectiveness of the Board of Directors' supervising function over the execution of business as the holding company responsible for the business execution management function of each Group company.
5. The Company shall engage in constructive dialogue with stakeholders in order to contribute to sustained growth and the enhancement of corporate value over the medium- and long-term.

(Corporate governance system)

The Company makes decisions on important business matters and oversees the execution of business through its Board of Directors. The Company, as a "Company with an Audit & Supervisory Committee," audits the performance of Directors' duties through its Audit & Supervisory Committee, which is independent of the Board of Directors.

Moreover, the Company has introduced an executive officer system for the purpose of bolstering its business execution capabilities. By sharply delineating responsibilities for oversight and execution, the Company strengthens the governance function of the Board of Directors.

Furthermore, the Company has established the Nomination and Compensation Committee as an advisory body to the Board of Directors for the purpose of discussing the fairness and appropriateness of the appointment and compensation of Directors and Audit & Supervisory Committee Members, among other related issues, as well as for ensuring the transparency of management and enhancing accountability.

The Company has also put in place an Executive Management Board as a body to discuss and resolve important matters concerning the business of the Company and the management of businesses of the Group. Along with this body is a Group Strategy Board which was established by the Company as a body to deliberate matters concerning the Group's growth strategies, etc. and related important matters from a Group-wide perspective to sustainably enhance the corporate value of the Group.

(Role of the Board of Directors)

The Board of Directors makes decisions on important business matters and oversees the execution of business in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules. As a result of the transition to a company with an Audit & Supervisory Committee, in accordance with the provisions of the Articles of Incorporation, decisions on some important business executions are delegated from the Board of Directors to the Directors themselves pursuant to a resolution by the Board of Directors.

This separates management oversight from business execution, thereby further strengthening the management functions (deciding on management policies and overall strategy) and oversight functions of the Board of Directors. It also drives improvement in the flexibility and efficiency of

business execution.

(Role of the Audit & Supervisory Committee)
As an independent organization tasked with carrying out the mandate of the Company's shareholders, the Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties in accordance with the provisions set forth in laws, regulations, the Articles of Incorporation, and Company rules.

(Assessment of effectiveness of the Board of Directors)
In fiscal year 2021, the Board of Directors of the Company conducted analysis and assessment on the effectiveness of the Board of Directors as a whole (including the non-statutory Nomination and Compensation Committee), based on a questionnaire survey (self-assessment) and interviews conducted by a third-party institution to Directors on an anonymous basis to ensure the objectivity and transparency of the survey and interviews.

In the questionnaire survey, the effectiveness of the Board of Directors was assessed based on answers to the multiple-choice questions and opinions described on the evaluation items in the questionnaires such as the composition, operation, discussions (administrative function), supervisory function, performance of the Board of Directors. In the interviews, we confirmed the grounds for the evaluation presented in the questionnaire and the problems of the Board of Directors that should be addressed.

As a result of the analysis and assessment, the Company has identified the following items and determined that the Board of Directors has generally fulfilled its duties as expected and effectively functioned.

- The Board of Directors is composed of diverse members.
- The Board of Directors provides appropriate information in processes before discussions at the Board of Directors at a prior briefing session, etc.
- The Board of Directors properly transacts proceedings and selects issues to be discussed.
- The Board of Directors has developed discussions in light of the business portfolio and the capital cost.
- The Board of Directors has fully reflected on issues discussed with investors.

The Company addressed the issues identified in the fiscal year 2020 assessment (e.g. enhancement of functions of the Nomination and Compensation Committee, examination of the composition of the Board of Directors, development of easy-to-understand materials, and efficient operation of the Board of Directors) and believes that those issues have been steadily improved.

In addition, we recognized a room for improvement, as issues to be addressed by the Board of Directors, in further enhancement and development of discussions concerning Group management strategies, further promotion of Group-wide management, construction and development of concise materials for better discussions at meetings of the Board of Directors.

The Company will continue to work on further enhancement of the effectiveness of the Board of Directors through addressing the issues identified in the effectiveness assessment.

(Goals, mission, and composition of the Nomination and Compensation Committee)
The Company established the Nomination and Compensation Committee as an advisory body to the Board of Directors for deliberation on the fairness and reasonableness of executive appointment or dismissal (including planning of successors) and compensation, with a view to enhancing the corporate governance system of the Company and the Group by ensuring management transparency and clarified accountability. This Committee members consists of the President and Outside Directors, and the majority of the members are assigned from Outside Directors to enhance independence, objectivity, and accountability. Furthermore, the chair of the Committee is chosen out of Outside Directors by mutual vote of the Committee's members.
The Committee deliberates on executive appointment or dismissal, compensation at the Company and its direct subsidiaries, and on successor planning for Representative Directors and Presidents. It reports the results of its deliberations to the Board of Directors and submits opinions as necessary.

(Contributions to appointment or dismissal of Representative Director and President, and executive team)
The Committee deliberates on the results of evaluations of each Representative Director and President and each executive team member based on such factors as evaluations of the performance of the company or the division that the member is in charge of. It deliberates on the appointment or dismissal (reappointment or non-reappointment) of Representative Directors and Presidents, and executive team members, confirming the executive's evaluation and appropriateness, reporting the results of the deliberation to the Board of Directors and submitting an opinion as necessary.

(Contributions to Representative Director and President successor planning)
With regard to matters concerning successor planning, the Committee deliberates on the plan's appropriateness and periodic reviews of candidates for successors, reporting the results of the deliberations to the Board of Directors and submitting an opinion as necessary.

2. Current Status of Cross-Shareholdings

(Reduction performance and targets of cross-shareholdings)
The Group is working to reduce cross-shareholdings based upon the policy on cross-holding of shares of listed stocks.

In fiscal year 2021, the Group reduced the balance by approximately ¥43 billion on a market value basis as a result of reducing the holding of 15 issues to zero by sale, etc. and partially selling other five issues. This is progress at a level exceeding the initial plan. We are working to review a further reduction plan based on the current situation.

Going forward, the Group will reduce the balance of cross-shareholdings to a level of approximately 20% of the Group's net assets, at first, and then we will further reduce the balance by the end of fiscal 2025.

(Reference) Approach to Cross-Shareholdings

The Company's Basic Policy on Corporate Governance defines the Group's policy on cross-holding shares of listed stock and its approach to standards for exercising voting rights regarding cross-shareholdings as outlined below.

(Basic Policy on Corporate Governance)
1. The Group cross-holds shares of listed stocks based on the following policy:
(1) The goal of cross-holding shares of listed stocks is to maintain and expand long-term and stable business relationships, maintain and strengthen operational collaboration, and receive income over the medium- to long-term by increasing stock value, receiving dividends, etc.

(2) Each year, the Boards of Directors of the Company and each Group company with cross-held shares make a specific and careful examination of each held stock, determining the validity of the holding by deciding whether the purpose for holding is appropriate, and whether the risk and benefit of the holding are commensurate with the capital cost, etc.

(3) If the validation of the holding of a specific cross-held stock determines that it is not appropriate to continue holding the stock, the stock in question is sold and the cross-held shares are reduced.

(4) The Group discloses the validations of (2) and (3) above each year.

2. The Group believes that appropriately exercising voting rights encourages the share-issuing company to establish a sound corporate governance structure and promotes its sustainable growth, and sees it as a key means of increasing shareholder profits. The Group exercises its voting rights with regard to cross-held shares based on this belief.

3. The exercise of voting rights described in the previous item is not only decided on formal criteria. The Group strives to gain a shared understanding through dialog from a medium- to long-term perspective, while respecting the management decisions of the share-issuing company. If the Group determines that there is a risk of losing shareholder profits, it indicates its will as a shareholder by exercising its voting rights appropriately.

3. Contributions to the SDGs Through Sustainability Initiatives

T&D Insurance Group has established the Group's corporate philosophy, "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." The SDGs* are shared common global goals and aimed at realizing a sustainable world through initiatives that address issues in a wide range of fields. They are in line with the goal of Group's corporate philosophy.

The Group will continue to incorporate contributions to SDGs into the process for selecting sustainability priority themes and make efforts to contribute to achieving SDGs through our initiatives to promote Group sustainability, taking advantage of the features and strengths of the business.

○ Recent efforts

Priority theme 1
Promote healthy and abundant lives for all people

Provided products that fit the needs of customers to contribute to resolving social issues

Company	Product	Key feature
Taiyo Life	感染症プラス 入院一時金保険	Insurance to cover hospitalization caused by certain infectious diseases such as COVID-19
Daido Life	会社みんなでKENCO+	Insurance to provide integrated coverage for "prevention" of diseases and "preparation" for life after retirement
T&D Financial Life	ハイブリッド アセットライフ Hybrid Asset Life 変額終身保険(災害加算・I型)	Supporting self-help efforts for asset building by integrating "investment trusts" and "life insurance"

Priority theme 2
Provide workplace environments that enable all people to participate actively

Made efforts to provide employees with comfortable workplace environment

- Established a system that allows employees to work in diverse ways such as providing work-at-home options
- Supported employees to receive "AminoIndex® Risk Screening" to assess disease risk such as cancer and lifestyle diseases
- Received the Excellence Award in the 3rd Platinum Career Award for the third straight year, which evaluated efforts to support employees' career development and demonstration of their skills

Priority theme 3
Promote reduction of CO_2 emissions

Established a goal to indicate the Company's environmental efforts
[Establishment of the Company's CO_2 emission volume (Scope 1 and 2) reduction goal]

Target fiscal year	Reduction rate
FY2025	40% reduction (compared with FY2013)
FY2050	Net zero

[Promotion of introduction of renewable energy]

- Participated in "RE100*" RE100 | CLIMATE GROUP | CDP
  * An international initiative that aims to procure all electric power for business activities from renewable energy
- Established a goal, "increase in a renewable energy use rate to 60% by FY2030."

Priority theme 4
Invest to help build a sustainable society

Contributed to ESG issues through investment activities as a responsible institutional investor
[Establishment of CO_2 emission volume (Scope 3, Category 15) reduction goal through investments and loans]

Target fiscal year	Reduction rate
FY2030	40% reduction (compared with FY2020) * Investment targets are shares and bonds of, and loans to, listed companies in Japan
FY2050	Net zero

[Investment and loan by EAG theme (examples of major efforts)]
● Invested in a "social bond" issued by the University of Tokyo
●Invested in a "social bond" issued by Urban Renaissance Agency
● Invested in a bond, "improve the quality of life for the people of Africa"

4. Glossary

Closed book business	The closed book business is a kind of insurance business in which an insurance company generates profit by acquiring, consolidating, and increasing the value of blocks of closed books that other insurance companies had (closed books refers to blocks of in-force insurance product policies for which new transactions have been suspended (run off) as a result of reviewing their business strategies/product portfolios).	P30
ERM	ERM (Enterprise Risk Management) refers to a strategic business management method aimed at achieving management targets such as enhancing corporate value and maximizing profits by taking control of capital, profit, and risk in an integrated manner. Unlike passive risk management methods that adopt a risk-averse approach, ERM favors an active selection of the types of risks to take on in order to pursue profit, to the extent soundness is ensured by restraining risks within a certain range of capital, rather than invariably seeking risk avoidance/reduction.	P31
DX	DX (digital transformation) refers to the improvement of the quality of business and life by IT (information technologies) such as the high-speed Internet, cloud service, AI. In some companies, DX refers to a transformation of a business model using IT and accompanying transformations of business, organizations, corporate culture, etc.	P32
Corporate Governance Code	The Corporate Governance Code, created by the Tokyo Stock Exchange, stipulates guiding principles for realizing effective corporate governance (the system by which companies carry out transparent, fair, rapid, and decisive decision-making based on the positions of shareholders and other stakeholders).	P32
TCFD	TCFD stands for The Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board (FSB) in December 2015 at the request of the G20 Finance Ministers and Central Bank Governors Meeting. In June 2017, it announced recommendations for information disclosure that encourage companies to disclose the financial impact of climate-related risks and opportunities, in order to enable investors to make appropriate investment decisions.	P32
Solvency Margin Ratio	The solvency ratio margin determines whether or not an insurance company has sufficient "insurance claims payment ability" to deal with the occurrence of risks exceeding normal estimates. A figure of 200% or more indicates that the business meets one standard for soundness.	P35

Consolidated Balance Sheet for Fiscal Year 2021

(as of March 31, 2022)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Cash and deposits	890,674	Policy reserves	14,505,391
Call loans	504	Reserve for outstanding claims	72,683
Monetary claims purchased	170,920	Policy reserve	14,359,852
Monetary trusts	1,324,898	Reserve for policyholder dividends	72,856
Securities	12,948,127	Due to agencies	1,676
Loans	1,695,200	Due to reinsurers	13,917
Tangible fixed assets	372,668	Short-term bonds	4,999
Land	212,115	Subordinated bonds	157,000
Buildings	151,839	Other liabilities	1,413,188
Lease assets	1,043	Reserve for bonus to directors and audit & supervisory board members	305
Construction in progress	3,539	Provision for share-based remuneration	1,221
Other tangible fixed assets	4,130	Net defined benefit liability	42,145
Intangible fixed assets	35,138	Reserve for directors' and audit & supervisory board members' retirement benefits	48
Software	33,892	Reserve for price fluctuations	259,979
Lease assets	89	Deferred tax liabilities	19,538
Other intangible fixed assets	1,157	Deferred tax liabilities on land revaluation	4,488
Due from agencies	396		
Due from reinsurers	34,298	Total liabilities	16,423,901
Other assets	340,540	(Net assets)	
Net defined benefit asset	2,851	Common stock	207,111
Deferred tax assets	505	Capital surplus	64,000
Reserve for possible loan losses	(3,316)	Retained earnings	670,203
		Treasury stock	(43,013)
		Total stockholders' equity	898,301
		Net unrealized gains on securities	509,632
		Deferred losses on hedging instruments	(2,527)
		Land revaluation	(35,062)
		Foreign currency translation adjustments	10,906
		Total accumulated other comprehensive income	482,949
		New share subscription rights	659
		Non-controlling interests	7,596
		Total net assets	1,389,506
Total assets	17,813,408	Total liabilities and net assets	17,813,408

Consolidated Statement of Operations for Fiscal Year 2021

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

Account	Amount
Ordinary revenues	2,614,377
Income from insurance premiums	1,781,952
Investment income	476,904
Interests, dividends and income from real estate for rent	319,845
Gains from monetary trusts, net	100,238
Gains on investments in trading securities, net	323
Gains on sales of securities	23,794
Gains on redemption of securities	417
Foreign exchange gains, net	28,152
Other investment income	2,498
Gains on separate accounts, net	1,634
Other ordinary income	338,770
Equity in net income of affiliated companies	16,749
Ordinary expenses	2,557,348
Insurance claims and other payments	2,174,187
Insurance claims	410,161
Annuity payments	280,766
Insurance benefits	152,729
Surrender payments	421,270
Other payments	88,461
Reinsurance premiums	820,798
Provision for policy and other reserves	1,945
Provision for policy reserve	1,929
Interest portion of reserve for policyholder dividends	16
Investment expenses	82,332
Interest expenses	1,690
Losses on sales of securities	25,069
Devaluation losses on securities	2,103
Net derivative financial instruments loss	30,618
Provision for reserve for possible loan losses	99
Write-off of loans	2
Depreciation of real estate for rent	5,871
Other investment expenses	16,877
Operating expenses	229,279
Other ordinary expenses	69,602
Ordinary profit	57,029

(Millions of yen)

Account	Amount
Extraordinary gains	467
Gains on sale of fixed assets	347
State subsidy	120
Extraordinary losses	10,283
Losses on sale, disposal and devaluation of fixed assets	1,538
Impairment loss	31
Provision for reserve for price fluctuations	8,593
Other extraordinary losses	120
Provision for reserve for policyholder dividends	24,284
Income before income taxes	22,928
Income taxes-current	3,730
Income taxes-deferred	4,779
Total income taxes	8,510
Net income	14,418
Profit attributable to non-controlling interests	237
Profit attributable to owners of parent	14,180

Consolidated Statement of Changes in Net Assets for Fiscal Year 2021

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of April 1, 2021	207,111	125,260	740,329	(58,882)	1,013,819
Cumulative effect of retrospective application of accounting treatment in affiliated companies in Japan and overseas			(53,803)		(53,803)
Balance as of April 1, 2021 reflecting retrospective application of accounting treatment in affiliated companies in Japan and overseas	207,111	125,260	686,525	(58,882)	960,015
Changes in the period					
Dividends from surplus			(30,549)		(30,549)
Profit attributable to owners of parent			14,180		14,180
Acquisition of treasury stock				(45,482)	(45,482)
Disposal of treasury stock		(4)		95	91
Cancellation of treasury stock		(61,256)		61,256	–
Reversal of land revaluation			44		44
Change of scope of consolidation			1		1
Net changes of items other than stockholders' equity					
Total changes in the period	–	(61,260)	(16,322)	15,869	(61,713)
Balance as of March 31, 2022	207,111	64,000	670,203	(43,013)	898,301

(Millions of yen)

	Accumulated other comprehensive income					New share subscription rights	Non-controlling interests	Total net assets
	Net unrealized gains on securities	Deferred gains on hedging instruments	Land revaluation	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance as of April 1, 2021	574,871	(2,681)	(35,018)	(5,972)	531,198	689	7,449	1,553,157
Cumulative effect of retrospective application of accounting treatment in affiliated companies in Japan and overseas	(579)			3,021	2,442			(51,361)
Balance as of April 1, 2021 reflecting retrospective application of accounting treatment in affiliated companies in Japan and overseas	574,292	(2,681)	(35,018)	(2,951)	533,641	689	7,449	1,501,796
Changes in the period								
Dividends from surplus								(30,549)
Profit attributable to owners of parent								14,180
Acquisition of treasury stock								(45,482)
Disposal of treasury stock								91
Cancellation of treasury stock								—
Reversal of land revaluation								44
Change of scope of consolidation								1
Net changes of items other than stockholders' equity	(64,659)	153	(44)	13,857	(50,692)	(29)	146	(50,575)
Total changes in the period	(64,659)	153	(44)	13,857	(50,692)	(29)	146	(112,289)
Balance as of March 31, 2022	509,632	(2,527)	(35,062)	10,906	482,949	659	7,596	1,389,506

Individual notes to consolidated financial statements

Notes concerning important matters which become the basis of consolidated financial statements

1. Matters concerning the scope of consolidation
(1) The number of consolidated subsidiaries: 18
The names of the consolidated companies:
Taiyo Life Insurance Company
Daido Life Insurance Company
T&D Financial Life Insurance Company
T&D United Capital Co., Ltd.
Pet & Family Insurance Co., Ltd.
T&D United Capital North America Inc.
T&D Lease Co., Ltd.
T&D Asset Management Co., Ltd.
T&D Customer Services Co., Ltd.
T&D Confirm Ltd.
T&D Information Systems, Ltd.
Toyo Insurance Agency Co., Ltd.
Taiyo Credit Guarantee Co., Ltd.
Taiyo Life Aging Society Institute
Zenkoku Business Center Co., Ltd.
Nihon System Shuno, Inc.
Daido Management Service Co., Ltd.
and other 21 companies
T&D Asset Management Cayman Inc. was excluded from the scope of consolidation due to its liquidation in the consolidated fiscal year under review.

(2) The number of major non-consolidated subsidiaries: 0

2. Matters concerning the equity method
(1) The number of non-consolidated subsidiaries over which the equity method is applied: 0

(2) The number of affiliated companies over which the equity method is applied: 10
The names of the companies: Alternative Investment Capital, Ltd.,
Thuriya Ace Technology Co., Ltd.,
Capital Taiyo Life Insurance, Ltd.,
FOG Parent, L.P.
Fortitude International Reinsurance Ltd.
Fortitude Group Holdings, LLC,
Fortitude Reinsurance Company Ltd., and 3 other companies

TD and Fortitude Group Holdings, LLC ("Fortitude") implemented group restructuring during the consolidated fiscal year under review, and T&D United Capital Co., Ltd. acquired corresponding equity interest of newly established FGH Parent, I.P. ("New Fortitude") in exchange for their equity interest in Fortitude. As a result, New Fortitude and its 100% subsidiaries, Fortitude International Reinsurance Ltd., Fortitude International Ltd., and Fortitude International Group Holdings Ltd., become affiliated companies over which the equity method is applied.

(3) The number of non-consolidated subsidiaries and affiliated companies over which the equity method is not applied: 0

(4) Matters concerning the fiscal year of affiliated companies over which the equity method is applied
For the affiliated companies over which the equity method is applied but the dates of settlement are different from the consolidated settlement date, financial statements concerning the fiscal year of each of these companies are used. Additionally, some companies use financial statements

prepared based on provisional settlements of accounts conducted as of different reporting dates.

3. Matters concerning the fiscal year of consolidated subsidiaries
The settlement dates of consolidated subsidiaries are the same as the consolidated settlement date.

4. Matters concerning accounting policy
(1) Appraisal standards and appraisal methods of securities (including cash and deposits, quasi-securities within monetary claims purchased, and securities within monetary trusts that are invested as trust assets):
(i) Trading securities
The market value method (cost of sales is calculated by the moving average method)
(ii) Held-to-maturity debt securities
The amortized cost method using the moving average method (straight-line method)
(iii) Policy-reserve-matching securities
The amortized cost method using the moving average method (straight-line method)
(iv) Other securities
- Securities other than securities without market value are valued by using the market value (cost of sales is calculated by using the moving average method).
- Securities with market value are valued at the cost method using the moving average method.

The valuation differences of other securities are reported as a component of shareholders' equity.
Certain consolidated subsidiaries report translation adjustments relating to bonds included in foreign currency-denominated other securities in the following manner; the portion attributable to changes in the securities' market values in their local currencies is accounted for as valuation differences, and all other translation adjustments are included in foreign exchange gains or losses.

The following is an overview of the risk management policies over policy-reserve-matching bonds:

(Taiyo Life Insurance Company)
The risk is managed by minimizing the risks of the portfolio as a whole with an asset mix, and establishing an operation policy based on the balanced-type ALM aiming at exceeding medium- and long-term liability cost.
In consideration of this kind of operation policy, the following insurance policies are identified and classified as a subcategory in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds within the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants (JICPA):
- With regard to general fund category, all insurance policies excluding group insurance product category, other insurance product category, non-participating designated currency-type single premium individual annuity insurance, and special endowment insurance with non-participating designated currency-type survivor benefit, etc.
- With regard to non-participating designated currency-type single premium individual annuity insurance and special endowment insurance with non-participating designated currency-type survivor benefit in the general fund category, all insurance policies by currency
- With regard to group annuity insurance fund category, all contribution-type corporate pension insurance policies and all group pure endowment insurance policies
- With regard to single premium whole life insurance/annuity fund category, all insurance policies
- With regard to variable-interest single-premium insurance fund category, all insurance policies

(Daido Life Insurance Company)
In order to steadily fulfill future obligations, the risk is managed by setting an investment policy that fully takes into account the features of the insurance products and their risk tolerance.
In accordance with such investment policy, subcategories are set as follows according to the features of the insurance product, and bonds held with the purpose to control durations of liabilities in each subcategory are classified as policy-reserve-matching bonds.
- Individual insurance and annuity in the general fund category

- Individual insurance and annuity in the non-participating insurance fund category (capturing the cash flows likely to arise in the period in excess of 5 years but within 40 years from now)
- Group annuity insurance in the group annuity insurance fund category.

(T&D Financial Life Insurance Company)

In order to appropriately manage interest rate risk by setting subcategories according to the features of insurance products, investment policies are developed in line with each subcategory. In addition, it is regularly tested to ensure that the durations of policy reserve and that of policy-reserve-matching bonds are synchronized within the margin of error. The subcategories are classified as follows:

- Individual insurance (capturing the portion of the future spending for insurance policies falling under this subcategory that is used for policyholders of predetermined age or above)
- Interest reserve rate-type individual insurance
- Interest reserve rate-type fixed annuity insurance

However, certain classes of insurance and certain portions of insurance benefits are excluded.

(2) Appraisal standard and appraisal method of derivative financial instruments

Derivative financial instruments are stated at market value.

(3) Depreciation method for significant depreciable assets

(i) Tangible fixed assets (excluding lease assets)

Tangible fixed assets (except for lease assets) are depreciated based primarily on the declining balance method. Buildings (except attached facilities and structures) acquired on or after April 1, 1998 and attached facilities and structures acquired on or after April 1, 2016 are depreciated based on the straight-line method.

The service life ranges of major types of assets are:

Buildings, attached facilities and structures: 2 to 50 years

Furniture and equipment: 2 to 20 years

(ii) Intangible fixed assets (excluding lease assets)

The straight-line method is used in depreciation of software for in-house use, on the basis of the usable period of five years.

(iii) Lease assets

With regard to the lease assets concerning finance lease transactions that involve transfer of ownership, the identical depreciation method applied on self-owned fixed assets is used. In terms of the lease assets concerning finance lease transactions that do not involve transfer of ownership, the lease periods are considered their service life, and the straight-line method is used.

(4) Accounting standard for major reserves

(i) Reserve for possible loan losses

To provide for the losses due to bad debt, Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company (hereinafter referred to as the "Three Life Insurance Companies") record an estimated reserve for possible loan losses based on the internal asset valuation standards and the write-off/provision standards for assets, as follows:

The amount of allowance for receivables from debtors who are legally or formally bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings (hereinafter referred to as the "Bankrupt Debtors") and debtors who are effectively bankrupt (hereinafter referred to as the "Effectively Bankrupt Debtors"), is recognized based on the amount of credit remaining after deducting amounts expected to be collected through disposal of collateral or execution of guarantees from the balance of receivables directly reduced as mentioned below.

The allowance for receivables from debtors who are not currently legally bankrupt but have high possibility of bankruptcy (hereinafter referred to as the "Potentially Bankrupt Debtors"), is recognized in the amounts deemed necessary considering the debtors' overall solvency assessment within the amounts remaining after deductions of amounts expected to be collected through the disposal of collateral or the execution of guarantees.

The allowance for receivables from debtors other than the above (loans to healthy debtors and loans to debtors who require attention) is provided based on the debtors' balance multiplied by the historical average of percentage of bad debt calculated based on bad-debt records of a certain past period and others.

All credits are assessed by the sections concerned in accordance with the Company's asset valuation regulations. The assessments are verified by an independent Asset Auditing

Department, and the results of the assessments are reflected in the calculation of the above-mentioned allowance for doubtful accounts.
With regard to mortgage or guaranteed loans to the Bankrupt Debtors and the Effective Bankrupt Debtors, the amount of collateral value or the amount collectible by the execution of guarantees or other methods directly subtracted from the balance of receivables is the estimated uncollectible amount, which stood at 353 million yen.
Regarding the consolidated subsidiaries other than the Three Life Insurance Companies, credits are assessed within the scope as deemed necessary in consideration of the importance of assets and based on the results of the assessments, allowances are recorded based on the above methods.

(ii) Reserve for bonus to directors and audit & supervisory board members
To provide for the payment of directors' and audit & supervisory board members' bonuses, the Company records an estimated reserve for the consolidated fiscal year under review.

(iii) Provision for share-based remuneration
To provide for the grant of the Company's shares to directors and audit & supervisory board members, the estimated provision of share-based benefit remuneration is recorded based on the internal rules of the Company and the Three Life Insurance Companies.

(iv) Reserve for directors' and audit & supervisory board members' retirement benefits
To provide for the payment of retirement benefits for directors and audit & supervisory board members, some consolidated subsidiaries record an estimated reserve for the consolidated fiscal year under review in accordance with their internal regulations.

(5) Method for recognizing retirement benefits

(i) Method for attributing expected retirement benefits to fiscal periods
In the calculation of retirement benefits obligations, benefit formula basis is adopted for the purpose of attributing expected retirement benefits over the period up to the end of the consolidated fiscal year under review.

(ii) Method for amortizing actuarial gain/loss, past service cost and difference due to change of accounting standards
Fully amortized in the fiscal year when they are incurred.

(6) Recognition method for reserve for price fluctuations
Reserve for price fluctuations at the Three Life Insurance Companies is recognized and calculated based on the provisions in Article 115 of the Insurance Business Act to prepare for price fluctuations.

(7) Standards of conversion for foreign currency-denominated assets and liabilities into the Japanese currency
All monetary assets and liabilities denominated in foreign currencies are translated into the Japanese yen at the spot exchange rates prevailing on the consolidated closing date. All asset, liability, income, and expense accounts of foreign subsidiaries and affiliates are translated into the Japanese yen at the spot exchange rates prevailing on their consolidated balance sheet date. The resulting translation adjustments are accumulated as foreign currency translation adjustments and non-controlling interests under net assets.

(8) Important hedge accounting method

A. Hedge accounting method of Taiyo Life Insurance Company

(i) Hedge accounting method
Taiyo Life Insurance Company applies deferral hedge accounting and the mark-to-market method of hedge accounting. Special treatment is applied to interest swap agreements that meet special treatment requirements and deferred designation is applied to currency swap agreements that meet deferred designation requirements.

(ii) Hedging instruments and hedged assets

a.	Hedging instrument:	Interest swap
	Hedged assets:	Loan receivable, bonds
b.	Hedging instrument:	Currency swap
	Hedged assets:	Foreign currency denominated loans
c.	Hedging instrument:	Exchange contracts
	Hedged assets:	Foreign currency-denominated assets
d.	Hedging instrument:	Option
	Hedged assets:	Domestic and foreign stocks, domestic and foreign listed investment trusts, domestic bonds

e. Hedging instrument: Credit transaction
Hedged assets: Domestic and foreign stocks, domestic and foreign listed investment trusts

f. Hedging instrument: Forward contracts
Hedged assets: Domestic and foreign stocks, domestic and foreign listed investment trusts

(iii) Hedging policy

Based on the internal rules and regulations developed under Taiyo Life's risk management policy concerning asset operations, the cash flow- and price-fluctuation risks concerning hedged assets are hedged within a certain scope.

(iv) Evaluation of the effectiveness of hedging activities

Effectiveness of hedging activities is evaluated for each half-year period by performing a ratio analysis and other methods comparing the market fluctuations or the accumulated cash flow movements of hedged assets with the market fluctuations or the accumulated cash flow movements of hedging instruments. However, evaluation of hedging effectiveness is omitted for interest swap agreements under the special treatment etc., currency swap agreements under deferred designation, exchange contracts in which both the hedged assets and the hedging instruments are denominated in the same currency, options hedging domestic and foreign stocks as well as domestic and foreign listed investment trusts, and options hedging credit transactions, forward contracts and domestic bonds.

(Matters concerning hedges which apply "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR")

Among the above hedges, all hedges included in the scope of application of the "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) are subject to this exceptional treatment. Details of the hedges which apply the treatment are as follows.

Hedge accounting methods: The exceptional treatment for interest rate swaps
Hedging instruments: Interest rate swap transactions
Hedged items: Loans receivable
Hedge transactions: Cash flow hedges

B. Hedge accounting method of Daido Life Insurance Company

(i) Hedge accounting method

Daido Life Insurance Company applies the mark-to-market method of hedge accounting. Daido Life also applies method for translating foreign currency receivables and payables on the basis of yen value cash flow fixed by forward contract for exchange contract transactions hedging foreign currency deposits in cases where the transactions satisfy the requirements for the method.

(ii) Hedging instruments and hedged assets

Daido Life employs exchange contract transactions as a hedging instrument, with the hedged assets of foreign currency-denominated securities and foreign currency-denominated certificates of deposit whose holding purpose is other securities.

(iii) Hedging policy

Based on the internal rules and regulations concerning asset operations, exchange fluctuation risks of hedged assets are hedged within a certain scope.

(iv) Evaluation of the effectiveness of hedging activities

Effectiveness of hedging activities is mainly evaluated by performing a ratio analysis of market value movement comparisons between the hedging instruments and hedging methods taken. However, evaluation of hedging effectiveness is omitted in cases where important conditions for the hedged assets and hedging instruments are identical and hedging is highly effective.

(9) Other important accounting policies adopted by the Company

(i) Accounting for consumption and other taxes

National and local consumption taxes are accounted for by using the tax exclusion method. However, expenses such as loss adjustment expenses, operating expenses and general and administrative expenses, etc. of non-life insurance subsidiaries are inclusive of taxes. Note that consumption taxes paid on certain asset transactions, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Consumption Tax Act, are deferred as other assets and amortized over a 5-year period on a straight-line basis. Consumption taxes

other than deferred consumption taxes are recorded to expense as incurred.

(ii) Application of the consolidated tax payment system

The consolidated tax payment system is applied on the Company and some consolidated subsidiaries, with the Company as the consolidated taxpayer parent company.

(iii) Tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and some of its consolidated subsidiaries will transition to the group tax sharing system from the consolidated taxation system starting in the subsequent consolidated fiscal year. However, with regards to the transition to the group tax sharing system, which was instituted by the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8 of 2020), and the items for which the non-consolidated taxation system has been reviewed in line with the transition to the group tax sharing system, in accordance with Paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020), the Company and some of its consolidated subsidiaries have applied the provisions of the pre-amendment tax law to deferred tax assets and liabilities, instead of the provisions of Item 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018).

The Company will apply the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021), which determines the accounting and disclosure relating to national and local income taxes, and tax effect accounting under the group tax sharing system, from the beginning on the subsequent fiscal year.

(iv) Income from insurance premiums

In general, income from insurance premiums (excluding reinsurance premium income) is recorded by the Three Life Insurance Companies at the amount of premiums received, for insurance contracts 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 fiscal year end 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.

(v) 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 based on the insurance policies, for which the insured events provided in the insurance contracts 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 to accrued insurance proceeds as of the fiscal year end, when payment obligations are recognized or it is deemed that the insured events provided in the insurance contracts have occurred although the occurrence of the insured events have not been reported.

(vi) Reinsurance premium income and reinsurance premium

As for reinsurance premiums income of the Three Life Insurance Companies, insurance proceeds, etc. to be received based on a reinsurance contract are recorded at the time of payment, etc. of insurance premiums, etc. relating to an underlying insurance contract.

As for reinsurance premiums of the Three Life Insurance Companies, insurance premiums, etc. to be paid based on a reinsurance contract are recorded at the time of receipt of insurance premiums relating to the underlying insurance contract or at the time of conclusion of the said agreement.

As for modified coinsurance, an amount received as a part of the amount equivalent to the new contract expenses relating to the underlying insurance contract based on the reinsurance agreement is recorded as reinsurance income, and the same amount is recorded as an unamortized concession fee and is amortized over the reinsurance period.

Also, a part of policy reserve and reserve for outstanding claims equivalent to the amount corresponding to the reinsurance is not set aside based on Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Regulation for Enforcement of the Insurance Business Act.

(Changes in presentation)

"Reinsurance premiums" included in "Payment of insurance premiums, etc." in the previous consolidated fiscal year has increased its financial importance and is independently described starting in the fiscal year under review.

(vii) Policy reserve

To prepare for future performance of obligations under insurance contracts for which contractual obligations have commenced as of the fiscal year end, policy reserve is provided by the Three Life Insurance Companies at the amount calculated in accordance with procedures 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, insurance premiums reserve is recognized by performing a calculation based on the following methodology:

a. Reserves for contracts subject to the standard policy reserve are computed in accordance with the method prescribed by the Commissioner of the Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).

b. Reserves for other contracts are computed based on the 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 a qualified actuary to confirm 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 contracts, 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.

5. Change of accounting policy

(1) Accounting Standard for Revenue Recognition, etc.

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter the "Revenue Recognition Accounting Standard"), etc. from the beginning of the consolidated first quarter under review. At the time when the control of the promised goods or service is transferred to the customer, revenues is recognized at the amount expected to be received in exchange for the goods or service. The change has no impact on the consolidated financial statements.

(2) Accounting Standard for Fair Value Measurement, etc.

The Company has applied the "Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the "Fair Value Measurement Accounting Standard") from the beginning of the first quarter under review. Accordingly, the Company will apply new accounting policies prescribed in the Fair Value Measurement Accounting Standard and the like in the future in accordance with the provisional treatment stipulated in Paragraph 19 of the same Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). For the consolidated quarterly financial statements, the effect of the application is immaterial.

Also, the Company stipulate notes on the breakdown of financial instruments for each level of fair value in 1. "Matters concerning the current state of the financial instruments, their market values and the breakdown of financial instruments for each level of fair value" of the Notes to the Consolidated Balance Sheet."

6. Revenue recognition

As for breakdown of ordinary revenue in lieu of net sales, most of it consists of insurance premium income and asset management revenue which are outside the application of the said accounting standard based on Paragraph 3 of Revenue Recognition Accounting Standard, and revenue from contracts with customers is immaterial. Therefore, categorized presentation separate from the other revenue in the consolidated statement of income and categorized presentation of contract assets and contract liabilities or liabilities from contracts with customers separate from other assets or liabilities are omitted. Also, presentation concerning the following information is also omitted.

(1) Information on disaggregated revenue from contracts with customers

(2) Underlying information for the understanding of revenue from contracts with customers

(i) Information concerning contracts with customers and performance obligations

(ii) Information concerning the determination of the transaction price

(iii) Information concerning the determination of the amounts allocated to performance obligations

(iv) Information concerning the point in time of satisfaction of performance obligations

(v) Significant judgements in the application of the Revenue Recognition Accounting Standard

(3) Information concerning the relation between the performance obligations based on the contract with a customer and the cash flows from the said contract, and the amount of revenue expected to be recognized in and after the subsequent consolidated fiscal year from the contract with a customer who exists as of the end of the consolidated fiscal year under review and the timing.

(i) Balances of contract assets and contract liabilities, etc.

(ii) Transaction price allocated to the remaining performance obligations

7. Significant Accounting Estimates

(1) Policy reserve

(i) Amounts recognized on the consolidated balance sheet

(Millions of yen)

	As of March 31, 2022
Policy reserve	14,359,852
Other ordinary revenue (Reversal of provision for policy reserve)	259,945

(ii) Information on significant accounting estimates in connection with items identified

a. Calculation method

It is stated in "Notes concerning important matters which become the basis of consolidated financial statements, 4. Matters concerning accounting policy, (9) Other important accounting policies adopted by the Company, (vii) Policy reserve."

b. Major assumptions and effect on the consolidated financial statements of the following fiscal year

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 recent 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 retirement benefits

(i) Amounts recognized on the consolidated balance sheet

(Millions of yen)

	As of March 31, 2022
Net defined benefit asset	2,851
Net defined benefit liability	42,145

(ii) Information on significant accounting estimates in connection with items identified

a. Calculation method

Retirement benefit obligations and retirement benefit cost are calculated based on actuarial assumption used for calculation of future retirement benefit obligations, expected long-term rate of return on pension assets and other.

The method for recognizing retirement benefits is as stated in "Notes concerning important matters which become the basis of consolidated financial statements, 4. Matters concerning accounting policy, (5) Method for recognizing retirement benefits."

b. Major assumption and effect on the consolidated financial statements of the following fiscal year

Matters concerning the basis for actuarial assumption are as stated in "Notes to the Consolidated Balance Sheet, 16. Retirement benefits." If any of the major assumptions such as discount rate and expected long-term rate of return on assets changes, there may be a significant impact on the net defined benefit asset or liability.

(3) Impairment loss of fixed assets

(i) Amounts recognized on the consolidated balance sheet

(Millions of yen)

	As of March 31, 2022
Impairment loss	31

(ii) Information on significant accounting estimates in connection with items identified

a. Calculation method

All of the real estate used by the Three Life Insurance Companies, consolidated subsidiaries, for the purpose of insurance sales and related operations is classified as one asset group (operating assets), while each property in the category of the real estate that are used for other purposes or underutilized is classified into individual asset group on its own (investment assets).

Each party namely the Company and consolidated subsidiaries, has its own asset group (operating assets) each containing the real estate used by respective party for business purpose.

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 book value of the asset, at the amount calculated by deducting the recoverable amount (the larger of discounted future cash flows and net sales value) from the book value.

b. Major assumptions and effect on the consolidated financial statements of the following fiscal year

For calculation of undiscounted future cash flows for the purpose of determining impairment recognition, the amounts of future income from insurance operations on the Mid-Term Management Plan, etc. are used for operating assets, and the past history and future outlook of revenues by property are used for investment assets.

If the future income from insurance operations and future outlook of revenues, which are the major assumptions, deteriorate and the undiscounted future cash flows change, there may be a possibility to recognize impairment loss.

8. Unadopted accounting standards, etc.

(Implementation Guidance of the Accounting Standard for Fair Value Measurement.)

"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021)

(1) Summary

Treatment concerning determination of fair value of investment trusts and notes thereto and treatment concerning notes to fair value of investments in partnerships, etc. to be recorded net in balance sheet for an amount equivalent to ownership interest are defined.

(2) Scheduled date of application

Scheduled to be adopted from the beginning of the consolidated fiscal year commencing on or after April 1, 2022.

(3) Effect of the application of the accounting standards

For the first fiscal year applied, the effect of the application is immaterial.

9. Additional information

(Transactions to grant the Company's stock to employees, etc. in using the scheme of trust)

The Company has the Board Incentive Plan Trust (hereinafter referred to as the "BIP") to grant the stock of the Company, etc. in using the scheme of trust for the Directors of the Company, who are not Audit & Supervisory Committee Members (excluding those who are part-time, and non-residents in Japan, including Outside Directors), and the Executive Officers (excluding those who are non-residents in Japan, and together with Directors who are not Audit & Supervisory Committee Members, referred to as "Directors, etc.") and Directors of the Three Life Insurance Companies (excluding those who are part-time, and non-residents in Japan, including Outside Directors) and the Executive Officers (excluding non-residents in Japan; together with the Directors, etc., collectively referred to as "Eligible Directors"), aiming at improving medium- and long-term business result and raising the awareness of contribution to boost corporate value.

The accounting treatment for the BIP 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) Overview of transaction

Points are granted to the Eligible Directors based on the internal rules of the Company and the Three Life Insurance Companies, and upon their resignation from the positions, the stock of the Company and money equivalent to the amount of converted and disposed amount of the stock of the Company, which are equivalent to accumulated points, are granted and benefited. The stock, etc. to be granted and so forth to the Eligible Directors are acquired with the money trusts of the Company funded in advance.

(2) The number of stocks of the Company remaining in trust

The stock of the Company remaining in the trust is accounted for as treasury stock under net assets at the book value in the trust (excluding the amount of expenses accompanied). The book value of the treasury stock thereof at the end of the consolidated fiscal year under review is 2,165 million yen and the number of shares is 1,436,300 shares.

(Accounting estimates with regard to the impact from the COVID-19 pandemic)

The Company and the Three Life Insurance Companies perform accounting estimates including impairment of fixed assets based on the information available at the time of preparation of financial statements and on the assumption that the current situation would continue. The impact from the COVID-19 pandemic on the current fiscal year and thereafter is immaterial in amount and the impact on the accounting estimates is also immaterial.

(Fortitude restructuring and revision of the Company's consolidated financial results in connection with retrospective accounting treatment)

Aiming to enhance its competitive advantage in the global closed book market, Fortitude Group Holdings, LLC ("Fortitude") had implemented a group restructuring (the "Restructuring") at October 1, 2021.

As part of the Restructuring, Fortitude's liabilities as of June 2, 2020 was re-evaluated using a new calculation method for the purpose of U.S. GAAP.

The Company, having applied the equity method with respect to Fortitude's consolidated financial statements, apply a retrospective accounting treatment to its own consolidated financial statements in the same manner starting in the consolidated fiscal year under review.

As a result that accumulated effect is reflected in the net income at the beginning of the consolidated financial statements under review. Retained earnings was decreased by 53,803 million yen, net unrealized gains on securities was decreased by 579 million yen and foreign currency translation adjustments was increased by 3,021 million yen.

(Cession of an individual annuity insurance to New Fortitude Group and others by Taiyo Life Insurance Company)

Taiyo Life Insurance Company has ceded a part of an existing individual annuity insurance with high projected interest rate to Fortitude Reinsurance Company, Ltd. in a form of a coinsurance.

The effects of the said reinsurance transaction is as shown below.

- Reversal of policy reserves 576,964 million yen
- Reinsurance premiums 704,667 million yen

Notes to the Consolidated Balance Sheet

1. Matters concerning the current state of the financial instruments, their market values and the breakdown of financial instruments for each level of fair value" of the Notes to the Consolidated Balance Sheet

(1) Matters concerning the current state of the financial instruments

(i) The Group's policy of investment in financial instruments

Being primarily focused on 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.

The Group's policy for asset management is to efficiently invest the insurance premiums trusted to us by policyholders in a portfolio built up to ensure long-term stable returns in accordance with the ERM concept involving management of capital, earnings and risk on an integrated basis, taking into account the long-term obligations involved in life insurance contracts, with due attention to management soundness and public welfare.

Financial derivative contracts are basically used to hedge fluctuation risks involved in our investment in financial instruments, as well as partially to complement physical assets.

Furthermore, in order to pursue a further strength of financial soundness, the Group has been financing the subordinated-class capital (bonds and borrowings).

(ii) Description of the concerned financial instruments and the risks involved

Financial assets held by the Group mainly comprise securities and loans.

Securities here include corporate and public 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, 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 cash value of each insurance policy, thus its credit risk is minimal.

Derivative transactions including stock index futures contracts, forward exchange contracts, interest rate swap agreements are used primarily to hedge price fluctuation risks of our financial assets, while partially to complement physical assets by, for example, providing solution to the time constraint prior to the inclusion of physical assets into our portfolio, excluding speculative transactions whatsoever in any case.

Stringent risk management is in place for derivative transactions, by clearly defining tolerable allowances in terms of nature, underlying assets 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 market values of the hedged assets and hedging instruments.

(iii) Risk management of investment in financial instruments

a. Overall risk management

The Group, in consideration of the social and public nature of life insurance business as its core 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 "Group Risk Management Policy" which set out the basic risk management philosophy within the Group and provides the risk management structure in line with business characteristics and risk profiles at each of the Three Life Insurance Companies.

Under such context, the Group Risk Control Committee has been in place for the purpose of coordinated management of risks within the Group, which grasps the status of various risks at each of the Three Life Insurance Companies, through the reports prepared on a regular or as-needed basis at each company using the unified risk management criteria. Meanwhile, the Company, by providing guidance and advice as appropriate to the Three Life Insurance Companies, is tackling the enhancement of risk management at each company as well as across the Group.

At each of the Three Life Insurance Companies, a committee has been established to supervise company-wide risk management at an enhanced level, while mutual check-and-balance system is in place under the internal organizational arrangement including the separation of investment and loan execution function from the administration function within investment division, independence of credit check function and implementation of internal audits by internal audit department.

The Group has established the Group ERM Committee with the purpose to manage risks in combination with revenue and capital on the basis of economic value, and tackles the task of achieving stable and sustainable increases in Group enterprise value through the implementation and enrichment of ERM.

b. Management of market risks

Market risks are appropriately controlled in line with the risk characteristics of each asset class based on the precise grasp of the sensitivity of investment assets to the changes in investment environment including interest rate, stock prices and exchange rates, and in addition, the risks are under adequate control through the review of asset allocation and risk hedging subject to identification of the overall risk of the portfolio using the Value at Risk criterion (hereafter referred to as "VaR").

c. Management of credit risks

Credit risk of the entire portfolio is identified and controlled through its quantification by the use of VaR based on the internal rating for individual borrowers. Meanwhile, the aggregate amount of investment and loan is capped by each industry sector or by group of companies, according to the corresponding risks, whereby concentration of loans to specific industry sector or group of companies is restrained.

d. Management of liquidity risks

Liquidity risks are adequately managed by the responsible risk management department through maintaining certain level of liquidity based on the grasp of the latest risk information including the share of highly liquid assets, cash flow situation, trend of the general financial/securities markets and status of individual financial instruments, as well as providing a structure for efficient liquidation of assets for financing purpose.

(iv) Supplementary explanation regarding the market values of financial instruments

Market values of financial instruments are based on actual market prices as well as those reasonably calculated in the absence of actual market prices.

Such calculations are based on certain assumptions, and thus market values could vary when different assumptions are used.

(2) Matters regarding the market value of financial instruments

Consolidated balance sheet amounts, as compared with market values of the investment in financial instruments, and the difference between the two as of March 31, 2021 are as follows. Securities, etc. without market value and investments in partnerships etc. are not included in the following table. (Please refer to (Note 1).) Also, of cash and deposits, call loans and monetary claims purchased, and of commercial papers and monetary trust, notes to monetary trust, short-term bonds and payables under securities lending transactions are omitted because whose transactions are carried out mainly for a short period of time and whose feature is equivalent to cash and deposits.

(Millions of yen)

	Consolidated balance sheet amounts	Fair market values	Difference
(i) Monetary claims purchased	130,921	130,999	78
a Those treated as securities	127,915	127,912	(2)
• Held-to-maturity debt securities	73,342	73,340	(2)
• Other securities	54,572	54,572	–
b Other than above	3,006	3,086	80
(ii) Monetary trusts	1,315,540	1,305,398	(10,142)
a Monetary trust for investment	4,773	4,773	–
b Held-to-maturity monetary trusts	30,331	30,162	(168)
c Policy-reserve-matching monetary trusts	1,022,045	1,012,072	(9,973)
d Other monetary trusts	258,390	258,390	–
(iii) Securities	12,409,201	12,706,459	297,257
a Trading security	46,510	46,510	–
b Held-to-maturity debt securities	905,730	1,036,075	130,345
c Policy-reserve-matching securities	4,546,557	4,713,469	166,912
d Other securities	6,910,404	6,910,404	–
(iv) Loans	1,693,169	1,712,179	19,009
a Policy loans (*1)	100,044	108,488	8,451
b Commercial loans (*1)	1,595,156	1,603,691	10,558
c Reserve for possible loan losses (*2)	(2,030)	–	–
Total assets	15,548,833	15,855,037	306,203
(i) Subordinated bonds	157,000	157,171	171
(ii) Borrowings as part of Other liabilities	67,156	67,097	(59)
Total liabilities	224,156	224,269	112
Derivatives (*3)			
(i) Those outside the scope of hedge accounting	509	509	–
(ii) Those subject to hedge accounting (*4)	(172,048)	(171,785)	262
Total derivatives	(171,538)	(171,276)	262

(*1) The column of Difference indicates the difference between consolidated balance sheet amounts less reserve for possible loan losses and market values.

(*2) Reserve for possible loan losses corresponding to loans is deducted.

(*3) Net credits and debts generated from the transactions of derivative financial instruments are indicated in net amounts, and items amounting to net debts are marked with brackets [ ].

(*4) With respect to the exceptional accrual method for a part of interest rate swaps, “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (ASBJ PITF No. 40, March 17, 2022) is applied.

(Note 1) Consolidated balance sheet amounts of securities without market value, etc. (such as unlisted shares) and investments in partnerships etc. are as follows, and these are not included in "Assets ③ Securities".

(Millions of yen)

Categories		Consolidated balance sheet amounts
Shares of affiliates		156,664
	Unlisted shares, etc. (*1)	1,112
	Investments in partnerships, etc. (*2)	155,551
Other securities		382,260
	Unlisted shares, etc. (*1) (*3)	41,433
	Investments in partnerships, etc. (*2) (*3)	340,827

(*1) Unlisted shares have no fair values and therefore are not subject to disclosure of fair value based on the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020.)

(*2) Investments in partnerships, etc. are not subject to disclosure of fair value based on Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, July 4, 2019. "Fair Value Measurement Implementation Guidance.")

(*3) The Company recognized impairment losses of 1,995 million yen for unlisted shares, etc. and investment in partnerships, etc.

(3) Matters relating to breakdown of fair value of financial instruments by level

Fair values of financial instruments are categorized into three levels as below on the basis of the observability and the importance of the valuation inputs used in fair value measurements.

Level 1: Fair values measured by quoted prices of the assets or liabilities being measured which are given in active markets among observable valuation inputs

Level 2: Fair values measured by inputs other than inputs included within Level 1 among observable valuation inputs

Level 3: Fair values measured by unobservable valuation inputs

When several inputs that have significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest priority level for fair value measurement among the levels in which each of the inputs belongs.

(i) Financial instruments recorded at their market values on the consolidated balance sheet

(Millions of yen)

Categories	Market value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	–	52,932	1,640	54,572
Other securities	–	52,932	1,640	54,572
Monetary trusts	4,627	57,744	–	62,371
Monetary trusts for investment	4,627	145	–	4,773
Other Monetary trusts	–	57,598	–	57,598
Securities	2,691,075	1,768,752	33,797	4,493,624
Other securities	2,691,075	1,768,752	33,797	4,493,624
Public and corporate bonds	323,488	1,234,270	388	1,558,147
Government bonds	302,430	–	–	302,430
Local government bonds	–	47,566	–	47,566
Corporate bonds	21,058	1,186,703	388	1,208,150
Stocks	745,326	–	–	745,326
Foreign securities	1,619,472	534,481	33,409	2,187,363
Foreign public and corporate bonds	1,596,186	534,481	33,409	2,164,077
Foreign stocks	23,286	–	–	23,286
Other securities	2,788	–	–	2,788
Derivative transactions	484	14,084	–	14,568
Currencies related	–	3,040	–	3,040
Interest rate related	–	11,043	–	11,043
Stocks related	484	–	–	484
Total assets	2,696,187	1,893,512	35,437	4,625,137
Derivative transactions	–	186,107	–	186,107
Currencies related	–	186,107	–	186,107
Interest rate related	–	–	–	–
Stocks related	–	–	–	–
Total liabilities	–	186,107	–	186,107

(*) Investment trust, etc. and monetary trust mainly managed by investment trust applying the transitional treatment set forth in Paragraph 26 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, July 4, 2019) are not included in the above table. The consolidated balance sheet amount of the said investment trust, etc. was 2,664,081 million yen of financial assets.

(ii) Financial instruments other than those recorded at their market values on the consolidated balance sheet

(Millions of yen)

Categories	Market value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	–	73,340	3,086	76,427
Held-to-maturity debt securities	–	73,340	–	73,340
Other than those treated as securities	–	–	3,086	3,086
Monetary trusts	1,042,234	–	–	1,042,234
Held-to-maturity monetary trusts	30,162	–	–	30,162
Policy-reserve-matching monetary trusts	1,012,072	–	–	1,012,072
Securities	4,001,957	1,746,512	1,074	5,749,544
Held-to-maturity debt securities	799,233	235,768	1,074	1,036,075
Public and corporate bonds	799,233	209,570	–	1,008,803
Government bonds	799,233	–	–	799,233
Local government bonds	–	52,703	–	52,703
Corporate bonds	–	156,867	–	156,867
Foreign stocks	–	26,197	1,074	27,271
Foreign public and corporate bonds	–	26,197	1,074	27,271
Policy-reserve-matching securities	3,202,724	1,510,744	–	4,713,469
Public and corporate bonds	3,160,426	1,498,704	–	4,659,131
Government bonds	3,160,426	-	–	3,160,426
Local government bonds	–	322,860	–	322,860
Corporate bonds	–	1,175,844	–	1,175,844
Foreign securities	42,297	12,039	–	54,337
Foreign public and corporate bonds	42,297	12,039	–	54,337
Loans	–	–	1,712,179	1,712,179
Policy loans	–	–	108,488	108,488
Commercial loan	–	–	1,603,691	1,603,691
Derivative transactions	–	262	–	262
Interest rate related	–	262	–	262
Total assets	5,044,192	1,820,116	1,716,340	8,580,649
Subordinated bonds	–	120,150	37,021	157,171
Borrowings as part of Other liabilities	–	13,395	53,702	67,097
Total liabilities	–	133,545	90,723	224,269

(Note 1) Descriptions of inputs of valuation methodologies used for air value measurements

Monetary claims purchased

Securities that are deemed appropriate as securities are measured in the same way as in securities and the calculated amount is shown as fair value. Those deemed appropriate as loans receivable are measured in the same way as in loans and the calculated amount is shown as fair value.

Monetary trust

Monetary trust managed primarily with securities is measured in the same way as in securities and the calculated amount is shown as fair value, and fair values are categorized according to composition levels.

In addition to the above, currency options and stock index option contracts are used as part of monetary trusts, and their market values are calculated in the same way as in derivatives transactions.

Securities

Market prices of listed shares in markets are their fair values, and shares with unadjusted market prices in active markets are categorized into Level 1 fair value.

In the cases of debt securities, observable transaction prices are shown as fair value, and those with unadjusted transaction price, etc. in active markets are categorized into Level 1, those with observable transaction price but not in active markets are categorized into Level 2 fair values. If transaction price,

etc. is not available, fair value is calculated by the discounted cash flow methodologies, using future cash flows. When calculating, observable inputs are best utilized, and inputs include yield of government bonds, premiums of credit risks, etc. When calculating, if important inputs that cannot be observed are used, Level 3 is chosen, and otherwise, Level 2 is chosen.
In the case of investment trusts, market price in markets or net asset value published by an industry association or investment management company is shown as fair value, and investment trusts are not categorized into Levels as the Company applies tentative treatment in accordance with Paragraph 26 of the Fair Value Measurement Implementation Guidance.

Loans receivable

(i) Policy loans
Market values are calculated by discounting by risk-free rate, the expected future cash flow derived from the repayment rate based on the past actual repayment performance

(ii) Commercial loans

Market values of commercial loans provided at variable rates can reflect market rates at short intervals, thus are recorded in book values as their market values are proximate to the book values, unless borrowers' credit standings significantly change meanwhile after loans were provided.
Market values of commercial loans provided at fixed rates are calculated by discounting principals and interests by risk-free rates weighted by credit risks involved.
Since estimated bad debts associated with loans to Bankrupt Debtors, loans to Effectively Bankrupt Debtors and loans to Potentially Bankrupt Debtors, are calculated based on the present value of the estimated future cash flows, or estimated amounts recoverable through pledge or guarantee, thus their market values are proximate to consolidated balance sheet amounts less estimated bad debts as at the balance sheet date, which are recorded as market values.
These transactions use unobservable inputs and therefore are categorized into Level 3 market value.

Corporate bonds

Market price in markets or the amount calculated by discounting the Company's credit risk, using the total amount of the principal and interests and the said bond's remaining period is shown as fair value. Bonds with market value in markets are categorized into Level 2 fair value, and bonds without market value in markets, Level 3, because the said discount rate is unobservable.

Loans payable

Fair value is calculated by discounting the total amount of the principal and interests by a discount rate, taking into consideration the said loan's remaining period and credit risk, and loans with the said discount rates are categorized into Level 2 fair value, and other wise, Level 3 fair value.

Derivatives transaction

(i) Forward exchange contracts are based on forward exchange rates and are categorized into Level 2 fair value.

(ii) In the cases of stock index futures, stock forward contracts, stock index options, individual stock options, bond futures, bond options, currency options, currency swaps and interest rate swaps, market price in markets or an amount calculated based on observable market data is shown as fair value, and amounts of those with unadjusted market price in active markets are categorized into Level 1 fair value, and amounts otherwise, Level 2 fair value.

(Note 2) Of those financial instruments recorded at market price on the consolidated balance sheet, information concerning Level 3 fair values

(1) Quantitative information concerning important inputs that cannot be observed.

Categories	Valuation methodology	Important input that cannot be observed	Scope of input	Weighted average of input
Monetary claims purchased	Discounted present value method	Discount rate	1.53%–1.73%	1.62%
Securities (Public and corporate bonds)	Discounted present value method	Discount rate	0.58%–0.58%	0.58%

(2) Reconciliation table from beginning balance to ending balance, valuation profit or loss recognized in the net income for the year under review.

(Millions of yen)

	Monetary claims purchased	Public and corporate bonds	Foreign stocks	Total
Beginning balance	1,877	726	–	2,603
Profit or loss for the consolidated fiscal year or other comprehensive income	(0)	(0)	–	(1)
Recognized in profit or loss (*1)	–	0	–	0
Recorded in other comprehensive income	(0)	(1)	–	(2)
Net of purchase, sale, issuance and settlement	(235)	(337)	–	(573)
Transferred to Level 3 fair value (*2)	–	–	33,409	33,409
Transferred from Level 3 fair value	–	–	–	–
Ending balance	1,640	388	33,409	35,437
Of those amounts recorded in profit or loss for the year under review, valuation profit or loss of financial assets and liabilities held as of the date of the consolidated balance sheet.	–	–	–	–

(*1) Included in "Income from "Interest, dividends and other income" in the consolidated statement of operations.

(*2) It is a transfer of fair value from Level 2 to Level 3 due to changes in observability of inputs used for calculation of fair value based on market liquidity. The said transfer is implemented on the last date of the fiscal period.

(3) Explanation concerning fair value valuation process

The Group has established policy and procedures regarding calculations of fair values, which the Group follows when calculating fair values. An independent valuation division checks the operational status of the valuation methodologies, adequacy of inputs, appropriateness of categorization of fair value levels used for the calculations of fair value to ensure appropriateness of fair value calculation policy and procedures.

When calculating fair values, a valuation model which can most appropriately reflect the nature, features and risks of individual assets is used. When using market prices obtained from a third party, adequacy of prices is examined The Company checks adequacy of prices through appropriate methods, such as checking the valuation methodologies and inputs used and comparing fair values of similar financial instruments.

(4) Explanation concerning effects on fair values when important inputs that cannot be observed are changed.

The important input that cannot be observed used for the calculations of fair values of monetary claims purchased and securities is a discount rate. This discount rate is consisted of government bond interest rate and credit risk premium. In general, a considerable rise (fall) of the discount rate causes a significant fall (rise).

2 Matters concerning the current state of the rental property and their market values

The Group owns office buildings primarily for rent in the main cities across the country and their consolidated balance sheet amount is 270,624 million yen while their market value is 374,605 million yen as at the end of the consolidated fiscal year under review.

The above market value is the aggregate of the value derived from the calculation based on the valuation by third-party real property appraisers for the main properties, and the value derived from the internal calculation for other properties based on their posted prices.

The balance at the end of the consolidated fiscal year under review includes 2 million yen related to asset retirement obligations.

3 Status of liabilities based on the Insurance Business Act

Of the claims, the total amount of claims subject to bankruptcy proceeding and reorganization proceedings and claims thereto, 3 claims with risks, claims overdue for three months or more, and claim with relaxed terms is 2,230 million yen, and breakdown of each is as shown below.

(1) Of the claims, the amount of claims subject to bankruptcy proceeding and reorganization proceedings and claims equivalent thereto is 186 million yen. Of the above, direct write-off for estimated uncollectable is 147 million yen.
Claims subject to bankruptcy proceeding and reorganization proceedings and claims equivalent thereto means the claim 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.

(2) Of the claims, the amount of claims with risks is 781 million yen.
Claims with risks means the 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.

(3) Of the claims, the amount of claims overdue for three months or more is 1,242 million yen.
Claims overdue for three months or more means claims for which payment of principal or interest has been delayed for three months or more from the date following the agreed payment date and which do not fall under claims subject to bankruptcy proceeding and reorganization proceedings and claims thereto and claims with risks.

(4) Of the claims, the amount of claims with relaxed terms is 20 million yen.
Claim with relaxed terms means the loan for which an arrangement favorable for the debtor has been made, such as reduction or exemption of interests, granting of grace period for payment of interest, granting of grace period for payment of principal, waiver of claims, etc., and which do not fall under claims subject to bankruptcy proceeding and reorganization proceedings and claims thereto, claims with risks, claims overdue for three months or more.

(Change in presentation)

Following the enforcement of the "Cabinet Office Ordinance to Amend Part of Banking Law Enforcement Regulations (Cabinet Office Ordinance No. 3. January 24, 2020)," as from March 31, 2022, categories of "risk management" under the Insurance Business Act are presented in line with the categories, etc. of claims subject to mandatory disclosures under the Act on Emergency Measures for the Revitalization of Financial Functions.

4 Cumulative amount of depreciation for tangible fixed assets

The cumulative amount of depreciation for tangible fixed assets stood at 249,019 million yen.

5 The amount of separate account assets and liabilities prescribed under Article 118, Paragraph 1 of the Insurance Business Act

The amount of separate account assets stood at 48,602 million yen, and the amount of separate account liabilities was also 48,602 million yen.

6 Net assets per share

Net assets per share was 2,461.66 yen.

Note: The shares held by the Company remaining in the BIP which are accounted for as treasury stock in shareholders' equity are included in the number of treasury stocks deducted from the total number of shares issued at the end of the fiscal year under review to calculate net assets per share. As a result, the number of treasury stocks at the end of the fiscal year under review deducted in calculating net assets per share is 1,436,300 shares.

7 Increase/decrease in reserve for policyholder dividends and payment of policyholder dividends

Changes in reserve for policyholder dividends were as follows:

Balance at the beginning of the consolidated fiscal year under review	74,748 million yen
Policyholder dividend payment in the consolidated fiscal year under review	26,225 million yen
Increase due to interest, etc.	16 million yen
Increase due to other reasons	32 million yen
Provision for reserve for policyholder dividends	24,284 million yen
Balance at the end of the consolidated fiscal year under review	72,856 million yen

8. Unused credit balances in respect of loan commitments are as follows:

Total loan commitments	42,110 million yen
Loans carried out	18,650 million yen
Balance	23,460 million yen

9. Amount of securities loaned

The consolidated balance sheet amount of securities loaned under the contract of loans for consumption of securities was 1,753,919 million yen.

10. Subordinated bonds

Of the bonds, 157,000 million yen was subordinated bonds, which rank after other debts should the Company fall into receivership or be closed.

11. Subordinated borrowings

Of the debts categorized as other liabilities, 26,500 million yen was subordinated borrowings, which rank after other debts should the Company fall into receivership or be closed.

12. Estimate of future contributions to the Life Insurance Policyholders Protection Corporation of Japan

The amount of future contributions paid for by the Three Life Insurance Companies to the Life Insurance Policyholders Protection Corporation of Japan, in accordance with Article 259 of the Insurance Business Act, is estimated to be 21,367 million yen.

The contribution amount is also recognized as operating expense in the consolidated fiscal year as occurred at the time of payment.

13. The method of land revaluation as stipulated in Article 3, Paragraph 3 of the Act Concerning Revaluation of Land

In pursuant to the Act Concerning Revaluation of Land (Law No. 34 promulgated on March 31, 1998), Taiyo Life Insurance Company revalued its land for business purposes. The amount related to the valuation difference between the previous and the revalued amount is tax effected and recognized as “deferred tax liabilities on land revaluation” within the liabilities section. The valuation difference excluding tax is recognized as “land revaluation” within the net assets section.

The method of land revaluation as stipulated in Article 3, Paragraph 3 of the Act Concerning Revaluation of Land

The amount is rationally calculated by using the land listed value as stipulated in Article 2, Item 1 of the Enforcement Regulations for the Act Concerning Revaluation of Land (Ordinance No. 119 promulgated on March 31, 1998), the standard price of the benchmark land as stipulated in its Item 2, and the appraisal by real estate appraisers as stipulated in its Item 5, among other data.

Date of revaluation March 31, 2002

14. The amount of surplus on organizational change

The amount of surplus on organizational change as stipulated in Article 91 of the Insurance Business Act was 63,158 million yen for Taiyo Life Insurance Company and 10,836 million yen for Daido Life Insurance Company.

15. Stocks of affiliated companies and investments therein

Securities include the stock of affiliated companies worth 1,112 million yen and investments in partnerships worth 155,551 million yen.

16. Retirement benefits

Matters concerning employees’ retirement benefit obligations are as follows:

(1) Summary of the retirement benefits plans adopted within the Group

Domestic consolidated subsidiaries have instituted defined benefit plans namely defined benefit corporate pension plan, retirement pension plan and retirement lump sum plan.

Meanwhile, some of the consolidated subsidiaries have instituted defined contribution plans namely defined contribution pension plans.

Also certain consolidated subsidiaries have instituted retirement benefits trust.

(2) Defined benefit plan

(i) Reconciliation of beginning and ending balances of retirement benefit obligations

Beginning balance of retirement benefit obligations	154,825 million yen
Service cost	6,462 million yen
Interest cost	753 million yen
Actuarial gain/loss	(2,861) million yen
Payment of retirement benefits	(7,489) million yen
Past service costs	(1,940) million yen
Ending balance of retirement benefit obligations	149,749 million yen

Note: Retirement benefit cost for consolidated subsidiaries adopting a simplified method are included in "service cost."

(ii) Reconciliation of beginning and ending balances of pension assets

Beginning balance of pension assets	110,912 million yen
Expected return on assets	1,013 million yen
Actuarial gain/loss	(1,267) million yen
Contribution by the business operator	5,743 million yen
Payment of retirement benefits	(5,946) million yen
Ending balance of pension assets	110,455 million yen

(iii) Reconciliation of ending balance of retirement benefit obligations as well as pension assets, and liabilities for retirement benefits as well as assets for retirement benefits recorded in consolidated balance sheet

Retirement benefit obligations for funded plans	122,356 million yen
Pension assets	(110,455) million yen
[Retirement benefits trust of the above]	(61,784) million yen]
	11,901 million yen
Retirement benefits obligations for unfunded plans	27,392 million yen
Net amounts of liabilities and assets recorded in consolidated balance sheet	39,293 million yen
Net defined benefit liability	42,145 million yen
Net defined benefit asset	(2,851) million yen
Net amounts of liabilities and assets recorded in consolidated balance sheet	39,293 million yen

(iv) Retirement benefit cost and its breakdown

Service cost	6,462 million yen
Interest cost	753 million yen
Expected return on assets	(1,013) million yen
Amount of actuarial gain/loss treated as expenses	(1,594) million yen
Amount of past service cost as expenses	(1,940) million yen
Retirement benefits cost for defined benefit plan	2,667 million yen

Note: Retirement benefit cost for consolidated subsidiaries adopting a simplified method is included in "service cost."

(v) Matters concerning pension assets

a. Breakdown by main items of pension assets

Corporate bonds	66.4%
Life insurance general account	12.7%
Foreign securities	9.8%
Stocks	5.1%
Cash and deposits	4.4%
Joint investment assets	0.7%
Other	0.9%
Total	100.0%

Note: Total pension assets include retirement benefits trust that accounts for 55.9% of the total instituted for corporate pension plans.

b. Method for defining expected long-term rate of return on pension assets

In order to determine expected long-term rate of return on pension assets, the present as well as expected future allocation of pension assets, along with the present as well as expected long-term rate of return on various assets comprising pension assets are considered.

(vi) Matters concerning the basis for actuarial calculation

Discount rate	0.24%–0.80%
Expected long-term rate of return on assets	0.25%–1.90%

(3) Defined contribution plans

Amount of contribution required for defined contribution plans at the Company and its consolidated subsidiaries is 274 million yen.

17. Notes to deferred tax accounting

(1) Breakdown of deferred tax assets and deferred tax liabilities by major reason

Deferred tax assets

Reserve for price fluctuation	72,706 million yen
Policy reserves	61,197 million yen
Net defined benefit liability	28,079 million yen
Devaluation losses on securities	17,576 million yen
Losses on sale, disposal and devaluation of fixed assets	5,778 million yen
Net unrealized gains (losses) on securities	3,924 million yen
Reserve for bonuses	2,457 million yen
Reserve for possible loan losses	956 million yen
Tax loss carried forward	6,013 million yen
Others	15,200 million yen
Subtotal	213,889 million yen
Valuation allowance	(18,393) million yen
Total deferred tax assets	195,496 million yen

Deferred tax liabilities

Net unrealized gains (losses) on securities	(195,308) million yen
Securities dividend receivables	(2,778) million yen
Reserve for reduction entry of real estate	(696) million yen
Others	(15,746) million yen
Total deferred tax liabilities	(214,529) million yen
Net deferred tax assets (liabilities)	(19,033) million yen

(Notes) Amounts of tax loss carried forward and its deferred tax asset by deferral limits

	Within 1 year	More than 1 year but within 2 years	More than 2 years but within 3 years	More than 3 years but within 4 years	More than 4 years but within 5 years	More than 5 years	Total
Tax loss carried forward (*1)	5	6	280	–	–	5,720	6,013
Valuation allowance	–	–	(276)	–	–	(1,006)	(1,282)
Deferred tax assets	5	6	3	–	–	4,714	(*2) 4,730

(*1) Amounts of tax loss carried forward are calculated by multiplying a normal effective statutory tax rate.

(*2) With respect to the tax loss carried forward of 6,013 million yen (amount calculated by multiplying by a normal effective statutory tax rate,) deferred tax assets of 4,730 million yen is recorded. The tax loss carried forward corresponding to the said deferred tax assets is judged as collectible based on expected future taxable income and no valuation allowance is recognized.

(2) Breakdown of major items that caused major differences between the normal effective statutory tax rate and the contribution ratio of corporate and other taxes after the application of the deferred tax accounting, when such discrepancies exist

Normal effective statutory tax rate	28.0%
(Adjustment)	
Valuation allowance	(3.4)%
Items that will never be categorized as loss, such as entertainment expenses	1.5%
Equity in earnings of affiliates	8.0%
Resident tax per capita rate	2.3%
Retained earnings of subsidiaries and affiliates	(0.4)%
Others	1.1%
Contribution percentage of corporate and other taxes after the application of deferred tax accounting	37.1%

18. The amount of assets pledged as collaterals and the amount of secured liabilities

The assets that are pledged as collaterals and the secured liabilities are as follows:

Assets pledged as collaterals:	
Securities (government bonds)	1,400,183 million yen
Securities (foreign securities)	613,214 million yen
Cash collateral paid for financial instruments	51,95 2million yen
Total	2,065,350 million yen

Of these collaterals, securities are pledged mainly as collaterals for exclusive accounts for Real Time Gross Settlement (RTGS) of government bonds, securities lending transactions secured by securities and the substitutes for future trades margin.

Secured liabilities:

Payables under securities lending transactions 1,001,890 million yen

19. Market value of financial assets held as collateral for which the Company has free disposal rights

Not applicable.

20. Matters concerning stock options

(1) Amount and account of expenses related to stock options

Not applicable.

(2) Details, size and status of stock options

(i) Details of stock options

	The Company new share 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: Presented in terms of the number of shares.

	The Company new share 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: Presented in terms of the number of shares.

	The Company new share 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: Presented in terms of the number of shares.

	The Company new share 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: Presented in terms of the number of shares.

	The Company new share 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: Presented in terms of the number of shares.

	The Company new share 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: Presented in terms of the number of shares.

(ii) Size and status of stock options

For stock options existed during the consolidated fiscal year under review, the number of stock options is presented in terms of the number of shares.

a. Number of stock options

	The Company new share subscription rights (1st series)	The Company new share subscription rights (2nd series)	The Company new share subscription rights (3rd series)
Before vesting			
At the end of previous fiscal year	—	—	—
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	—
Outstanding	—	—	—
After vesting			
At the end of previous fiscal year	87,800 shares	56,500 shares	70,400 shares
Vested	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Exercisable	87,800 shares	56,500 shares	70,400 shares

	The Company new share subscription rights (4th series)	The Company new share subscription rights (5th series)	The Company new share 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	69,700 shares	180,200 shares	134,000 shares
Vested	—	—	—
Exercised	1,600 shares	12,600 shares	10,400 shares
Forfeited	—	—	—
Exercisable	68,100 shares	167,600 shares	123,600 shares

b. Unit price information

	The Company new share subscription rights (1st series)	The Company new share subscription rights (2nd series)	The Company new share subscription rights (3rd series)
Exercise price	1 yen	1 yen	1 yen
Average exercise price	—	—	—
Fair value at grant date	685 yen	1,143 yen	1,153 yen

	The Company new share subscription rights (4th series)	The Company new share subscription rights (5th series)	The Company new share subscription rights (6th series)
Exercise price	1 yen	1 yen	1 yen
Average exercise price	1,427 yen	1,423 yen	1,424 yen
Fair value at grant date	1,708 yen	918 yen	1,485 yen

(3) Method to estimate 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.

Notes to the Consolidated Statement of Operations

1. Net gain per share

Net gain per share in the consolidated fiscal year under review was 24.39 yen.

Note: The shares held by the Company remaining in the BIP which are accounted for as treasury stock in shareholders' equity are included in the number of treasury stock deducted in calculating the average number of shares during the period.

As a result, the average number of treasury stock during the period deducted in calculating net income per share is 1,173,823 shares.

2. Matters concerning impairment loss

Matters concerning impairment loss of the fixed assets in the consolidated fiscal year under review are as follows.

(1) Method of asset grouping

All of the real estate used by the Three Life Insurance Companies for the purpose of insurance sales and related operations is classified as one asset group, while each property in the category of the real estate that are used for other purposes or underutilized is classified into individual asset group on its own.

Each party namely the Company and consolidated subsidiaries other than the Three Life Insurance Companies, has its own asset group each containing the real estate used by respective party for business purpose.

(2) Reason for the recognition of impairment loss

A part of underutilized real estate for rent and other assets saw declines in profitability due partly to a significant fall in market prices and stagnant rents, and as a result their book values were reduced to recoverable amounts where such reduced amounts are recorded as impairment loss under extraordinary losses.

(3) Asset groups that recognized impairment loss and the amount of such impairment loss by type of fixed assets

(Millions of yen)

Use	Location	Type		Total
		Land	Building etc.	
Underutilized real estate, etc.	1 property in Otsu-shi, Shiga prefecture	14	17	31

(4) Method of calculating recoverable amount

The recoverable amount is based on net sales value.

The net sales value for real estate for rent is, in principle, calculated based on appraisal value based on the real estate appraisal standard less estimated cost of disposal.

Notes to the Consolidated Statement of Changes in Net Assets

1. Matters concerning class and number of issued shares, and class and number of treasury stock

	Number of shares at the beginning of the consolidated fiscal year under review (shares)	Increase in the consolidated fiscal year under review (shares)	Decrease in the consolidated fiscal year under review (shares)	Number of shares at the end of the consolidated fiscal year under review (shares)
Total number of shares issued: Common shares	633,000,000	–	44,000,000	589,000,000
Treasury stock: Common shares	42,638,106	29,321,031	44,064,340	27,894,797

Notes: 1. The decrease in the number of outstanding common shares are due to the reason as follows.
Cancelation of treasury stock in accordance with the resolution at the Board of Directors' Meeting on August 10, 2021: 44,000,000 shares
2. The increase in the number of treasury stock of common shares are due to the reasons as follows.
Acquisition of treasury stock in accordance with the resolution at the Board of Directors' Meeting on May 14, 2021: 6,730,400 shares
Acquisition of treasury stock in accordance with the resolution at the Board of Directors' Meeting on November 12, 2021: 21,839,300 shares
Acquisition of treasury stock due to the BIP trust: 732,600 shares
Purchase of fractional shares: 18,731 shares
3. The decrease in the number of treasury stock of common shares are due to the reasons as follows.
Cancellation of treasury stock in accordance with the resolution at the Board of Directors' Meeting on August 10, 2021: 44,000,000 shares
The exercise of stock option: 24,600 shares
Delivery due to the BIP trust: 21,600 shares
Sale due to the BIP trust: 17,600 shares
The Company's sales of fractional shares upon shareholders' request: 540 shares
4. The number of treasury stocks of common shares at the end of the consolidated fiscal year under review includes 1,436,300 shares (742,900 shares at the beginning of the consolidated fiscal year under review) of the Company held by the BIP.

2. Matters concerning dividends

(1) Dividend payment

	Class of shares	Total dividends	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2021	Common stock	14,186 million yen	24.0 yen	March 31, 2021	June 28, 2021
Board of Directors' Meeting on November 12, 2021	Common stock	16,362 million yen	28.0 yen	September 30, 2021	December 6, 2021

Notes: 1. The total dividends resolved at the Ordinary General Meeting of Shareholders held on June 25, 2021 include 17 million yen of dividends on treasury stock held by the BIP.
2. The total dividends resolved at the Board of Directors' Meeting held on November 12, 2021 include 40 million yen of dividends on treasury stock held by the BIP.

(2) Of the dividends whose record date is within the consolidated fiscal year under review, those whose effective date is within the following consolidated fiscal year

	Class of shares	Total dividends	Source of dividends	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders on June 28, 2022	Common stock	15,751 million yen	Retained earnings	28.0 yen	March 31, 2022	June 29, 2022

Notes: 1. This proposal is scheduled to be voted on June 28, 2022, at the Ordinary General Meeting of Shareholders for approval.
2. Total dividends include 40 million yen of dividends on treasury stock held by the BIP.

3. Matters concerning new share subscription rights

Category	Breakdown of new share subscription rights	Balance at the end of the consolidated fiscal year under review (Millions of yen)
The Company	New share subscription rights as stock options	659

Significant subsequent events

(Profit and loss of affiliates over which the equity method is applied, when those affiliates have different settlement dates)

Of the amount of equity in earnings of affiliates for the consolidated fiscal year under review, the profit of New Fortitude was derived from the same company's financial statements for its consolidated fiscal period from January 1, 2021 to December 31, 2021.

For the first consolidated quarter period ending June 30, 2022, the Company will report the loss of New Fortitude for its first quarter period from January 1, 2022 to March 31, 2022 in the amount of approximately (91,000) million yen as equity in earnings (losses) of affiliates.

(Additional investments in New Fortitude)

T&D United Capital Co., Ltd. resolved to commit to an additional investment in New Fortitude for up to 525 million dollars (about 64.3 billion yen, 1 US$=122.39 yen) at the board of directors meeting on March 31, 2022, and concluded a contract concerning the additional investment on the same day.

New Fortitude plans to procure a total of 2.1 billion dollars (about 257.0 billion yen) to be appropriated for growth capital, working capital, etc. from the Group and Carlyle FRL, L.P., an investment fund operated by The Carlyle Group Inc.

The effect of these transactions on consolidated earnings is undetermined.

The amounts listed in this financial statement are rounded down to the nearest displayed unit.

Non-consolidated Balance Sheet for Fiscal Year 2021

(as of March 31, 2022)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	68,744	Current liabilities	34,745
Cash and deposits	4,693	Lease obligations	4
Prepaid expenses	42	Accounts payable	33,305
Accounts receivable	58,229	Accrued expenses	355
Other current assets	5,779	Income tax payable	148
Fixed assets	888,378	Consumption tax payable	22
Tangible fixed assets	195	Deposits received	802
Buildings	174	Reserve for bonus to directors and audit & supervisory board members	74
Machinery and equipment	9	Other	31
Lease assets	11		
		Fixed liabilities	135,159
Investments and other assets	888,183	Subordinated bonds	120,000
Investments in subsidiaries	758,177	Long-term borrowings	13,500
Long-term loans receivable from subsidiaries	129,400	Lease obligations	8
Deferred tax assets	274	Long-term accounts payable-other	220
Deposit for rent	331	Provision for share-based remuneration	1,221
		Deposits received	209
		Total liabilities	169,905
		(Net assets)	
		Stockholders' equity	786,558
		Common stock	207,111
		Capital surplus	408,730
		Additional paid-in capital	89,420
		Other capital surplus	319,310
		Retained earnings	213,728
		Other retained earnings	213,728
		Retained earnings brought forward	213,728
		Treasury stock	(43,013)
		New share subscription rights	659
		Total net assets	787,217
Total assets	957,122	Total liabilities and net assets	957,122

Non-consolidated Statement of Operations for Fiscal Year 2021

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

Account	Amount
Operating income	132,007
Dividends on investments in affiliate companies	126,736
Fees and commissions received from affiliate companies	3,866
Interest on loans receivable from affiliate companies	1,405
Operating expenses	3,882
General and administrative expenses	3,882
Operating profit	128,125
Non-operating income	340
Interest income	0
Gains on expired dividends payable	318
Other income	21
Non-operating expenses	1,533
Interest expenses	1,279
Commissions	253
Other expenses	0
Ordinary profit	126,932
Extraordinary losses	0
Loss on retirement of fixed assets	0
Income before income taxes	126,932
Income taxes-current	101
Income taxes-deferred	(11)
Total income taxes	89
Net income	126,842

Non-consolidated Statement of Changes in Net Assets for Fiscal Year 2021

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Stockholders' equity					
		Capital surplus			Retained earnings	
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of April 1, 2021	207,111	89,420	380,571	469,991	117,435	117,435
Changes in the period						
Dividends from surplus					(30,549)	(30,549)
Net income					126,842	126,842
Acquisition of treasury stock						
Disposal of treasury stock			(4)	(4)		
Cancellation of treasury stock			(61,256)	(61,256)		
Net changes of items other than stockholders' equity						
Total changes in the period			(61,260)	(61,260)	96,293	96,293
Balance as of March 31, 2022	207,111	89,420	319,310	408,730	213,728	213,728

(Millions of yen)

	Stockholders' equity		New share subscription rights	Total net assets
	Treasury stock	Total stockholders' equity		
Balance as of April 1, 2021	(58,882)	735,656	689	736,345
Changes in the period				
Dividends from surplus		(30,549)		(30,549)
Net income		126,842		126,842
Acquisition of treasury stock	(45,482)	(45,482)		(45,482)
Disposal of treasury stock	95	91		91
Cancellation of treasury stock	61,256	–		–
Net changes of items other than stockholders' equity			(29)	(29)
Total changes in the period	15,869	50,901	(29)	50,872
Balance as of March 31, 2022	(43,013)	786,558	659	787,217

Individual notes to non-consolidated financial statements

Notes to matters concerning important accounting policies

1. Appraisal standard and appraisal method for securities
   Appraisal of subsidiary stocks is stated at cost determined by the moving average method.
   In addition, securities with market value are valued by using the market value on the end of the fiscal year under review (valuation differences are reported as a component of shareholders' equity while cost of sales/disposal is valued by the moving average method).

2. Depreciation method for fixed assets
   (1) Tangible fixed assets (excluding lease assets)
   The Japanese declining balance method is adopted for tangible fixed assets (provided, however, that the straight-line method is adopted for buildings (excluding attached facilities) and for attached facilities acquired on or after April 1, 2016).
   The service life ranges of major types of assets are as follows:
   Buildings and attached facilities: 8 to 38 years
   Equipment and furniture: 3 to 15 years
   (2) Lease assets
   With regard to the lease assets concerning finance lease transactions that do not involve transfer of ownership, the lease periods are considered their service life, and the straight-line method is used.

3. Posting standard for reserves
   (1) Reserve for bonus to directors and audit & supervisory board members
   To provide for the payment of directors' and audit & supervisory board members' bonuses, the Company has posted an allowance for an estimated amount of bonus payment during the fiscal year under review.
   (2) Provision for share-based remuneration
   To provide for the grant of the Company's shares to directors and audit & supervisory board members, the estimated provision of share-based remuneration obligations is recorded based on the internal rules of the Company and the Three Life Insurance Companies.

4. Matters relating to revenue recognition
   Breakdown of ordinary revenue in lieu of net sales is omitted because most of it consists of dividends received from affiliated companies outside the scope of application of the same accounting standard and revenue from contracts with customers is immaterial based on Paragraph 3 of the ASBJ Statement No. 29 (March 31, 2020. Hereinafter, "Revenue Recognition Standard") Accounting Standard for Revenue Recognition.

5. Other important fundamental matters for preparation of financial statements
(1) Adoption of the consolidated tax payment system
   The consolidated tax payment system is adopted with the Company serving as the consolidated tax-paying parent company.
(2)Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group
   The Company will transition to the group tax sharing system from the consolidated taxation system starting in the subsequent fiscal year. However, with regards to the transition to the group tax sharing system, which was instituted by the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8 of 2020), and the items for which the non-consolidated taxation system has been reviewed in line with the transition to the group tax sharing system, in accordance with Paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020), the Company has applied the provisions of the pre-amendment tax law to deferred tax assets and liabilities, instead of the provisions of Item 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018).
   The Company will apply the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021), which determines the accounting and disclosure relating to national and local income taxes, and tax effect accounting

under the group tax sharing system, from the beginning on the subsequent fiscal year

6. Changes of accounting policy

(Accounting standard concerning revenue recognition, etc.)

The Company has applied the Revenue Recognition Accounting Standard, etc. from the beginning of the consolidated first quarter under review. At the time when the control of the promised goods or service is transferred to the customer, revenues is recognized at the amount expected to be received in exchange for the goods or service. The change has no impact on the consolidated financial statements.

7. Changes in presentation

"Payment fees" included in "Others" of "Non-operating expenses" in the last fiscal year has increased its financial importance and is independently described starting in the fiscal year under review.

8. Additional information

(Transactions to deliver the Company's shares to employees, etc. through trust)

Notes on the BIP is omitted as the same information is stated in "Additional information" under "Individual notes to consolidated financial statements."

(Accounting Standards for Fair Value Measurements, etc.)

The Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the "Fair Value Measurement Accounting Standard"), etc. from the beginning of the first quarter under review. Accordingly, the Company will apply new accounting policies prescribed in the Fair Value Measurement Accounting Standard in the future in accordance with the provisional treatment stipulated in Paragraph 19 of the same Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This application of the accounting standard has no impact on its financial statements because the Company holds no financial instruments recorded at fair value on its balance sheet.

Notes to the Non-consolidated Balance Sheet

1. Monetary claims and liabilities toward affiliated companies

Short-term monetary claims	20,086 million yen
Short-term monetary liabilities	32,547 million yen
Long-term monetary claims	129,490 million yen
Long-term monetary liabilities	209 million yen

2. Accumulated depreciation of tangible fixed assets 215 million yen

Notes to the Non-consolidated Statement of Operations

Volume of transactions with affiliated companies

Volume of transactions by operating transaction	
Operating income	132,007 million yen
Operating expenses	303 million yen
Volume of transactions other than operating transaction	
Non-operating expenses	25 million yen

Notes to the Non-consolidated Statement of Changes in Net Assets

Class and number of treasury stock shares at the end of the fiscal year under review

Common stock	27,894,797 shares

Note: The number of treasury stocks of common shares at the end of the fiscal year under review includes 1,436,300 shares of the Company held by the BIP.

Notes to deferred tax accounting

1. Breakdown of deferred tax assets by major reason

(Deferred tax assets)	
Losses on valuation of investment in subsidiaries	652 million yen
Long-term accounts payable-other	67 million yen
Share-based compensation expenses	81 million yen
Reserve for bonuses	48 million yen
Others	94 million yen
Subtotal of deferred tax assets	945 million yen
Valuation reserve	(671) million yen
Total of deferred tax assets	274 million yen

2. Breakdown of major items that caused major differences between the normal effective statutory tax rate and the contribution ratio of corporate and other taxes after the application of the deferred tax accounting, when such discrepancies exist

The effective tax rate stipulated by the law	30.6 %
(Adjustment)	
Non-calculation of proceeds such as received dividend	(30.6) %
Valuation reserve	0.0 %
Others	0.0 %
The contribution ratio of corporate and other taxes after the application of the deferred tax accounting	0.1 %

Notes to transactions with related parties

Subsidiaries and affiliated companies

Type	Name of company, etc.	Ratio of ownership of voting rights, etc.	Relationship with related parties	Description of transactions	Amounts of transactions (Millions of Yen)	Account title	Balance at end of the fiscal year (Millions of Yen)
Subsidiary	Taiyo Life Insurance Company	Direct ownership 100%	Major subsidiary engaged in the insurance business	-	-	Long-term loans receivable from subsidiaries (Note*)	50,000
				Receipt of interest (Note*)	599	Other	9
Subsidiary	Daido Life Insurance Company	Direct ownership 100%	Major subsidiary engaged in the insurance business	Repayment of loans payable (Note**)	43,500	- Short-term loans payable to subsidiaries (Note**)	–
				Payment of interests (Note**)	25	Accrued expenses	–
Subsidiary	T&D United Capital Co., Ltd.	Direct ownership 100%	Major subsidiary engaged in the investment business	Collection of loans receivable (Note ***)	13,500	Short-term loans receivable from subsidiaries (Note***)	–
				Lending of funds (Note ***)	13,500	Long-term loans receivable from subsidiaries (Note***)	79,400
				Receipt of interests (Note***)	805	Other	150

Terms and conditions for the transactions and the decision policy thereof

Note:

* The interest rate on long-term loans receivable from subsidiaries, which is an unsecured loan with lump-sum repayment at maturity, is reasonably determined by taking into account market interest rate, etc. Additionally, the entire loan is a subordinated loan.

** The interest rate on short-term loans payable to subsidiaries, which is an unsecured loan with lump-sum repayment at maturity, is reasonably determined by taking into account market interest rate, etc.

*** The interest rate on short-term and long-term loans receivable from subsidiaries, which is an unsecured loan with lump-sum repayment at maturity, is reasonably determined by taking into account market interest rate, etc. Additionally, 79.4 billion yen of the balance of long-term loans receivable from subsidiaries as of the fiscal year end is a subordinated loan.

Notes on information per share

Net assets per share 1,401.80yen

Net income per share 218.13 yen

Note: The shares held by the Company remaining in the BIP which are accounted for as treasury stock in shareholders' equity are included in the number of treasury stocks deducted from the total number of shares issued at the end of the fiscal year under review to calculate net assets per share, and also included in the number of treasury stock deducted from the average number of shares during the period to calculate net income per share.

As a result, the number of treasury stocks at the end of the fiscal year under review deducted in calculating net assets per share is 1,436,300 shares, and the average number of

treasury shares during the period deducted in calculating net income per share is 1,173,823 shares.

Notes concerning important subsequent event

(Borrowing of a large amount of funds)

The Company resolved to borrow a fund at the meeting of the board of directors held on March 31, 2022, and implemented it as follows.

(1)	Use of funds	Long-term working capital
(2)	Loaner	Daido Life Insurance Company and Taiyo Life Insurance Company
(3)	Borrowed amount	64,000 million yen (32,000 million yen respectively)
(4)	Borrowing interest rate	It was reasonably determined by taking into account market interest rate, etc.
(5)	Date of borrowing	April 8, 2022
(6)	Repayment date	June 29, 2027
(7)	Attachment of security interest	None

The amounts listed in this financial statement are rounded down to the nearest displayed unit.

Audit Report of the Independent Auditor

May 17, 2022

To the Board of Directors
T&D Holdings, Inc.

Kenji Usukura
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Norio Hashiba
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Yohei Kondo
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Tokyo, Japan
Ernst & Young ShinNihon LLC

Opinion
Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of T&D Holdings, Inc. (the "Company") for the fiscal year from April 1, 2021 through March 31, 2022.
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion
We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information
Other information consists of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of the other information. Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.
The scope of our opinion on the consolidated financial statements does not include the other information, and we do not provide our opinion on the other information.
Our responsibility for the audit of the consolidated financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained during audit, and give attention to whether there are any other indications of material errors in the other information aside from such material inconsistency.
If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.
We have no matters to report with respect to the other information.

Responsibilities of Management, the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.
The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements
Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.
We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.
The auditor reports to the Audit & Supervisory Committee regarding the observance of

provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest
Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Accounting Auditor (Copy)

Audit Report of the Independent Auditor

May 17, 2022

To the Board of Directors
T&D Holdings, Inc.

Kenji Usukura
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Norio Hashiba
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Yohei Kondo
Designated Limited Liability Partner, Engagement Partner, and Partner
Certified Public Accountant [Seal]
Tokyo, Japan
Ernst & Young ShinNihon LLC

Opinion
Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of T&D Holdings, Inc. (the "Company") for the 18th fiscal year from April 1, 2021 through March 31, 2022.
In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion
We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, the Audit & Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules
Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.
The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Other Information
Other information consists of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of the other information. Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the

maintenance and operation of the reporting process for the other information.
The scope of our opinion on the financial statements does not include the other information, and we do not provide our opinion on the other information.
Our responsibility for the audit of the financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the financial statements or our knowledge obtained during audit, and give attention to whether there are any other indications of material errors in the other information aside from such material inconsistency.
If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.
We have no matters to report with respect to the other information.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.
We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- The auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report if it is not appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern, and if there is a significant uncertainty in regard to events that may cast significant doubt on the entity's ability to continue as a going concern based on the audit evidence obtained. Or the auditor is required to issue a modified opinion on the financial statements and the accompanying supplementary schedules if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.
The auditor reports to the Audit & Supervisory Committee regarding the observance of

provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest
Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Report of Audit

We performed our audit of the execution of duties by the Directors of T&D Holdings, Inc. (the "Company") during the 18th fiscal year from April 1, 2021 to March 31, 2022, and herein submit our report concerning the method and result of our audit.

1. The Method and Content of the Audit
   Regarding the system (internal control system) established based on the content and conclusion of the Board of Directors' meeting concerning the matters stipulated in Article 399-13, Paragraph 1, Item (i), (a) and (b) of the Japanese Companies Act, we periodically received reports from the Directors, employees and others about the establishment and the status of operation, requested explanations as necessary, expressed our opinion and performed our audit by the method stated below.
   In addition, cooperating with the Accounting Auditor and the Internal Audit Department, we made efforts to improve the audit by periodically holding trilateral meetings, reporting the audit status and exchanging information to enhance the effectiveness of the audit. Further, regarding the internal control of financial reporting based on the Financial Instruments and Exchange Act, we received reports from Directors, etc. and Ernst & Young ShinNihon LLC, and requested explanations as necessary, about the conditions concerning evaluation and audit of such internal control.

(1) We conformed to the Audit & Supervisory Committee's auditing standards, etc. stipulated by the Audit & Supervisory Committee and followed the audit policy for the fiscal year, the audit plan and division of duties. We attended the meetings of the Board of Directors and other important meetings by also using the internet and other means with cooperation of the Internal Control Department, received business reports from the Directors and other employees concerning the execution of their duties, and requested explanations as necessary. We read important documents concerning decision-making, and investigated the conditions of the business and financial standing at the Company. With regard to subsidiaries, we attempted to communicate and exchange information with the subsidiaries' directors, audit & supervisory board members, and others, and received reports from subsidiaries on their business as necessary.

(2) We monitored and verified whether the Accounting Auditors maintained independent positions and executed appropriate audits. In addition, we received from the Accounting Auditor a report concerning the execution of their duties and requested explanations as necessity arose. In addition, we received a notice from the Accounting Auditor that the "system to ensure that business duties are appropriately executed" (matters listed in each Item of Article 131 of the Ordinance on the Accounting of Companies) has been developed in accordance with the "standard for quality control of audit" (October 28, 2005, Business Accounting Council) and other documents, and requested explanations as necessary from the Accounting Auditor. Furthermore, we discussed major audit issues with Ernst & Young ShinNihon LLC, received the audit status report, and requested explanations as necessary.

Based on the method described above, we reviewed the Business Report and its Supporting Schedules, Consolidated Financial Statements for the fiscal year (the Consolidated Balance Sheet, the Consolidated Statement of Operations, the Consolidated Statement of Changes in Net Assets, and the Individual Notes to Consolidated Financial Statements) and their Supporting Schedules, as well as Financial Statements (the Balance Sheet, the Statement of Operations, the Statement of Changes in Net Assets, and the Individual Notes to Financial Statements).

2. The Result of Audit
(1) Result of Audit of Business Report and Other Documents

1) In our opinion, the Business Report and its Supporting Schedules fairly represent the condition of the Company in compliance with applicable laws and regulations as well as the Articles of Incorporation of the Company.
2) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws and regulations or the Company's Articles of Incorporation by any of the Directors in carrying out the duties and responsibilities of their offices, including those regarding subsidiaries.
3) We have determined that the resolution of the Board of Directors regarding the internal control system is appropriate. In addition, we have determined that there are no matters that should be highlighted as a concern regarding the contents of the Business Report and the Directors' execution of duties in relation to such internal control system, including the internal controls of financial reporting based on the Financial Instruments and Exchange Act. Further, the arrangements for the COVID-19 pandemic have been also appropriately made by the Directors and we have determined that there are no matters that should be highlighted as a concern.

(2) Result of Audit of Consolidated Financial Statements and Supporting Schedules
In our opinion, the method and result of audit received from the Accounting Auditor, Ernst & Young ShinNihon LLC., are appropriate.

(3) Result of Audit of Financial Statements
In our opinion, the method and result of audit received from the Accounting Auditor, Ernst & Young ShinNihon LLC., are appropriate.

May 18, 2022

Seiji Higaki, Head of Audit & Supervisory Committee Member
Junichi Yanai, Full-Time Audit & Supervisory Committee Member
Yasuo Teraoka, Full-Time Audit & Supervisory Committee Member
Haruka Matsuyama, Audit & Supervisory Committee Member
Shinnosuke Yamada, Audit & Supervisory Committee Member

The Audit & Supervisory Committee
T&D Holdings, Inc.

(Note) Audit & Supervisory Committee Members Seiji Higaki, Haruka Matsuyama and Shinnosuke Yamada are Outside Directors stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Japanese Companies Act. Regarding Audit & Supervisory Committee Member Haruka Matsuyama, her registered name is Haruka Kato and Haruka Matsuyama is the name for the business purposes.