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 4, 2025
(Date of commencement of electronic provision measures: May 20, 2025)

To Our Shareholders

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

Notice of Convocation of the 21st Ordinary General Meeting of Shareholders

We are pleased to inform you that the 21st Ordinary General Meeting of Shareholders of the Company will be held as described below.

In convening this General Meeting of Shareholders, the Company has electronically provided information contained in the reference materials for the general meeting of shareholders, etc. (the "matters subject to electronic provision") and has posted the matters subject to electronic provision on the websites below on the Internet.

[The Company's website]

https://www.td-holdings.co.jp/en/ir/stock/meeting/

[TSE website]

https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please access the Listed Company Search on the TES website above, enter "T&D Holdings" into "Issue name (company name)" or "8795" into "Code," and select "Basic information" and "Documents for public inspection/PR information" in that order to find the information.

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 by 5:00 p.m. on Wednesday, June 25, 2025 (JST).

1. Date & Time: 10:00 a.m. Thursday, June 26, 2025 (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 2024 (from April 1, 2024 to March 31, 2025), 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 2024 (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

<Company proposals>

Proposal No. 1: Appropriation of Surplus

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

<Shareholder proposal>

Proposal No. 3: Proposal for the Election of Two (2) Directors (Excluding Those Who Are Audit and Supervisory Committee Members)

Proposal No. 3 is a proposal submitted by a shareholder, and **the Board of Directors does not support the shareholder proposal**.

4. Matters determined upon convocation:

- If there is no indication of approval or disapproval for the proposals on the Voting Rights Exercise Form, it will be treated as an indication of approval for the company proposals (Proposal No. 1 and Proposal No. 2) and disapproval for the shareholder proposal (Proposal No. 3).
- Article 17 of the Company's Articles of Incorporation stipulates that the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company shall be no more than nine. However, the company proposal (Proposal No. 2) proposes the election of nine Directors, and the shareholder proposal (Proposal No. 3) proposes the election of two Directors. If all Director candidates in both proposals (a total of eleven persons) are elected, the number of Directors will exceed the maximum number stipulated in the Articles of Incorporation.
  Therefore, in principle, the candidates for Directors who received a majority of in-favor votes, including those obtained through the exercise of voting rights in advance, shall be elected. However, if the number of candidates who received a majority of in-favor votes exceeds nine as a result of voting, a maximum of nine Director candidates shall be elected in order of the candidates who received the most votes. Nevertheless, the maximum number of Director candidates who can receive in-favor votes in proposals No. 2 and No. 3 will not be limited to nine.

Notice

- Of the matters subject to electronic provision, the following matters are not included in the documents delivered to the shareholders who have requested the Notice of Convocation in writing, in accordance with laws and regulations and the Company's Articles of Incorporation. However, the Audit & Supervisory Committee and the Accounting Auditor have audited documents including the following which are subject to audit.

  In the Business Report, "Transition of assets and profits (losses) of the corporate group and the insurance holding company," "Principal offices of the corporate group," "Employees of the corporate group," "The Group's main source of debt," "Other significant matters regarding the current state of the corporate group," "Liability limitation agreement," "Directors and Officers Liability Insurance contract," "Matters concerning outside officers," "Matters regarding shares," "Matters regarding new share subscription rights etc.," "Matters regarding the Accounting Auditor,"

"Basic policy as respects the manner of presence of the party having control over the financial and business policy of the Company," "Structures to ensure adequacy of business operations," "Matters concerning specified wholly owned subsidiaries," "Matters concerning transactions with the parent company, etc.," "Matters concerning Accounting Advisors," and "Other matters."

"Consolidated Balance Sheet," "Consolidated Statement of Operations," "Consolidated Statement of Changes in Net Assets" and "Individual notes to consolidated financial statements" of the Consolidated Financial Statements and "Non-consolidated Balance Sheet," "Non-consolidated Statement of Operations," "Non-consolidated Statement of Changes in Net Assets," and "Individual notes to non-consolidated financial statements" of the Non-consolidated Financial Statements.

"Audit Report of the Accounting Auditor Concerning Consolidated Financial Statements," "Audit Report of the Accounting Auditor," and "Report of the Audit & Supervisory Committee Members' Audit" of the Audit Reports

- In the event of any amendments to the matters subject to electronic provision, a notice of such amendments, as well as the matters before and after the amendments will be posted on the Company's website and the TSE website on the Internet.
- The results of this General Meeting of Shareholders will be posted on the Company's website. Please note that we will not be sending out a written notice of the resolutions.
- Shareholders who require assistance or interpretation (including sign language interpreters) may be accompanied by an assistant or interpreter. However, please understand that companions may not participate in discussions or voting unless they are shareholders with voting rights.
- No souvenirs will be provided on the day of the meeting. We appreciate your understanding.

Announcement on Exercise of Voting Rights

Shareholders may exercise voting rights at the General Meeting of Shareholders by either of the following methods.

When attending the General Meeting of Shareholders

When you attend the Meeting in person, please bring the enclosed Voting Rights Exercise Form and submit it at the receptionist.

If you attend the meeting by proxy, you may only appoint one other shareholder with voting rights at the meeting as your proxy by submitting a document evidencing your proxy's power of representation.

(If you attend the meeting in person, you do not need to follow either the procedures for exercising voting rights via the Internet or in writing.)

Date & Time of the General Meeting of Shareholders 10:00 a.m. Thursday, June 26, 2025 (JST)

In the case of exercise of voting rights in writing

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. Wednesday, June 25, 2025 (JST)

Please refer to page 5 for instructions on how to complete the Voting Rights Exercise Form.

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. Wednesday, June 25, 2025 (JST)

Please refer to page 6 for instructions on how to exercise your voting rights via the Internet.

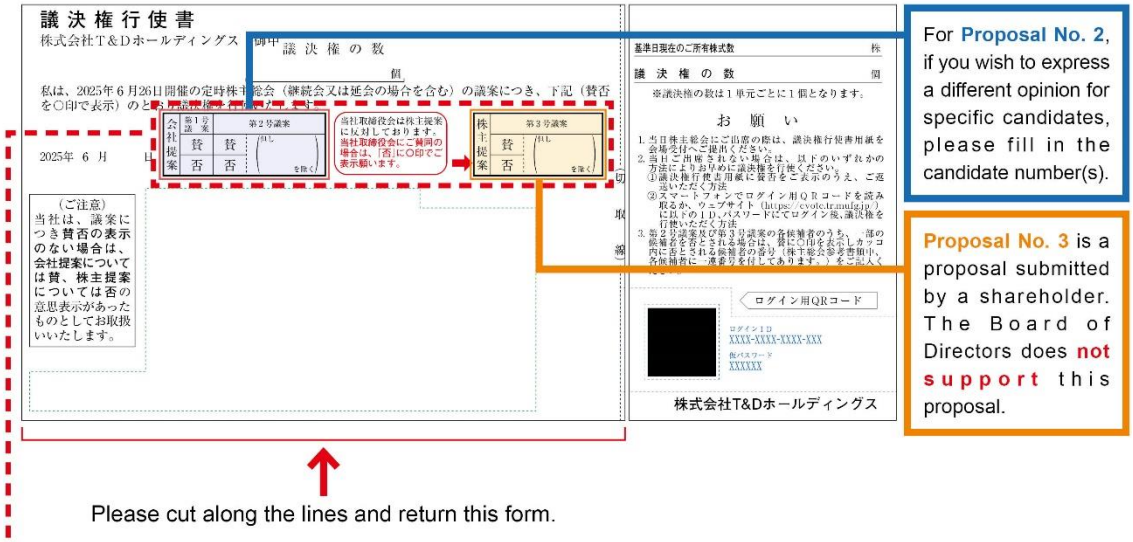
Platform for Electronic Exercise of Voting Rights

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 by mail

If there is no indication of approval or disapproval for the proposals, it will be treated as an indication of approval for the company proposals and disapproval for the shareholder proposal.

Sample of Voting Rights Exercise Form



For **Proposal No. 2**, if you wish to express a different opinion for specific candidates, please fill in the candidate number(s).

Proposal No. 3 is a proposal submitted by a shareholder. The Board of Directors does **not support** this proposal.

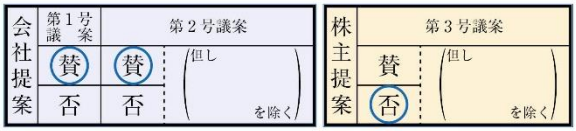
Please cut along the lines and return this form.

Please indicate your vote for each proposal:

To vote FOR: Place a circle in the “For” (“**賛**”) column.

To vote AGAINST: Place a circle in the “Against” (“**否**”) column.

If you agree with the company proposals and the opinion of the Board of Directors, please fill out the form as shown on the right.



Exercise of voting rights via the Internet

By scanning the QR Code (for smartphones)

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

1. Scan the "Login QR Code" displayed on the Voting Rights Exercise Form.

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

By entering the login ID and temporary password (for computers)

Voting rights exercise website: https://evote.tr.mufg.jp/

1. Access the website of the platform for exercising voting rights.
2. Enter the login ID and temporary password supplied on your Voting Rights Exercise Form.
3. Afterwards, please follow the on-screen instructions to exercise your voting rights.

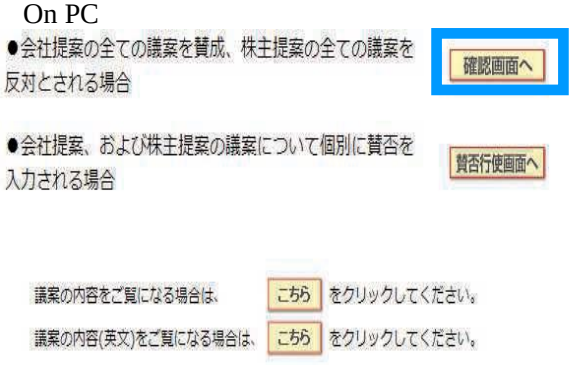
How to indicate your vote

If you approve all company proposals and reject the shareholder proposals, please click the button highlighted in blue below.

On smartphone



On PC



Your exercising of voting rights via the Internet contributes to scholarship services to students.
The Company will utilize the amount equal to postage fee saved by your exercising of voting rights via the Internet to support financially challenged students in their scholarship through "T&D Insurance Group Student Support Fund -A Life with Try & Discover-," a fund established by the Company.

(Precautions)

- The website will be suspended daily from 2:30 a.m. to 4:30 a.m.
- 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.
- 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 the call from Japan.*

Information on the Live Streaming via the Internet

The Company will provide live streaming of the General Meeting of Shareholders via the Internet as follows so that shareholders can view the meeting from the comfort of their homes or other locations.

1. Delivery date and time

From 10:00 a.m. Thursday, June 26, 2025 to the closing time of the General Meeting of Shareholders

* The live streaming page will be accessible from around 9:30 a.m., 30 minutes before the start of the meeting.

2. How to watch

(1) Please access the shareholder-exclusive online site "Engagement Portal" (hereinafter the "Website") by either directly entering the following URL on your computer or smartphone, or by scanning the QR code.

URL: https://engagement-portal.tr.mufg.jp/

(2) On the Website, please enter the following Login ID and temporary password, review the Terms of Use, check the box next to "I agree to the Terms of Use," and click the "Login" button.

i) Enter the "Login ID" (15-character alphanumeric code) stated on the right side of the Voting Rights Exercise Form.

ii) Enter the "Temporary Password" (6-digit numeric code) stated on the right side of the Voting Rights Exercise Form.

The Login ID and Temporary Password is on the stub (right side) of the Voting Rights Exercise Form. They are the same as the Login ID and Temporary Password of the Website for exercising voting rights. The Temporary Password can be changed to a preferred password; however the new password will not be retained in "Engagement Portal." Please be sure to keep a copy of the stub (right side) before mailing the Voting Rights Exercise Form.

(3) On the Website, click "Watch Live on the Day," review the Terms of Use, check the box next to "I agree to the Terms of Use," and click "Watch."

3. Matters that require attention

・ Watching the live streaming of the meeting via the Internet is not considered attendance at the general meeting of shareholders under the Companies Act. Therefore, you will not be able to ask questions, exercise your voting rights, or make motions at the meeting, which are permitted for shareholders to do, through participation via the Internet.

・ Please note that video and audio problems may occur depending on your computer environment (model, performance, etc.) and Internet connection environment (line conditions, connection speed, etc.).

○ Recommended environment

The recommended environment for this site is listed in the URL below. Please check it in advance.
Please note that Internet Explorer cannot be used.
https://www.tr.mufg.jp/daikou/pdf/faq.pdf

・ Telecommunication charges for watching the live streaming are to be borne by the shareholder.

・ Photography, recording, videotaping, and unauthorized disclosure of the live streaming on social networking services are strictly prohibited.

Please contact below for the live streaming (video player viewing problems, etc.):
V-cube, Inc.
Phone: +81-(0)3-6833-6246 (Call charges are to be borne by the shareholder.)
From 9:00 a.m. Thursday, June 26, 2025 to closing time of the General Meeting of Shareholders

Information on advance questions

Prior to the General Meeting of Shareholders, the Company will accept questions via the Internet for the convenience of shareholders who will not be able to attend the General Meeting of Shareholders.

Acceptance period: From 5:00 a.m. Wednesday, June 4, 2025 to 5:00 p.m. Friday, June 20, 2025

How to submit your advance questions

(1) Please access the following URL and log in, then click "Advance Questions." (Please refer to page 7 for login instructions.)
https://engagement-portal.tr.mufg.jp/

(2) After selecting a question category and entering your question, please read the Terms of Use, check "I agree to the Terms of Use," and click "Go to confirmation screen."

(3) After confirming your question, click "Submit."

[Matters that require attention]

The Company intends to address matters that are of particular interest to many shareholders on the day of the Meeting.

To allow the Company sufficient preparation time, shareholders are asked to send in questions by 5:00 p.m. on Friday, June 20.

Please be advised that the Company will not provide individual replies.

Contact for inquiries related to how to watch the live streaming (login ID and password) and how to submit advance questions.

Transfer Agent, Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-676-808 (toll free)
9:00 a.m. to 5:00 p.m. (JST) (except Saturdays, Sundays and holidays)
On the day of the General Meeting of Shareholders,
from 9:00 a.m. to the closing time of the General Meeting of Shareholders
Please note that the above service is only available for the call from Japan.

Reference Materials for the General Meeting of Shareholders

Proposals and references

<Company Proposals (Proposal No. 1 to No. 2)>

Proposal No. 1: Appropriation of Surplus

The returns to shareholders for fiscal year 2024 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 40 yen per share. Since the Company paid 40 yen per share as an interim dividend, annual dividend for fiscal year 2024 will amount to 80 yen per share.

This amount represents an increase of 10 yen per share, relative to the annual dividend of 70 yen per share paid in fiscal year 2023.

1. Type of property for dividend

   Cash

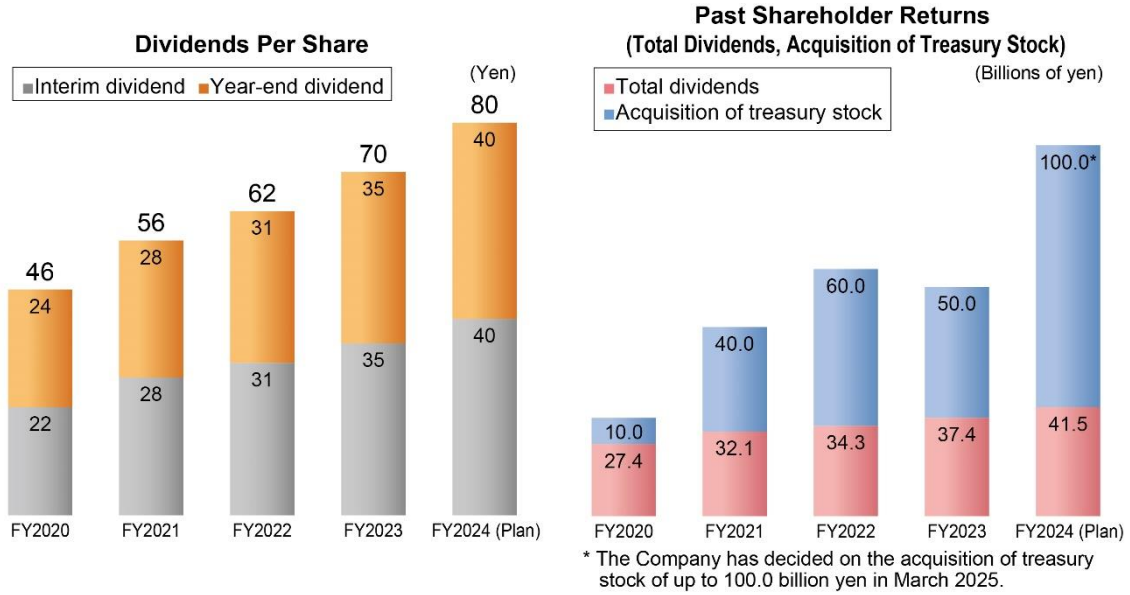
2. Dividend and its total amount

   40 yen per share (common stock) total amount 20,598,442,400 yen

3. Effective date of distribution of surplus

   June 27, 2025

(Reference)



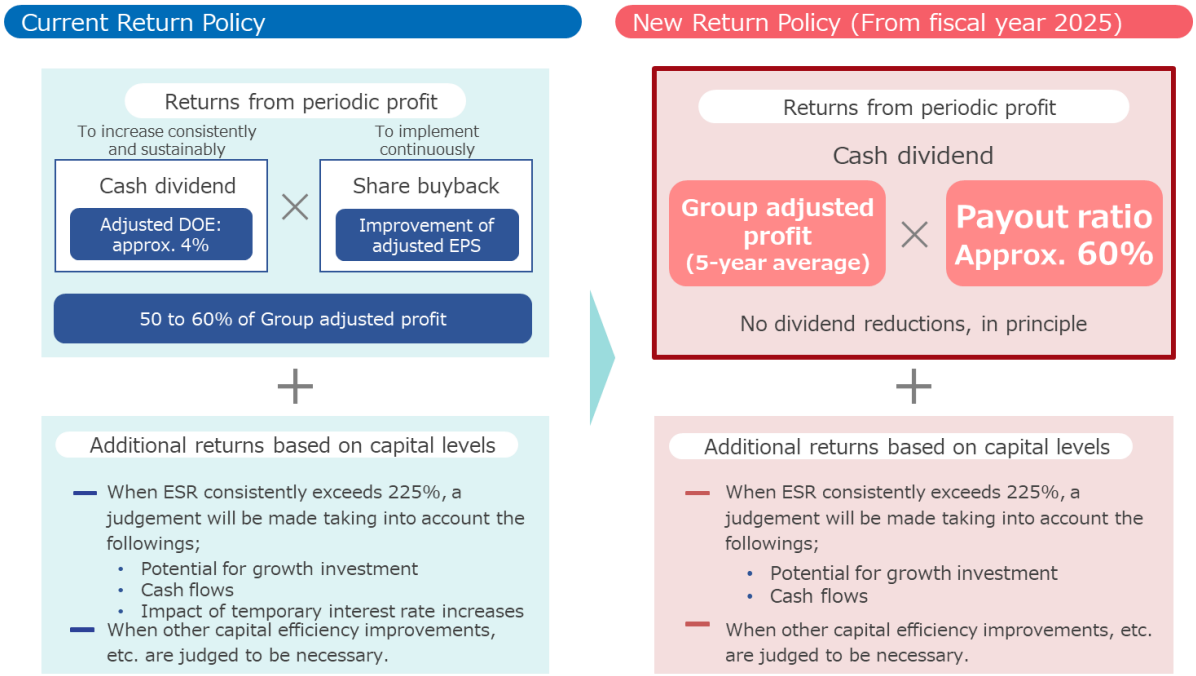
(Reference) Shareholder Return Policy from Fiscal Year 2025 Onward

– Shift to a Cash Dividend-Focused Shareholder Return Policy

(Group Adjusted Profit (5-year Average) × Payout Ratio of Approximately 60%) –

From the dividend for fiscal year 2025, we will change our dividend policy to those that profit growth is directly linked to increases in cash dividends. We plan to distribute approximately 60% of our five-year average Group adjusted profit as cash dividends.

We currently forecast a dividend of 124 yen per share for fiscal year 2025, representing a planned increase of 44 yen from fiscal year 2024.



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

The terms of office of nine Directors who are not Audit & Supervisory Committee Members, Hirohisa Uehara, Masahiko Moriyama, Hotaka Nagai, Yoko Futami, Kensaku Watanabe, Masazumi Kato, Kenji Fuma, Naoki Soejima, and Mutsuro Kitahara, will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to elect nine Directors who are not Audit & Supervisory Committee Members (eight of whom are candidates for reappointment and one of whom is a new candidate), in order to fulfill the role and responsibilities of the Board of Directors toward enhancing the medium- to long-term corporate value and ensuring the sustainable growth of the Group. .

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 (63 years old)	Reappointment	Representative Director and Chairman	All 19 meetings
2	Masahiko Moriyama (59 years old)	Reappointment	Representative Director and President	All 19 meetings
3	Hotaka Nagai (61 years old)	Reappointment	Director and Senior Managing Executive Officer Supervising Accounting Department In charge of Financial Strategy Department	All 19 meetings
4	Yoko Futami (62 years old)	Reappointment	Director and Managing Executive Officer In charge of Internal Auditing Department	All 16 meetings
5	Kensaku Watanabe (54 years old)	Reappointment Outside Independent	Director	All 19 meetings
6	Masazumi Kato (73 years old)	Reappointment Outside Independent	Director	All 16 meetings
7	Kenji Fuma (45 years old)	Reappointment Outside Independent	Director	All 16 meetings
8	Yasuro Tamura (62 years old)	New	–	–
7	Mutsuro Kitahara (65 years old)	Reappointment	Director	18 of 19 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 with 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.

Composition of the Board of Directors including Directors who are Audit & Supervisory Committee Members if Proposals No. 2 are approved		
Board of Directors		14 Directors (of which, 6 Outside Directors and including 2 female Directors)
	Audit & Supervisory Committee	5 Members (of which, 3 Outside Directors and 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: 63,900</td></tr>
<tr><td rowspan="20">Reappointment

Attendance to the Board of Directors' meetings: All 19 meetings

Tenure as Director: 8 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</td></tr>
<tr><td>APR 2024</td><td colspan="2">Representative Director and Chairman of the Company (present)</td></tr>
<tr><td>JUN 2024</td><td colspan="2">Director of Taiyo Life Insurance Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Representative Director and Chairman</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Director 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. Hirohisa Uehara has operational experience within the Group including asset investment and sales. In addition, he has previously been in charge of Group Planning at the Company. Following service as Representative Director and President, he is currently serving as Representative Director and Chairman of the Company. 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">Masahiko Moriyama (August 16, 1965)</td><td>Number of the Company’s shares held: 37,900</td></tr>
<tr><td rowspan="15">Reappointment

Attendance to the Board of Directors’ meetings: All 19 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 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</td></tr>
<tr><td>APR 2022</td><td colspan="2">Senior Managing Executive Officer of the Company</td></tr>
<tr><td>JUN 2022</td><td colspan="2">Director and Senior Managing Executive Officer of the Company</td></tr>
<tr><td>OCT 2022</td><td colspan="2">Director of All Right Co., Ltd.</td></tr>
<tr><td>JUN 2023</td><td colspan="2">Representative Director and Senior Managing Executive Officer of the Company</td></tr>
<tr><td>APR 2024</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. Masahiko Moriyama has operational experience within the Group including sales, products, planning and systems. In addition, he has previously been in charge of Group Planning at the Company. Following service as Representative Director and Senior Managing Executive Officer, he is currently serving as Representative Director and President of the Company. Considering these factors, Mr. Masahiko Moriyama 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">Hotaka Nagai (July 2, 1963)</td><td>Number of the Company's shares held: 16,600</td></tr>
<tr><td rowspan="16">Reappointment

Attendance to the Board of Directors' meetings: All 19 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 2002</td><td colspan="2">Entered Daido Life Insurance Company</td></tr>
<tr><td>APR 2015</td><td colspan="2">Executive Officer of the Company</td></tr>
<tr><td>APR 2017</td><td colspan="2">Managing Executive Officer of T&D Financial Life Insurance Company</td></tr>
<tr><td>JUN 2017</td><td colspan="2">Director and Managing Executive Officer of T&D Financial Life Insurance Company</td></tr>
<tr><td>APR 2020</td><td colspan="2">Director and Senior Managing Executive Officer of T&D Financial Life Insurance Company</td></tr>
<tr><td>JUN 2021</td><td colspan="2">Director of T&D Financial Life Insurance Company (present)</td></tr>
<tr><td>JUN 2021</td><td colspan="2">Managing Executive Officer of the Company</td></tr>
<tr><td>JUN 2022</td><td colspan="2">Director of T&D Asset Management Co., Ltd.</td></tr>
<tr><td>JUN 2023</td><td colspan="2">Director and Managing Executive Officer of the Company</td></tr>
<tr><td>APR 2024</td><td colspan="2">Director and Senior Managing Executive Officer of the Company (present)</td></tr>
<tr><td>JUN 2024</td><td colspan="2">Director of Daido Life Insurance Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director and Senior Managing Executive Officer
Supervising Accounting Department
In charge of Financial Strategy 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></td><td colspan="2">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. Hotaka Nagai has operational experience within the Group including planning and business management. In addition, he has been in charge of Financial Strategy Department and Accounting Department at the Company. Considering these factors, Mr. Hotaka Nagai 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>4.</td><td colspan="2">Yoko Futami (July 31, 1962)</td><td>Number of the Company’s shares held: 20,000</td></tr>
<tr><td rowspan="12">Reappointment

Attendance to the Board of Directors’ meetings: All 16 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>FEB 1991</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>JUN 2018</td><td colspan="2">Director and Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2024</td><td colspan="2">Director and Managing Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>JUN 2024</td><td colspan="2">Director and Managing Executive Officer of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Director and Managing Executive Officer
In charge of Internal Auditing Department</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">Ms. Yoko Futami has operational experience within the Group including risk management, legal affairs, asset management, and human resources. In addition, she has been in charge of Internal Auditing Department at the Company. Considering these factors, Ms. Yoko Futami is proposed as a candidate for Director who is not an Audit & Supervisory Committee Member, as she is expected to continue to serve her role in making key management decisions and supervising the execution of operations, leveraging her wealth of knowledge and experience relating to the management of insurance holding companies, insurance companies, etc.</td></tr>
</table>

<table>
<tr><td>5.</td><td colspan="2">Kensaku Watanabe (February 17, 1971)</td><td>Number of the Company's shares held: 1,500</td></tr>
<tr><td rowspan="13">Reappointment
Outside
Independent

Attendance to the Board of Directors' meetings:
All 19 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 1997</td><td colspan="2">Registered as an Attorney</td></tr>
<tr><td>JAN 2006</td><td colspan="2">Partner of Tokei Partners (present)</td></tr>
<tr><td>JUN 2016</td><td colspan="2">Outside Audit & Supervisory Board Member of T&D Financial Life Insurance Company</td></tr>
<tr><td>JUN 2020</td><td colspan="2">Outside Director of the Company (present)</td></tr>
<tr><td>AUG 2023</td><td colspan="2">Outside Director of JDC Corporation (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Outside Director</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Attorney
Outside Director of JDC Corporation</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Outside Director who is not an Audit & Supervisory Committee Member and overview of expected role)</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 continue to serve his role in making key management decisions and supervising the execution of operations from a perspective of protecting general shareholders.
Although Mr. Kensaku Watanabe has not been engaged in corporate management other than as an outside director and outside audit & supervisory board member, the Company believes that he can perform his duties appropriately as an Outside Director who is not an Audit & Supervisory Committee Member for the reasons above.</td></tr>
</table>

<table>
<tr><td>6.</td><td colspan="2">Masazumi Kato (January 29, 1952)</td><td>Number of the Company's shares held: 100</td></tr>
<tr><td rowspan="15">Reappointment
Outside
Independent

Attendance to the Board of Directors' meetings:
All 16 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 1974</td><td colspan="2">Entered The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited)</td></tr>
<tr><td>MAR 2000</td><td colspan="2">Executive Officer of The Long-Term Credit Bank of Japan, Limited</td></tr>
<tr><td>JUN 2004</td><td colspan="2">Managing Executive Officer of Shinsei Bank, Limited</td></tr>
<tr><td>SEP 2005</td><td colspan="2">Senior Managing Executive Officer of Shinsei Bank, Limited</td></tr>
<tr><td>MAR 2008</td><td colspan="2">Outside Director of LIFENET INSURANCE COMPANY</td></tr>
<tr><td>JUN 2008</td><td colspan="2">Representative Executive Officer and Vice President of Shinsei Bank, Limited</td></tr>
<tr><td>OCT 2010</td><td colspan="2">Representative Executive Officer and Vice Chairman of Russell Investments Japan Co., Ltd.</td></tr>
<tr><td>JAN 2013</td><td colspan="2">Representative Director and Vice Chairman of Russell Investments Japan Co., Ltd.</td></tr>
<tr><td>OCT 2023</td><td colspan="2">Representative Director of Russell Investments Japan Co., Ltd.</td></tr>
<tr><td>JUN 2024</td><td colspan="2">Outside Director of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Outside Director</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 Outside Director who is not an Audit & Supervisory Committee Member and overview of expected role)</td></tr>
<tr><td></td><td colspan="2">Mr. Masazumi Kato possesses wealth of knowledge and experience of corporate management, gained from his positions as Representative Executive Officer and Vice President at a bank and Representative Director and Vice Chairman at a foreign-owned asset management company. Mr. Masazumi Kato 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>
</table>

<table>
<tr><td>7.</td><td colspan="2">Kenji Fuma (March 27, 1980)</td><td>Number of the Company's shares held: 0</td></tr>
<tr><td rowspan="14">Reappointment
Outside
Independent

Attendance to the Board of Directors' meetings:
All 16 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 2004</td><td colspan="2">Entered Recruit Ablic Inc. (currently Recruit Co., Ltd.)</td></tr>
<tr><td>JUL 2013</td><td colspan="2">Representative Director and CEO of Neural, Inc. (present)</td></tr>
<tr><td>NOV 2021</td><td colspan="2">Outside Director of Valuence Holdings Inc. (present)</td></tr>
<tr><td>JUL 2022</td><td colspan="2">Specially Appointed Professor, Shinshu Sustainability Transformation Initiative, Shinshu University (present)</td></tr>
<tr><td>JUN 2024</td><td colspan="2">Outside Director of the Company (present)</td></tr>
<tr><td colspan="3">(Position and responsibilities)</td></tr>
<tr><td></td><td colspan="2">Outside Director</td></tr>
<tr><td colspan="3">(Significant concurrent positions)</td></tr>
<tr><td></td><td colspan="2">Representative Director and CEO of Neural, Inc.
Outside Director of Valuence Holdings Inc.</td></tr>
<tr><td colspan="3">(Reasons for appointment as a candidate for Outside Director who is not an Audit & Supervisory Committee Member and overview of expected role)</td></tr>
<tr><td></td><td colspan="2">Mr. Kenji Fuma possesses wealth of knowledge and experience gained from his position as CEO of a sustainability management and ESG investment advisory company. Mr. Kenji Fuma 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>
</table>

<table>
<tr><td>8.</td><td colspan="2">Yasuro Tamura (September 2, 1962)</td><td>Number of the Company’s shares held: 31,700</td></tr>
<tr><td rowspan="16">New</td><td colspan="3">Personal history, position, responsibilities and significant concurrent positions</td></tr>
<tr><td>APR 1987</td><td colspan="2">Entered Taiyo Mutual 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 2015</td><td colspan="2">Director and Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2017</td><td colspan="2">Director and Managing Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2018</td><td colspan="2">Managing Executive Officer of the Company</td></tr>
<tr><td>JUN 2018</td><td colspan="2">Director and Managing Executive Officer of the Company</td></tr>
<tr><td>APR 2020</td><td colspan="2">Director and Senior Managing Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2020</td><td colspan="2">Director and Senior Managing Executive Officer of the Company</td></tr>
<tr><td>JUN 2020</td><td colspan="2">Senior Managing Executive Officer of the Company</td></tr>
<tr><td>JUN 2024</td><td colspan="2">Representative Director and Senior Managing Executive Officer of Taiyo Life Insurance Company</td></tr>
<tr><td>APR 2025</td><td colspan="2">Representative Director and President of Taiyo Life Insurance Company (present)</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. Yasuro Tamura has operational experience within the Group including human resources, planning and sales. He currently serves as Representative Director and President of Taiyo Life Insurance Company. In addition, he has been in charge of General Affairs and Internal Auditing Department of the Company. Mr. Yasuro Tamura is proposed as a candidate for Director who is not an Audit & Supervisory Committee Member, as he is expected to 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>9.</td><td colspan="2">Mutsuro Kitahara (November 7, 1959)</td><td>Number of the Company's shares held: 43,100</td></tr>
<tr><td rowspan="16">Reappointment

Attendance to the Board of Directors' meetings: 18 of 19 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 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">Representative Director and President 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. Kensaku Watanabe, Mr. Masazumi Kato, and Mr. Kenji Fuma are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Japanese Companies Act. Mr. Kensaku Watanabe, Mr. Masazumi Kato, and Mr. Kenji Fuma have been registered with Tokyo Stock Exchange, Inc. by the Company as independent directors/auditors without potential conflict of interests with general shareholders. Mr. Kensaku Watanabe, Mr. Masazumi Kato, and Mr. Kenji Fuma meet the independence criteria for Outside Directors prescribed by the Company.
2. Mr. Masazumi Kato served as the Representative Director of Russell Investments Japan Co., Ltd. ("Russell") in the past. The Company's subsidiary has investment trust transactions with Russell, but as the subsidiary's annual trust fee payments to Russell accounts for less than 1% of Russel's annual sales revenues, his independence as an Outside Director is not affected.
3. At Neural Inc. ("Neural"), Mr. Kenji Fuma serves as Representative Director and CEO. The Company had transactions with Neural under an advisory agreement, but as the Company's annual payments to Neural amounted to less than ¥2 million, his independence as an Outside

Director is not affected.

4. The Company now has an agreement with Mr. Kensaku Watanabe, Mr. Masazumi Kato, and Mr. Kenji Fuma 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. Kensaku Watanabe, Mr. Masazumi Kato, and Mr. Kenji Fuma is approved, the Company will continue the liability limitation agreement with them.

Opinion of the Audit & Supervisory Committee

We have confirmed the process of deliberations, etc. by the Nomination and Compensation Committee regarding the election of the candidates for Directors who are not Audit & Supervisory Committee Members. As a result, we have concluded that the process regarding the election of the candidates for Directors who are not Audit & Supervisory Committee Members, including the process that led to the expression of opposition to the shareholder proposal, was appropriate. We have also concluded the compensation, etc. for Directors who are not Audit & Supervisory Committee Members was determined following an appropriate process based on the Company's Basic Policy on Corporate Governance and other rules.

(Reference)

The Composition, Expertise, Experience, Etc. of the Board of Directors, after Proposals No. 2 is Approved by this 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 as outside Directors talent with experience in corporate management from outside of the Group, legal and accounting experts, as well as those with the expertise and experience required to achieve the Group's growth strategies, and electing as internal Directors talent equipped with expertise and experience in line with the wide-ranging fields of the Group's core business of life insurance, 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 members of the Board of the Company.

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

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

Please refer to the next page for the relationship between the Group's growth strategies and the expertise and experience anticipated from the Board of Directors and the reasons for selection of the expertise and experience.

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

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

<Relationship between the Group's growth strategies and the expertise and experience anticipated from the Board of Directors>

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

<Reasons for selection of the expertise and experience>

Expertise and experience	Reasons for selection
Corporate management and business strategy	Because a wealth of expertise and experience in overall corporate management and business strategy is necessary to make important management decisions and to formulate and promote business strategies that contribute to improving corporate value over the medium to long term.
Capital and financial markets	Because a wealth of expertise and experience in finance and capital markets, including corporate finance, is necessary for the appropriate operation of group capital management, etc.
Marketing	Because a wealth of expertise and experience in marketing, including branding, is necessary to accurately grasp the business environment and the intentions of stakeholders, and to continuously provide valuable products and services, etc.
Global	Because a wealth of knowledge and experience in global business management is necessary to further advance the closed book business as a promising area and explore new investment opportunities to diversify and optimize our business portfolio.
Sustainability management	Because a wealth of expertise and experience in sustainability management is necessary to achieve the Group's objective of "creation of shared value" by implementing SDGs management and resolving societal challenges.
Finance and accounting	Because a wealth of expertise and experience in finance and accounting is necessary for the preparation of appropriate financial statements and the fulfillment of auditing and supervisory roles from the perspective of protecting investors and ensuring credibility in the capital markets.
Risk management	Because a wealth of expertise and experience in risk management is necessary to maintain and increase group corporate value by systematically managing group-wide risks and avoiding or reducing losses, etc.
Legal affairs and Compliance	Because a wealth of expertise and experience in various legal aspects is necessary to establish an appropriate governance structure and fulfill an effective supervisory role for fair and reliable corporate management.

<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.

Proposal No. 3: A Proposal by a Shareholder

Proposal No. 3 is a proposal submitted by a shareholder, Taransay Funding Ltd. regarding "Election of Two Directors (Excluding Those Who Are Audit and Supervisory Committee Members)" (hereinafter referred to as the "Shareholder Proposal").

The title, content, and rationale of the proposal are presented as originally submitted, with only formal revisions applied.

【Summary of the Board of Directors' Opinion on the Shareholder Proposal】

The Board of Directors unanimously opposes the Shareholder Proposal.

■ Steady Results Toward Enhancing Corporate Value Under the Current Board

The Company has established and executed measures to enhance medium- to long-term corporate value, including the evolution of Group capital management, through continuous endeavors to strengthen the group governance system. The Company has achieved results, with Group adjusted profit of 141.5 billion yen (77.9 billion yen in fiscal year 2020) and adjusted ROE of 10.4% (5.9% in the same fiscal year). These Group adjusted profit and adjusted ROE were key financial KPIs for fiscal 2024. As a result, TSR (the total shareholder return) for the most recent five fiscal years has remained at a level higher than that of the TOPIX and TOPIX insurance businesses, and the PBR (price to book-value ratio) has risen to 1.25 times by the end of fiscal 2024 (0.54 times at the end of fiscal 2020).In addition, we increased dividends by more than 10% each fiscal year since fiscal 2021, and we have determined to carry out the largest-ever share buyback of 100 billion yen in fiscal 2024 (250 billion yen in total for four fiscal years since fiscal 2021). Moreover, the shareholder return policy announced on March 31, 2025 has changed the dividend payout ratio to around 60% of the Group adjusted profit (five-year average), and shifting the policy in which profit growth directly leads to an increase in cash dividends. The dividend per share is expected to be 124 yen in fiscal 2025 (dividend is scheduled to increase by 44 yen from fiscal 2024).We believe that shareholders have appraised us at a certain level because of these steady results and measures to enhance corporate value.

■ Reasons for Determining that the Director Candidates Proposed by the Company (hereinafter referred to as the "Company-proposed Director candidates") Are Optimal

We believe that in fiscal 2025, the final year of the current Group Long-Term Vision, it is necessary to continuously and seamlessly respond to management issues and implement measures toward the improvement of capital efficiency, the enhancement of profit from the current business, and the diversification of our business portfolio, to make steady progress to advance the group's integrated management for the establishment and implementation of the next Group Long-Term Vision, which will begin in April 2026, and to enhance corporate value from a medium- to long-term perspective.

In this context, when the Board of Directors determined the director candidates, it took into account the deliberation and responses made throughout the year by the Nomination and Compensation Committee, which is chaired by an independent outside director and whose majority of members are independent outside directors. In addition, the diverse Company-proposed Director candidates are mainly composed of reappointed current directors, with balance of specialties and experience, and with diversity required to fulfil the main function of the Board of Directors (overall strategy formulation, supervision, and business management), and who have achieved steady results for the enhancement of corporate value in the medium- to long-term, as described above. Thus, the

Company has determined that the Company-proposed Director candidates represent the optimal composition of the Board of Directors.

■ Evaluation of the Director Candidates Proposed in the Shareholder Proposal

After receiving a request from the proposing shareholder to include the two Director candidates proposed in the Shareholder Proposal as the Company's proposal as of March 24, 2025, all five members of the Nomination and Compensation Committee have held interviews, etc. with each candidate, and proceeded with as much consideration as possible within the short period of time available. However, the Board of Directors opposed the Shareholder Proposal by a unanimous resolution of the Board of Directors because the Board of Directors could not confirm that the candidates possessed the skills, or achievements, etc., necessary for fulfilling the supervisory function expected of an Outside Director, and the Board of Directors could not conclude that the candidates would contribute to enhancing corporate value over the medium- to long-term as Outside Directors of the Company.

Details of the Company's Board of Directors' opinion are provided on page 36 to 43.

Proposal No. 3: Proposal for the Election of Two (2) Directors (Excluding Those Who Are Audit and Supervisory Committee Members)

(1) Outline of the Proposal

The following two (2) individuals are nominated for election as Directors (excluding those who are Audit and Supervisory Committee Members) of the Company.

Candidate Number	Name (Date of Birth)	Brief Biography, Position, and Responsibilities at the Company, and Significant Concurrent Positions	Number of Shares Held in the Company
1	Ken Mohan (Date of Birth: July 21, 1975)	July 2007 J.P. Morgan Chase & Co., Investment Banking - M&A and Capital Raising, Financial Institutions Group December 2009 MetLife, Inc., Mergers and Acquisitions (M&A) Department December 2011 MetLife, Inc., Global Strategy Group October 2012 MetLife, Inc., Vice President, Chief of Staff to Asia President, and Head of Strategy for Asia February 2015 MetLife, Inc., Vice President, Distribution Strategy, Administration and Direct/Digital Business January 2019 MetLife, Inc., Senior Vice President, Head of Retirement and Health February 2022 Punjab National Bank MetLife Ltd, Non-Executive Director	0
2	Ina Kegler (Date of Birth: August 5, 1979)	December 2004 Consulate-General of Japan in Munich September 2008 Allianz Re, Global Planning and Controlling December 2012 Allianz Global Automotive, Planning and Controlling January 2014 Allianz SE, Group Planning and Controlling, Group Actuarial October 2016 Allianz Re Dublin dac, CFO and CIO August 2020Allianz SE, Head of the Allianz Group CFO Office July 2021 Allianz Re, CFO July 2021 Allianz Re Dublin dac, Non-executive Director February 2025 MIB School of Management at Trieste, Italy, adjunct faculty (Current position)	0

<Notes>

1. Ken Mohan and Ina Kegler are candidates for Outside Directors.
2. No special interest exists between the Company and the candidates for Directors above.
3. Reasons for the nomination as Outside Directors and a summary of their expected roles

   Ken Mohan (hereinafter referred to as "Mr. Mohan") worked in the investment banking division of J.P. Morgan Chase & Co., where Mr. Mohan specialized in mergers and

acquisitions (M&A) and capital raising for financial institutions such as insurance companies, banks, and asset management firms. Mr. Mohan also served at MetLife, Inc., elected as a Fortune 100 Global Insurance Company and one of the world's leading global insurance companies, where Mr. Mohan led M&A and was engaged in the establishment and execution of business management and sales strategies for the insurance business. While working at MetLife, Inc.'s New York headquarters, Mr. Mohan collaborated with the management team on the establishment of business strategies for its global insurance business, covering North America, Latin America, Europe, the Middle East, and Asia. Following the acquisition of American Life Insurance Company, Mr. Mohan served as Head of Strategy for Asia at MetLife, Inc.'s regional headquarters in Hong Kong, overseeing strategic initiatives across Asia, including Japan, China, India, Australia, Vietnam, Malaysia, Bangladesh, and Nepal. Mr. Mohan led the establishment of post-acquisition operational structures at regional offices in Asia and spearheaded the restructuring of the company's business strategy in Asia. Furthermore, as Vice President in charge of sales strategy at the company's Tokyo office, Mr. Mohan extensively achieved securing sustainable profitability and enabled growth through the restructuring of sales strategies for exclusive agents, independent insurance agents, bancassurance, telemarketing, and digital platforms. Mr. Mohan also led a wide range of initiatives, such as digital transformation, restructuring of the product portfolio to enhance profitability, restructuring of the sales compensation scheme, and improving advertising and customer operations. Subsequently, at the company's Tokyo and Hong Kong offices, Mr. Mohan served as Senior Vice President of the Retirement and Health division for Asia, where Mr. Mohan led comprehensive product management, including product strategy for expanding low-capital products, product portfolio optimization, management of the new product pipeline, and management of existing insurance contracts. Mr. Mohan also has a proven track record of mitigating interest rate risk through utilizing several measures such as asset-liability management and insurance policy design, and contributed to the development of new businesses that generated significant revenue across Asia. In 2022, Mr. Mohan served as a Non-Executive Director at Punjab National Bank MetLife Ltd. in India. Through these experiences, Mr. Mohan developed deep expertise in the business management and governance of insurance companies.

As outlined above, Mr. Mohan possesses experience and expertise in a wide range of areas, including the establishment and reform of efficient management and sales strategies in the life insurance industry, organizational and human resource management, digital transformation (DX), M&A practices, and financial analysis. Furthermore, Mr. Mohan's global knowledge—gained through active involvement in the United States and various Asian countries— can be utilized. These qualifications are expected to enable Mr. Mohan to contribute significantly to the establishment of management strategies, business portfolio management, enhancement of profitability in the insurance business, and improvement of group governance. Accordingly,

Proposing Shareholder nominates Mr. Mohan as a candidate for Outside Director. Mr. Mohan meets the independence criteria prescribed by the Tokyo Stock Exchange Inc. as well as the independence criteria for Outside Directors prescribed by the Company.

Ina Kegler (hereinafter referred to as "Ms. Kegler") is an insurance industry expert who worked for over 15 years at Allianz Group, one of the largest insurance groups in Europe. Ms. Kegler served as Head of Office at Allianz SE for the Allianz Group CFO, where Ms. Kegler supported all aspects of the CFO's responsibilities, including management of global finance functions, establishment of financial strategies, regulatory compliance, leading in organizational development, and the establishment of group governance. Furthermore, Ms. Kegler served as CFO of Allianz Re, a reinsurance subgroup within the Allianz Group, where Ms. Kegler oversaw the finance and compliance divisions on a global scale. Ms. Kegler successfully led preparations for the implementation of IFRS 17 "Insurance Contracts," which came into effect in 2023. Amid the significant expansion of the reinsurance market, Ms. Kegler also led the establishment and execution of management strategies for the company's reinsurance businesses, including life, non-life, and retrocession. As a member of the Underwriting Committee, Ms. Kegler participated in evaluating and approving insurance contracts that met prescribed complexity and/or materiality criteria at the time of underwriting. Ms. Kegler also served as CFO and CIO at Allianz Re Dublin dac, an Allianz Group company, where Ms. Kegler oversaw the finance and compliance functions and appropriately ensured the company's first compliance with application of the Solvency II regulations in the EU. Ms. Kegler initially served as CIO and later as Chairperson of the Finance and Investment Committee, where Ms. Kegler effectively oversaw and managed the implementation and management of asset-liability cash flow matching from the perspectives of duration and currency. As part of this role, Ms. Kegler engaged in infrastructure investments to match long-duration liabilities, while ensuring adequate returns amid a prolonged low-interest rate environment. Ms. Kegler is an insurance expert, with extensive hands-on experience not only in finance but also in investment management within insurance businesses. Furthermore, Ms. Kegler served as a Non-Executive Director of the company, overseeing a wide range of compliance matters—including legal, regulatory, tax, and audit issues—and contributed to the development of strategic financial initiatives, thereby gaining substantial experience in a non-executive capacity. In addition, Ms. Kegler holds the highest level (N1) of the Japanese-Language Proficiency Test and has worked at the Consulate-General of Japan in Munich, demonstrating fluency in Japanese. In addition to her native language, German, Ms. Kegler is also proficient in English and French.

As outlined above, Ms. Kegler possesses profound insight into the insurance business and has extensive experience and expertise in both executive and non-executive director roles. Ms. Kegler has previously led the establishment and execution of insurance business strategies, overseen decision-making on and reviews of asset management strategies, and the establishment and oversight of governance structures. Utilizing global expertise, including her specialization in compliance and skills gained through working across diverse cultural contexts, Ms. Kegler is expected to make significant contributions to the establishment of the Company's management strategies, optimization of asset management, reduction of interest rate risk, improvement of profitability in the insurance business, and enhancement of corporate governance. Accordingly, the Proposing Shareholder nominates Ms. Kegler as a candidate for Outside Director. Ms. Kegler meets the independence criteria prescribed by the Tokyo Stock Exchange Inc. as well as the independence criteria for Outside Directors prescribed by the Company.

4. Both Mr. Mohan and Ms. Kegler have consented to serve as Directors of the Company.

(2) Reasons for the proposal

The Company, a holding company established in April 2004, has as its wholly-owned subsidiaries Taiyo Life Insurance Company (hereinafter "Taiyo Life") and Daido Life Insurance Company (hereinafter "Daido Life"), which are core subsidiaries of the T&D Insurance Group. Since announcing a comprehensive business alliance in January 1999, Taiyo Life and Daido Life have been advancing their management integration. The objective has been to create new synergies through the collective management of the T&D Insurance Group and to enhance corporate value in ways that could not be achieved by each insurance company independently.

However, the Company has not yet undertaken a fundamental reformation of its existing management policies. Although the "Basic Strategy of the T&D Insurance Group," established in 2003, has been in place for over 20 years, it is difficult to say that it has yet been realized. Consequently, while the Company's long-term vision for the T&D Insurance Group, "Try & Discover 2025," announced in May 2021 by the Company, set a target P/EV ratio of 0.5 by 2025, the ratio has remained at a low range of around 0.2 to 0.4 even after the vision's announcement, and achieving the target seems highly unlikely.

In order for the Company to achieve its target P/EV ratio of 0.5 and further reach the level of 1.0—comparable to that achieved by overseas life insurance companies—thereby realizing greater corporate value, it must take concrete and bold actions promptly to address its management challenges. The Proposing Shareholder identifies the following three management challenges the Company must address:

・Improvement of capital efficiency

・Improvement of profitability in the insurance business

・Improvement of group governance

(i)Improvement of Capital Efficiency

Specific actions to improve capital efficiency include reducing both stock risk and interest rate risk.

As for reducing stock risk, as mentioned in the Company's Integrated Report for the fiscal year ended March 31, 2023 (page 57), the Company's return on risk (ROR) for investment management, including equity investments, is considered to be lower than that of its core insurance business, suggesting that capital efficiency is relatively low. In addition, the contribution of investment management to the Company's Embedded Value (EV) is lower than that of the insurance business and is associated with higher volatility. Reducing volatile equity investments is believed to lead to lower capital costs and thus improve the P/EV ratio.

Moreover, the Company's equity investment performance has, on average, lagged behind TOPIX during the period from FY2010 to FY2023—with TOPIX generating an average return of approximately 10.0%, compared to average returns of approximately 7.3% for Taiyo Life and approximately 7.9% for Daido Life. In addition, from the perspective of the Company's shareholders, the profits generated through these equity investments may be viewed as subject to double taxation—corporate tax at the Company level and income and resident taxes at the shareholder level—which results in an even lower after-tax return on the Company's equity investment performance. Furthermore, the majority of the Company's insurance sales consist of non-participating policies (as of the end of fiscal year 2023, non-participating policies accounted for approximately 85% of policies in force at Taiyo Life and approximately 89% at Daido Life), and sales of participating policies remain limited. As a result, policyholders do not benefit from any additional returns generated by equity investments. Nevertheless, they are exposed to the risk that the high volatility associated with such equity investments could lead the Company to incur losses, which may ultimately result in reduced insurance benefits. From the policyholders' perspective, it is unlikely that they would demand the Company engage in equity investments that entail such risks under the current circumstances.

Furthermore, cross-shareholdings, which are held as stable shareholdings for the purpose of maintaining and strengthening relationships with business partners, are characterized by low capital efficiency when considered solely in terms of share value or dividend income. Moreover, such holdings may hinder the medium- to long-term growth investments of the issuing companies of cross-shareholdings. Accordingly, all cross-shareholdings should be promptly eliminated, rather than reclassified as portfolio investments. Since FY2022, however, both Taiyo Life and Daido Life have been reclassifying cross-shareholdings as portfolio investments. While Taiyo Life, in particular, has reclassified a substantial portion—creating the appearance of a significant reduction in cross-shareholdings—the overall balance of such holdings has in fact increased when the market appreciation of the reclassified shares is taken into account. Therefore, the issue of cross-shareholdings at the Company remains unresolved. Furthermore, when both the remaining cross-shareholdings and those reclassified as portfolio investments are combined, the Company's consolidated balance of cross-shareholdings as of December 31, 2024, represents approximately 38% of the Company's consolidated net assets—significantly conflicting with the threshold of less than 20% of consolidated net assets stipulated by a leading proxy advisory firm's voting guideline.

With regard to reducing interest rate risk, as stated on page 57 of the Company's Integrated Report for the fiscal year ended March 2023, returns derived from interest rate risk are significantly lower than those from the insurance business and business investments. At the same time, a considerable level of risk remains due to not conducting interest rate matching. It can be said that The Company's return relative to risk regarding interest rate is the least efficient when compared to those of its insurance business, asset management, and business investments. Promptly reducing interest rate risk is one of the Company's most urgent management challenges. Especially, while asset-liability duration matching at Daido Life has been improving, the Company's speed in reducing interest rate

risk remains significantly behind that of its peers. For instance, between the end of March 2021 and the end of March 2024, Dai-ichi Life Holdings, Inc. reduced its interest rate risk by 36%, whereas the Company achieved only a 6% reduction. Competitors have committed to further reductions of interest rate risk with ambitious targets, and the Company must likewise pursue interest rate risk reduction at a comparable or even greater pace and scale.

Given that insurance risk management is a highly specialized field, providing appropriate advice and oversight to address the aforementioned challenges requires advanced knowledge and experience in the insurance industry. However, there is no expert with a background in insurance or deep industry expertise among the Company's currently serving Outside Directors. Therefore, appointing Outside Directors with deep expertise in the insurance industry would contribute to enhancing the Company's corporate value. These Outside Directors should be free from status quo bias and internal constraints and should be able to advise on the process of determining specific reduction targets for stock and interest rate risk through a review of the asset portfolio, as well as oversee the subsequent execution of those reductions.

(ii) Improvement of Profitability in the Insurance Business

Taiyo Life's profitability in its insurance business is lower than that of its competitors, primarily due to an increase in the number of in-house sales representatives and a high lapse rate of policies sold through the bancassurance channel. In fact, the lapse and surrender rates for individual insurance contracts concluded by Taiyo Life has consistently exceeded the industry average (i.e., the average for all member companies of the Life Insurance Association of Japan) over the 5-consecutive year period from fiscal year 2019 to fiscal year 2023, with no signs of improvement. Therefore, the Company needs to fundamentally reassess its product lineup and distribution channels and to reestablish its sales strategy, while incorporating insights from external experts with deep knowledge of the insurance industry.

Furthermore, the Company has invested in FGH Parent, L.P. (hereinafter "Fortitude"), a reinsurance business, through its subsidiary T&D United Capital Co., Ltd. However, the return on investment (ROI) from Fortitude remains low compared to similar overseas investments made by its competitors. As the investment returns can hardly be considered commensurate with the level of capital committed, it is essential that the Company rigorously evaluate the capital efficiency of past M&A transactions and subsequent capital injections, as well as assess the viability of future capital allocations. Any prospective investments in overseas businesses—such as the Fortitude investment—that could potentially impair capital efficiency must be subject to thorough consideration by the Board of Directors.

In light of the Company's situation as described above, it is urgent for the Company to appoint Outside Directors with deep expertise in the insurance industry, including international markets, who can provide appropriate advice on the reestablishment of the Company's sales strategy. In addition, to review and oversee the Company's capital policy—including optimal capital allocation—and to prevent unreasonable capital transactions that could impair corporate value and shareholder interests, it is urgent to increase the number of Outside Directors with extensive knowledge of capital markets and M&A practices in the insurance sector.

(iii) Improvement of Group Governance

The Practical Guidelines for Group Governance Systems (hereinafter referred to as the "Group Guidelines"), issued by the Ministry of Economy, Trade and Industry on June 28, 2019, address concerns that Japanese corporate group structures often thoroughly reflect their historical formation processes, such as spin-offs and M&A, and that group management may be carried out without a

cohesive management policy or strategy as a group. In the case of the Company, the presidency has alternated between individuals from Daido Life and Taiyo Life, reflecting the lingering influence of the historical impact from the formation of the holding company. Over 20 years after its establishment, the Company is only now beginning to work toward the unification of group systems and administrative operations, as well as greater collaboration in asset management. These issues remain unresolved to this day.

The presidents and representative directors of Taiyo Life and Daido Life—two of the Company's core subsidiaries—not only serve as the heads of business execution at their respective companies but also concurrently serve as directors of the Company. However, since the directors of the Company, as the parent company, are responsible for overseeing the business execution of these subsidiaries, we would have to say that the presidents and representative directors of Taiyo Life and Daido Life concurrently serving as directors of the Company inevitably creates a structural issue of 'self-supervision.' Therefore, as a non-operating holding company, the Company must establish a framework through which it can hold the management of its subsidiaries accountable for their business performance, particularly by exercising authority over the decisions on personnel and executive compensation of subsidiary management.

Furthermore, although both Taiyo Life and Daido Life—two of the Company's core subsidiaries—belong to the same industry if categorized as insurance, their business operations and areas of strength differ significantly. Taiyo Life operates in insurance sales to the household market, utilizing marketing by in-house sales representatives and agency channels such as banks. In contrast, Daido Life has a strong presence in insurance sales to small and medium-sized enterprises (SMEs), utilizing agency channels such as tax accounting corporations and SME associations, and marketing by in-house sales representatives. Therefore, business synergies between the two companies are limited. As a result, the Company appears to be experiencing a conglomerate discount due to the presence of multiple business subsidiaries with limited synergies within the same corporate group. As stated in the 'Group Guidelines,' we believe that it is important to establish a framework to resolve the conglomerate discount by ensuring the proactive involvement of Outside Directors in business portfolio management. The appointment of new Outside Directors, free from internal constraints, would be a critical step toward promptly and appropriately advancing structural reforms, including a reassessment of the overall structure of the Company’s group.

In order to resolve the management challenges described in (i) through (iii) above, it is necessary to review the Company's management policies from an external perspective. There is no entity more suitable to conduct such an examination than the Company's Outside Directors, who are free from status quo bias and independent from its operating subsidiaries. More specifically, the Company needs to appoint Outside Directors who can promptly advance corporate management free from internal constraints, and strengthen the supervisory function by incorporating a robust group governance perspective, while maintaining independence from management, and enhancing capital efficiency. Additionally, since none of the Company's current Outside Directors have backgrounds related to the insurance industry, it is necessary to appoint Outside Director(s) with deep knowledge of the insurance industry who can contribute to improving the profitability of the Company’s insurance business.

Therefore, the Proposing Shareholder hereby proposes the election of Mr. Mohan and Ms. Kegler as Outside Directors.

【Details of the Board of Directors' Opinion on the Shareholder Proposal】

The Board of Directors unanimously opposes the Shareholder Proposal.

[Reasons for Opposition]

(1) The Company's initiatives to strengthen our group governance

In order to strengthen an efficient and highly transparent group governance system that enables flexible and group management with unifying power, the Company has been steadily working on the following four key items: (i) improving the roles and functions of the Board of Directors; (ii) improving effectiveness in the area of nomination; (iii) improving effectiveness in the area of compensation; and (iv) strengthening the Group's business management system.

(i) Improving the roles and functions of the Board of Directors

To realize the Group's growth strategy, in June 2024 we revised the skills required of the Board of Directors (adding "Global" and "Sustainability Management"), and have continuously revised the composition of the Board of Directors based on the Company's prevailing business environment, business circumstances, etc., including by increasing the number of independent outside directors and female directors. Moreover, as an endeavor to further enhance the fulfillment of roles and the supervisory function of the Board of Directors, to make a decision incorporating external knowledge, etc., appropriately sufficient time is spent explaining to independent outside directors in advance the proposals to be submitted to the Board of Directors, and substantive deliberations on important matters (management issues) are carried out by the Board of Directors several times before a vote is taken on resolutions. This enables the establishment of a system in which independent outside directors take the initiative to engage in active discussions toward enhancing medium- to long-term corporate value.

The Company evaluates the effectiveness of the Board of Directors as a whole every year, and has obtained a third-party organization's evaluation with the aim of obtaining external insights and objective evaluations in fiscal 2024. The third-party organization evaluated that that the Board of Directors is adequately structured and effective, and it is important to make steady progress in the current initiatives.

(ii) Improving effectiveness in the area of nomination

The Company established a succession plan for the Company's president in 2016 to secure the objectivity, timeliness, and transparency of the selection process, and this has been revised several times with the aim of upgrading. Based on this succession plan, several candidates are nominated from Group companies, regardless of which company they are from, and the Company's Board of Directors has elected the Company's president following a series of discussions and deliberation regarding the eligibility of each candidate at the Nomination and Compensation Committee.

In March 2023, with the aim of strengthening group governance, the Company established a succession plan for the presidents of three life insurance companies (namely, Taiyo Life Insurance Company (hereinafter referred to as "Taiyo Life"), Daido Life Insurance Company (hereinafter referred to as "Daido Life"), and T&D Financial Life Insurance Company), which are the core operating subsidiaries. The Nomination and Compensation Committee has interviewed and deliberated on the operation of the plan and the selection of the presidents candidates of each company, and the Company's Board of Directors has decided the candidates for those positions.

In December 2022, the Board of Directors passed resolutions on the qualifications, expertise, and experience required of outside officers of the Company and three life insurance companies in terms of the outside officer succession plan. Based on the Group's Outside Officer Candidate List managed by the Nomination and Compensation Committee, the final candidates are selected while the Committee maintains engagement with multiple candidates over the medium- to long-term through various opportunities, and the Group-wide perspectives are appropriately shared through meetings with the Group's outside officers, etc. even after their appointment.

(iii) Improving effectiveness in the area of compensation

To ensure objectivity and transparency in executive compensation, in June 2023 the Company revised the decision-making process regarding the amount and performance evaluation of individual compensation for Directors and Executive Officers, transferring this responsibility from the president to a resolution of the Board of Directors. Furthermore, in July 2024, in alignment with the commencement of the next Group Long-Term Vision, the Nomination and Compensation Committee began considerations regarding the revision of the executive compensation system (scheduled to be implemented in April 2026) in order to support the achievement of the new Group KPIs and facilitate the system's function as a more appropriate and sound incentive.

(iv) Strengthening the Group's business management

The Company clarifies the roles and authorities of the Company as a holding company and those of its direct subsidiaries, and promotes the strengthening of group governance and the integrated management of the Group. Specifically, the Business Management Agreement entered into between the Company and its direct subsidiaries clarifies matters that must be approved by the Company in advance and matters for which the Company provides necessary instructions to its direct subsidiaries.

Furthermore, in April 2024 the Company has introduced the Group Executive Officer system, under which the presidents of Group companies concurrently serve as officers of the Company. This system enables each president to manage his/her company from a Group-wide optimization perspective, aiming to enhance the overall corporate value of the Group. In addition, we are working on pursuing further Group synergies by promoting several measures aimed at the efficient utilization of Group management resources in an organic and integrated manner.

(2)Achievement of steady results to enhance corporate value

As a result of advancing Group capital management and striving to improve capital efficiency under the Group Long-Term Vision "Try & Discover 2025," which began in April 2021 and ends in fiscal 2025, in fiscal 2024 the Company achieved the Group adjusted profit target, a key financial KPI, one year ahead of schedule, and an adjusted ROE of 10.4%, exceeding the target. Moreover, the TSR (total shareholder return, reinvestment of pre-tax dividends) for the most recent five fiscal years was 424%, higher than that of the TOPIX (213% in the same fiscal years) and TOPIX insurance businesses (414% in the same fiscal years), and the PBR (price to book-value ratio) has risen to 1.25 times by the end of fiscal 2024 (0.54 times at the end of fiscal 2020).

<Progress of Financial KPIs>

	FY2020	FY2024	Group Long-Term Vision Target for FY2025
Group Adjusted Profit	77.9 billion yen	141.5 billion yen	130.0 billion yen
Adjusted ROE	5.9%	10.4%	8.0%
Value of New Policies	143.4 billion yen	166.1 billion yen	200.0 billion yen
ROEV	4-year average 8.3%	4-year average 7.9%	Over 7.5% in the medium- to long-term

(i) Evolving Group capital management

The Group allocates capital generated from its core life insurance business and capital generated through reducing its asset management risk to growth businesses such as the closed-book business and new businesses, etc. The Group companies are collaborating to improve capital efficiency by increasing value and enhancing shareholder returns.

To allocate capital to growth areas, we have decided to make an additional investment of approximately 64 billion yen (totaling 144.0 billion yen) in FGH Parent, L.P. in March 2022 and approximately 120 billion yen in Viridium Group GmbH & Co. KG in March 2025, promoting the diversification of our business portfolio. In the case of investment performance pertaining to FGH Parent, L.P., the Company has achieved steady results with cumulative profits of approximately 74 billion yen and a ROI (return on investment) in fiscal 2024 of approximately 12%.

Furthermore, as part of our shareholder return policy during the period of the Group Long-Term Vision, we increased dividends by more than 10% each fiscal year, and have also conducted share buybacks of 40 to 60 billion yen each fiscal year over the past three fiscal years. In addition, we have determined to carry out the largest-ever share buyback of 100 billion yen in the most recent fiscal year, fiscal 2024 (250 billion yen in total for the four fiscal years since fiscal 2021). Moreover, the shareholder return policy announced on March 31, 2025 has changed the dividend payout ratio to around 60% of the Group adjusted profit (five-year average), then shifting the policy to a policy in which profit growth directly leads to an increase in cash dividends. The dividend per share is expected to be 124 yen in fiscal 2025 (dividend is scheduled to increase by 44 yen from fiscal 2024).

(ii) Promoting the reduction of asset management risk

The Group’s top priority is to ensure financial soundness as an insurance group, and we have established ALM (Asset-Liability Management: a method that comprehensively assesses and manages assets and liabilities, taking their characteristics into account) as a foundation, with a focus on interest-bearing yen assets to secure insurance payments to policyholders with regard to asset management.

In addition, to improve operating efficiency (return relative to risk) through diversified investment and hedging inflation risk (partial hedging of increased business costs), etc., we incorporated certain stocks into our asset management portfolio.

In addition, to improve capital efficiency, we are working to decrease the cost of shareholders' equity through (a) improving our asset management portfolio and curtailing domestic and foreign stock risk, which is achieved by lowering our interest rate risk and by promoting ALM, and (b) reducing profit volatility.

The Shareholder Proposal states that the Company's speed in reducing interest rate risk remains significantly behind that of its peers. However, in fact, the Company has reduced domestic interest rate risk by substantially 35%, from the end of March 2021 to the end of March 2025. (We believe that the range of reduced interest rate risk in the Shareholder Proposal Document includes overseas interest rate risk and has not considered changes in the calculation method during the terms, etc.).

Furthermore, as for cross-shareholdings, we set a target of reducing the ratio of net assets to 20% or less in the Group Long-Term Vision, and we achieved our target in March 2024. In May 2024, we announced a new reduction target of zero balance by the end of March 2031, excluding business partners and collaborators, and are working to further reduce the balance.

We have reclassified certain cross-shareholding stocks to net investments with consent from the issuing companies to sell. With regard to stocks reclassified as net investments, the asset management department has decided to continue holding or to sell them, considering the receipt of dividend payments along with medium- to long-term growth and stock price perspectives, etc. and the Company has sold approximately 39% of the cumulative reclassified amounts.

Furthermore, we continue to control stock exposure through each company’s asset management department; however, we will entrust the decision-making on whether to continue holding or to sell each net investment stock, including stocks reclassified from cross-shareholdings, to T&D Asset Management, based on the discretionary investment contract, with the aim of improving operational performance.

(iii) Increasing the profitability of the insurance business

In the domestic insurance business, the number of policies in force increased steadily as new policies were executed based on the strong policy sales results. We believe that stable profits will be generated from policies in force, and a negative spread will continue to expand due to the aforementioned improvement in the asset management portfolio, thereby further improving profitability.

With regard to Taiyo Life, we recognize that further improvement in profitability is an issue. As a countermeasure to this, the in-house sales representative channel has been working to promote a "hybrid sales model" that combines face-to-face sales with non-face-to-face sales through the utilization of information obtained through promotions such as TV commercials and Internet advertisements. As a result, annualized premiums of policies in force for protection-type products, which are key KPIs, have been steady. Furthermore, we will expand non-face-to-face solicitations, introduce a sales terminal (T-AI-Face) equipped with AI functions, and increase the number of highly productive in-house sales representatives by continuously hiring and training in-house sales representatives and further strengthen our sales structure. In the bancassurance sales channel, we have been working to improve profitability by replacing sales products in response to an increase in cancellations. In addition, we have been working to improve profitability through the utilization of reinsurance and product revisions.

(3) Reasons for determining that the Company-proposed Director candidates comprise the optimal composition of the Board of Directors

As described in (1) and (2) above, the Company recognizes that it has been continuously strengthening the group governance system and has steadily achieved growth strategies and financial KPIs under the Group Long-Term Vision, thereby achieving steady results aimed at enhancing corporate value over the medium- to long-term.

Under these circumstances, the Company has taken the Shareholder Proposal seriously and has objectively and comprehensively reviewed and discussed the selection of director candidates, including those recommended by the Proposing Shareholder, at the Nomination and Compensation Committee and the Board of Directors. As a result, the Company has determined that the Company-proposed Director candidates will provide the optimal composition for enhancing the Company's corporate value from the following viewpoints:

(i) The Company-proposed Director candidates constitute the optimal composition for enhancing the Company's corporate value over the medium- to long-term:

In its reasons for proposing the Shareholder Proposal, the Proposing Shareholder insisted the need for advice and supervision of actions to reduce stock risk and interest rate risk by reviewing the asset portfolios, and the need to appoint Outside Directors with expertise in insurance business, including from overseas.

However, to enable the Board of Directors as a whole to secure the expertise and experience expected in order to realize the growth strategies of the Group Long-Term Vision, the Company-proposed Director candidates comprise individuals who have a balance of knowledge, experience, and abilities, and diversity in terms of gender, age, etc. suitable for the wide range of the Group's business domains centered on the life insurance business, as shown in the Skills Matrix described in page 24.

Under the Corporate Governance Code, independent outside directors are expected to fulfill their roles and responsibilities by supervising management through the appointment and dismissal of senior managers and other important decision-making by the Board of Directors. Therefore, among the three main functions of the Company's Board of Directors (overall strategy formulation, supervision, and business management), independent outside directors in particular are expected to play a supervisory role and assume responsibility for business execution.

The Company's Board of Directors, which is composed based on this view, has been working on the evolution of Group capital management with the aim of improving capital efficiency, which was an issue in the Group Long-Term Vision, as well as the diversification of the business portfolio, under the appropriate supervision of independent outside directors, and has achieved steady results toward enhancing corporate value over the medium- to long-term as described above.

The Company's Board of Directors is composed of non-executive internal directors who have sufficient relevant knowledge with regard to improving capital efficiency through the review of asset portfolios, such as reducing stock risk and interest rate risk, as well as the independent outside directors who have abundant experience and knowledge in business portfolio management and overseas business, such as cross-border M&A transactions.

Moreover, since 2020, the Company has continued to invest in FGH Parent, L.P., a Bermuda-registered insurance holding company, and dispatched a Director from the Group to be involved in managing the same company. Furthermore, the Company has decided to make a new investment in the German life insurance company Viridium Group GmbH & Co. KG., thereby steadily accumulating a track record of overseas investment.

As stated above, it is apparent that the knowledge, etc., possessed by the two Director candidates proposed in the Shareholder Proposal, as claimed by the Proposing Shareholder, are satisfied in the overall composition of the Company-proposed Director candidates.

In addition, in accordance with Article 17 of the Company's Articles of Incorporation, the maximum number of Directors (excluding Directors who are Audit and Supervisory Committee

Members) of the Company is nine. Since the number of Company-proposed Director candidates is also nine, if the Director candidates proposed in the Shareholder Proposal are appointed, the corresponding number of Company-proposed Director candidates will not be appointed. The Company believes that human resources with a balance of knowledge, experience, and abilities, and diversity will be secured through the overall composition of the Company-proposed Director candidates. Therefore, the appointment of Director candidates proposed in the Shareholder Proposal instead of those proposed by the Company may impair the balance of the Board of Directors as a whole as the Company views appropriate.

(ii) The system where the presidents of Taiyo Life and Daido Life concurrently serve as Directors of the Company is optimal:

The Proposing Shareholder insisted in its reasons for the Shareholder Proposal that there are structural problems in the fact that the presidents of Taiyo Life and Daido Life, which are the Company's core operating subsidiaries, concurrently serve as Directors of the Company.

However, the Company, as a holding company, plays a role in deciding the overall strategy of the Group, the business policies of the operating subsidiaries, the appropriate allocation of Group management resources, etc. through discussions at Board of Directors meetings. The presidents of both companies, who concurrently serve as Directors of the Company, play an important role in instilling those decisions at each operating company. Therefore, the inclusion of the presidents of both companies, who have the most knowledge of the core operating subsidiaries, on the Board of Directors of the Company is in the interests of the entire Group.

In fact, the above concurrent appointment functions effectively in the decision-making of the Company as a holding company, such as deciding on new business investment projects and reviewing capital policy and return policy.

From the perspective of continuing to respond seamlessly to the issues recognized for enhancing corporate value over the medium- to long-term, it is necessary to make steady progress in the integrated management of the Group toward establishing and implementing the next Group Long-Term Vision, including measures such as "promoting the examination of joint use of the contract management system by the Group and standardization of administrative work", and "enhancing the Group's human capital". Therefore, it is indispensable that the presidents of both companies demonstrate leadership at each operating company from the perspective of Group-wide optimization, so we believe that maintaining the current structure is optimal.

Furthermore, the Company's Board of Directors includes six independent outside directors, and the actions of each Director are monitored effectively, such as by audits by the Audit and Supervisory Committee. Thus, it is apparent that the presidents of both companies cannot take actions that prioritize the interests of individual operating subsidiaries over the interests of the Group as a whole.

As stated as (i) and (ii), considering the results of establishing and implementing measures to enhance corporate value achieved through the members of Company-proposed Director candidates, we believe that the Company-proposed Director candidates which are mainly composed of reappointed current directors, including the presidents of Taiyo Life and Daido Life, is the optimal composition of the Board of Directors to enhance the Group's corporate value through establishment and implementation of the next Group Long-Term Vision, as well as to seamlessly respond to management issues and implement measures toward the improvement of capital efficiency, the enhancement of profit of current business, and the diversification of our business portfolio.

(4) The Company's Board of Directors' evaluation of the Director candidates proposed in the Shareholder Proposal

The Company comprehensively evaluates the expertise and experience especially expected of each Director candidate based on his/her position, responsibilities, profession, background, and other relevant factors. During the normal selection process for independent outside directors, based on the Outside Officer Candidate List of the Company and the Three Life Insurance Companies that reflects the opinions of the Nomination and Compensation Committee, the final candidates are determined after checking their qualifications, etc. specified in the Qualifications, Expertise, and Experience Required of Outside Officers (resolved by the Board of Directors as of December 23, 2022) while maintaining medium- to long-term contact with multiple candidates through various opportunities for at least one year.

After receiving a request to include both of the Director candidates proposed in the Shareholder Proposal in the Company's proposal at the General Meeting as of March 24, 2025, all five members of the Nomination and Compensation Committee met with each candidate on April 9 and 10, and we proceeded with as much consideration as possible in the short time available, such as discussing their eligibility to be Directors of the Company at the Nomination and Compensation Committee meetings on April 16 and May 2, the Directors' meeting on April 16, and the Board of Directors meetings on April 30 and May 15.

Through the interview, we could confirm that Mr. Mohan possesses a certain level of knowledge about the life insurance business and business portfolio management, based on his experience as a general manager in the Asia region for Metlife, Inc. However, this knowledge is included in "Corporate management and business strategy," "Marketing," and "Global," etc., within the Company’s Skills Matrix for the Board of Directors, indicating that the Company has already ensured a sufficient level of knowledge among the Company-proposed Director candidates, as described in Appendix 1 (Reference).

In addition, we can confirm that Ms. Kegler has a certain level of knowledge regarding reinsurance and compliance, based on her experience as a CFO for Allianz’s group companies. However, similar to Mr. Mohan, this knowledge is included in "Capital and Financial markets," "Risk management," and "Legal affairs and Compliance," within the Company’s Skills Matrix, indicating that the Company has already ensured a sufficient level of knowledge among the Company-proposed Director candidates, as described in Appendix 1 (Reference). In addition, she has limited business experience and knowledge regarding the domestic life insurance industry, which is a core Group business of Group.

We also confirmed that they do not have supervisory experience as directors of listed companies, including part-time directors.

Furthermore, they themselves mentioned that they did not review the Group Long-Term Vision and also that they did not understand the Group's business sufficiently. Therefore, we believe that it is doubtful that they were prepared to be seriously involved in managing the Company. As stated above, the Company has considered and discussed on multiple occasions the Director candidates proposed in the Shareholder Proposal. However, we could not conclude that the candidates would contribute to and medium- to long-term enhancing the Company's corporate value, as we could not confirm that they have the skills, achievements, etc. necessary for fulfilling the supervisory functions of business management expected of Outside Directors.

(5) Conclusion

For the reasons described in (1) to (4) above, the Board of Directors of the Company finds that appointing both of the Director candidates proposed in the Shareholder Proposal as Directors who are not Audit and Supervisory Committee Members would not contribute to the sustainable and medium- to long-term enhancement of the Company's corporate value, and by a unanimous resolution of the Directors, opposes the Shareholder Proposal.

The Company will continue to engage in constructive dialogue with shareholders and strive to achieve sustainable growth and value creation by further promoting integrated management of the Group with strengthened group governance and making the Group more resilient from a medium- to long-term perspective.

End

< Glossary>

		(page)
Adjusted ROE	Calculated by dividing Group adjusted profit by average net asset balance.	27 37 38
Group adjusted profit	Calculated by subtracting unrealized gains/losses caused by discrepancy of accounting treatment of assets and liabilities from net income, and then adding additional internal reserves in excess of the legal standard requirements to the resulting number.	27 37 38
TSR (Total Shareholder Return)	Total Shareholder Return (TSR) is a metric that measures the overall return to investors, including both capital gains and dividends. The TSR disclosed in the securities report is calculated as: (Stock price at the end of the current fiscal year + Total dividends per share over the past five fiscal years) ÷ Stock price at the end of the fiscal year five years prior.	27 37
PBR	Price Book-value Ratio (PBR) is one of the indicators used to evaluate the level of a stock price, calculated by dividing the stock price by the book value per share. When the PBR is greater than or equal to 1, it suggests that the company is expected to grow or that it possesses assets not reflected on the balance sheet.	27 37
Succession plan	A succession plan refers to a strategy for selecting the next company president. Within our group, the plan outlines the qualities and competencies required of the presidents of our company and the three life insurance subsidiaries, as well as the selection process. The Nomination and Compensation Committee deliberates on the formulation and implementation of the plan, while the Board of Directors oversees it, thereby ensuring objectivity and transparency in the succession process.	36 37
EV (Embedded Value)	Generally, life insurance policies extend over significantly long durations, resulting in a time gap between the recognition of revenues and expenses. EV is a concept used for measuring the corporate value of a life insurance company in consideration of this gap. EV refers to the amount of net assets after tax, which is considered to be attributable to shareholders, and is the sum of adjusted net assets calculated based on balance sheets, etc., and the value of in-force business calculated based on policies in force. <Specific nature of life insurance accounting> From the perspective of financial accounting, a life insurance company successfully acquiring new business in a year apparently shows a decrease in profit for the corresponding period, due to a heavier burden of initial costs, such as sales commissions. While there is a constant inflow of premiums each year, expenses gradually decrease over time, which results in the accumulation of earnings over longer periods.	33

ROEV	ROEV stands for Return on Embedded Value, which is an indicator for measuring capital efficiency by assuming an increase in EV as profit in consideration of the specialty of life insurance accounting.	38
Value of new Policies	The value of distributable earnings to shareholders expected to be generated in the future from insurance policies (including converted policies) sold in a year, converted to a present value as at the valuation date.	38
ALM, Interest rate risk	Asset Liability Management (ALM) is a method for comprehensively understanding and managing assets and liabilities by taking into account their respective characteristics. Interest rate risk refers to the risk that fluctuations in interest rates may alter the value of assets or liabilities, potentially impairing a company's overall value.	38
Cost of shareholder's equity	Of capital raised by a company, costs required to procure funds from investors. Also can be defined as the rate of return anticipated by an investor on an investment.	38
Cross- shareholdings, pure investment shares	Strategic shareholdings refer to shares held with the aim of maintaining and strengthening long-term and stable business relationships, enhancing operational partnerships, and generating medium- to long-term returns through capital gains and dividends. On the other hand, pure investment shares are held solely for the purpose of earning returns through capital appreciation and dividend income.	33 39
Reinsurance	Reinsurance refers to an insurance contract in which an insurance company transfers all or part of the risks it has underwritten to domestic or international reinsurance companies, in order to diversify and manage those risks.	31 33 34 39 42
Protection-type insurance	Protection-type insurance products refer to life insurance products that primarily provide benefit payments in the event of certain specified conditions, such as death, injury, illness, or the need for long-term care. Examples include term life insurance, medical insurance, long-term care insurance, and income protection insurance.	39
Corporate Governance Code	The Corporate Governance Code is a set of key principles established by the Tokyo Stock Exchange to promote effective corporate governance. It aims to ensure that companies make transparent, fair, timely, and decisive decisions while taking into account the interests of shareholders and other stakeholders.	40

Business Report for Fiscal Year 2024

(From April 1, 2024 to March 31, 2025)

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 21 subsidiaries and 5 affiliated entities, and operates life insurance business as its core business. The Group is working to diversify its business portfolio by investing in closed book business [note 1] through T&D United Capital Co., Ltd. ("T&D United Capital"), a direct subsidiary of the Company.

[note 1] A business model in which an insurance company generates profit by obtaining and consolidating blocks of policies in force for products that are no longer sold (closed book) and enhancing their value. In Western countries, there has been an increase in the number of closed books separated as a part of revisions of the business strategy and the product portfolio according to changes in the business environment.

Financial and economic environment

In fiscal 2024, despite the impact of price increases caused by rising personnel and logistics costs being passed onto customers via price hikes, the Japanese economy was on a moderate recovery trend, supported by personal consumption owing to improvements in the employment and wage environments backed by strong corporate performance.

In financial markets, domestic long-term interest rates rose sharply due to the Bank of Japan abandoning its negative interest rate policy in March 2024 and the interest rate hike thereafter. Meanwhile, overseas long-term interest rates remained at high levels due to persistent inflationary pressures and other factors, despite a shift in monetary policy toward rate cuts in the United States and Europe. After hitting new all-time high, the Nikkei Stock Average index experienced large fluctuations, including a temporary plunge in the summer due to concerns over a slowdown in the U.S. economy, ultimately falling in the fiscal year.

In the life insurance industry, the rise in domestic interest rates led to an increase in sales of yen-denominated single-premium insurance, and new policy performance increased from the previous fiscal year.

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." Under this Group management philosophy, we established our management vision, "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." In order to realize this vision, we are working on the five-year management policy, "Group Long-Term Vision: Try & Discover 2025—In Pursuit of the Happiness of All Stakeholders—," initiated in April 2021.
In the Group Long-Term Vision, we set the overall policy to promote a growth story with improved capital efficiency, and established Group KPIs and the Group's growth strategies as follows.

- 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, etc. 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 engagement score	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	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 and each of the Group company in fiscal 2024.
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) [note 2] 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.

[note 2] 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.

(i) Strengthening of core business
Led by the Group-wide, "customer-oriented philosophy," the Company has defined the T&D Insurance Group's Basic Policy 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 are working on enhancement of their core business, life insurance business, based on their individual, unique business models within their own specialized markets.

(Initiatives at Taiyo Life)
Taiyo Life mainly targets the home market and is working to enhance the contents of its products and services to provide lifelong security to customers through high-quality products and services.
In terms of products, in the prevention insurance series, "Himawari Dementia Prevention Insurance" has been well received mainly by senior customers, while "Cancer/Critical Illness Prevention Insurance" has been well received by a wide range of age groups, including the responsible generation. Furthermore, in December 2024, it launched a new insurance series, "Hoken Kumikyoku Best MY WAY" to meet a wider range of customer needs.

In terms of services, Taiyo Life has worked to expand communication with customers and made continuous efforts to improve customer convenience and satisfaction by handling various change procedures and providing information through "Taiyo Life My Page," an Internet service exclusively for customers.

In terms of sales, Taiyo Life has further improved its sales capabilities by introducing sales devices (T-AI-Face) featuring AI functions, and is also promoting a hybrid-style sales approach that uses digital technologies to integrate face-to-face and non-face-to-face sales activities. By using this approach, it is working to expand its market by broadening the areas and times it can respond to customers.

(Initiatives at Daido Life)
To further contribute to the sustainable development of SMEs through its solid relationships with tie-up organizations, 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 has focused on providing total insurance combining corporations and individual protections by promoting death coverage and disability income coverage for corporate clients and individual protection for business owners.

In terms of services, with health management becoming even more important for SMEs, Daido Life is working to support the promotion of health and productivity management® [note 3] by identifying health risks and improving the lifestyle habits of people working at SMEs by offering the "Daido Life's KENCO SUPPORT PROGRAM [note 4]" and expanding its function. With the aim of working together with small- and medium-sized enterprise owners to solve problems, Daido Life

also runs a web community called “Dodai?” that is used by many people.

Daido Life will continue to improve and expand the value-added services that goes beyond insurances, leading to the further deepening and diversification of our customer contact points going forward.

[note 3] The term “health and productivity management®” is a registered trademark of the Workshop for the Management of Health on Company and Employee.
[note 4] 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.

(Initiatives at T&D Financial Life)
T&D Financial Life’s core business is to sell insurance products through independent insurance agent channels such as financial institutions. It has been working to increase its corporate value by developing unique new products that consider the financial market environment and customer needs and expanding services for customers and agents by using digital technologies.

In terms of products, in light of recent changes in the financial market environment, in September 2024, T&D Financial Life launched “Shogai Premium World 6,” an updated version of its whole-life insurance product that combines the “Shogai Premium Japan” series, which offers the peace of mind only the yen-denominated products can provide, with the “Shogai Premium World” series, which utilizes overseas interest rates and foreign exchange rates, to meet a wider range of customer needs.

In terms of services, T&D Financial Life is working to improve customer convenience, such as by starting to allow customers to complete billing procedures via smartphone using a cloud-based electronic contract service when changing to the “Plan for Continuation Upon Target Value Attainment” for “Shogai Premium World 5 and 6.”

(ii) Diversification and optimization of business portfolio
The Group allocates the steady revenue generated by its life insurance business to growth businesses such as the closed book business, thereby diversifying its revenue sources, developing new business domains, and pursuing Group synergies. Through these efforts, we strive to optimize our business portfolio.

(Initiatives at T&D United Capital)
T&D United Capital engages in closed book business through Fortitude Group Holdings, LLC (“Fortitude”), which is a Company’s equity method affiliate.

Fortitude acquires a wide range of insurance liabilities, including life insurance, non-life insurance, and annuities, primarily from U.S. and Asian insurance companies. As a result, its business scale is approaching the target level set at the time of its establishment, and paid its first dividend since its establishment to shareholders in November 2024 (T&D United Capital received approximately ¥8.0 billion).

In March 2025, T&D United Capital, together with Allianz SE, BlackRock, Inc. and other partners, entered into an agreement to jointly acquire [note 5] German life insurance holding company Viridium Group GmbH & Co. KG (“Viridium”). Viridium has a strength in acquiring life insurance companies that have stopped accepting new contracts and achieving cost reductions through IT and operational efficiency improvements.

The Group positions this transaction as another pillar of its closed book business investment strategy following its investment in Fortitude. In addition, the Group believes that by diversifying regions and business models with Fortitude, it will greatly contribute to the diversification and optimization of its business portfolio.

[note 5] T&D United Capital expects to invest about ¥120.0 billion (may change due to price adjustments and other factors at the time of closing the transaction). With the acquisition of a 29.9% ownership interest, Viridium will become an equity-method affiliate of the Company and T&D United Capital. The transaction is expected to close in the second half of 2025, subject to the approval of the relevant regulatory authorities.

(Initiatives to develop new customer contact points)
All Right Co., Ltd. ("All Right") and Pet & Family Insurance Co., Ltd. ("Pet & Family") take a different approach from the Three Life Insurance Companies to create new customer contact points.

All Right is increasing its partners through its strategic platform, the official "Peer-Conne" LINE account, and is building contact points with the more specific market by utilizing digital technology and collaborating with various business partners to provide customer-oriented products and services. Additionally, through All Right Small Amount & Short Term Insurance Co., Ltd., which became a subsidiary of All Right in April 2025, it develops and provides small-amount and short-term insurance products that meet the diverse needs of its business partners.

Pet & Family is working to increase policies in force by expanding its products and sales through pet shop and online channels, as well as by further promoting digitalization to enhance customer services. It is also working to strengthen the Group's customer base by reaching new customer groups through collaboration with Group companies.

(iii) Upgrading of the Group's capital management
The Group has established an indicator of capital efficiency (adjusted ROE and ROEV) based on cost of capital as the Group's financial KPI. By upgrading capital and risk management, the Group is working to improve profit levels and capital efficiency.

(Initiatives in asset management field)
In order to improve the returns in comparison to risk of assets held, Taiyo Life and Daido Life are working to improve their asset management portfolios by reducing interest rate risk through purchases of super-long-term government bonds, etc., and by reducing stock risk through sales of domestic and foreign stocks. Through these efforts, the two companies are striving to reduce the cost of shareholders' capital by suppressing fluctuations in investment income while at the same time promoting the capital allocation to businesses with high risk to return ratio, primarily consisting of growth businesses.

In December 2024, the Three Life Insurance Companies announced their support for the purpose of the "Asset Owner Principles" [note 6], a set of common principles considered useful for asset owners such as insurance companies to fulfill their responsibilities to manage their assets while taking the best interests of beneficiaries into consideration.

[note 6] Sets forth common principles for investment, governance, and risk management as the roles commonly expected of asset owners, formulated as part of asset ownership reforms in the "Policy Plan for Promoting Japan as a Leading Asset Management Center" promoted by the Japanese government.

(Enhancement of shareholder returns)
With regard to shareholder returns, while aiming for stable and sustainable increases in cash dividends, the Company has a policy of continuously implementing treasury stock repurchases based on the level of capital adequacy ratio, the potential for growth investments, and the level of stock price. Based on this policy, the annual dividend per share for FY2024 is planned to be ¥80 (including an interim dividend of ¥40), an increase of ¥10 from the previous year, which will be the tenth consecutive year of dividend increase [note 7]. Moreover, as part of its shareholder returns for FY2024, the Company determined to purchase a maximum of ¥100.0 billion in treasury stock in March 2025.

The Company previously used adjusted DOE [note 8] of 4% as a guideline for cash dividends. However, considering the future stability of profit growth, it has decided to change this policy to one based on a dividend payout ratio in FY2025, in which "profit growth is directly linked to increases in cash dividends" [note 9], and plans to enhance cash dividends.

[note 7] The year-end dividend for FY2024 is subject to approval at the 21st Ordinary General Meeting of Shareholders of the Company to be held on June 26, 2025.
[note 8] Adjusted DOE is calculated by dividing total dividends by shareholders' equity, excluding the cumulative valuation gains (losses) resulting from accounting mismatches between assets and liabilities on the Balance Sheet.
[note 9] The Company set a dividend payout ratio for FY2025 and beyond at approximately 60% of the Group adjusted profit (5-year average), and the annual dividend forecast for FY2025 is ¥124 per share.

(iv) Promoting integrated Group management
To seek new Group synergies that transcend the boundaries between life/non-life insurance, asset management, and other businesses, we are promoting integrated Group management and reinforcing our Group governance.

(Reinforcing the collective power of the Group)
We consider all of our employees to be human capital that contributes to enhancing our corporate value. We are working to increase the collective power of the Group by using our entire Group as the field on which we develop and utilize our human resources through Group personnel exchanges and open recruiting within the Group, as well as by allocating management resources to areas with greater potential for growth and profitability.To promote the sustainable growth of corporate value as a unified Group, we will also foster a shareholder mindset among employees through internal IR activities and a stock ownership plan for employees..

(Advancing shared operation among the Group)
By promoting the unification of our asset management system through the collaboration of Taiyo Life, Daido Life, and T&D Asset Management, we are working to improve operational efficiency, asset management yields and strengthen the training of specialized human resources. We have been gradually expanding the type of assets under management that can be collaborated on from the alternative assets we started off with to foreign government bonds, domestic and foreign stocks, etc. Going forward, we will continue to promote further advancement of our asset management functions in light of the investment environment and competitive trends in the asset management field.

Furthermore, in order to create group synergies in the DX and IT fields and to further promote our investigation and research efforts for AI, cloud and other advanced technologies, we acquired shares in T&D Information Systems, Ltd. from Taiyo Life and Daido Life, turning it into a directly owned subsidiary of the Company in September 2024. By strengthening our Group perspective through changes in governance, we will promote value creation by optimizing systems and utilizing data across the Group, thereby further improving productivity and efficiency.

By enhancing shared operations, we aim to create a resilient Group by expanding the opportunities for our human resources to thrive in their respective fields.

(v) SDGs management and creation of value
The Group engages in SDGs management with the aim of helping solve social issues through our business and contributing to a sustainable society with the creation of shared value to create both financial and social value.

(Conserving the global environment and addressing climate change)
In order to contribute to mitigating and adapting to climate change throughout the Group, we have set the long-term goal of achieving net zero CO_2 emissions by FY2040. To this end, we are actively switching to renewable energy for electricity use, including sourcing 100% of the electricity used at the head office buildings of the Company, Taiyo Life, Daido Life, and T&D Financial Life from renewable energy. Furthermore, as a responsible institutional investor, we have also set the target of

reducing the CO_2 emissions of our investees and borrowers to net zero (by FY2050), and are engaging in constructive dialogue (engagement) aimed at achieving this.

The Group has also established the "T&D Insurance Group Environmental Policy" and has been working to protect the environment in areas such as forest conservation activities. In FY2024, we disclosed information on natural capital, including the results of our analysis on the nature-related risks of investees.

Main performance during the current fiscal year

Annualized premiums of new policies combining individual insurance and individual annuities for this fiscal year rose to ¥213.2 billion (7.5% increase year-on-year) due to strong sales of core products including individual term life insurance and yen-denominated single-premium products. Third Sector annualized premiums of new policies also rose to ¥43.3 billion (3.3% increase year-on-year).

Annualized premiums of total policies combining individual insurance and individual annuities at the end of this fiscal year were ¥1,703.9.6 billion (4.3% increase from the end of the previous fiscal year).

New policy amount for the current fiscal year was ¥4,795.7 billion (6.8% increase year-on-year). Policy amount in force as at year-end was ¥50,835.2 billion (1.8% decrease from the end of the previous fiscal year).

Income from insurance premiums increased by 4.3% year-on-year to ¥2,579.8 billion. Income from interests and dividends increased by 8.8% year-on-year to ¥356.4 billion. Other ordinary income increased by 625.0% year-on-year to ¥662.3 billion due to the reversal of policy reserves associated with reinsurance transactions conducted by the life insurance subsidiaries, among other factors. As a result, ordinary revenues increased to ¥3,730.4 billion (16.3% increase year-on-year).

Ordinary expenses increased by 15.9% year-on-year to ¥3,531.8 billion, due to an increase in insurance claims and other payments.

As a result, ordinary profit reached ¥198.5 billion (24.3% increase year-on-year).

Profit attributable to owners of parent was ¥26.4 billion (28.0% increase year-on-year). The Group adjusted profit [note10] increased by 36.7% year-on-year to ¥141.5 billion.

[note10] The term "Group adjusted profit" is the original indicator of the Group's actual business performance, which is calculated by adjusting profit (loss) attributable to owners of parent for gains (losses) that arise in accounting due to market fluctuations, etc. and do not represent actual business performance, and additional internal reserves in excess of the legal standard requirements.

Combined total core profit for this fiscal year at the Three Life Insurance Companies increased by 28.8% year-on-year to ¥162.0billion. Positive spread increased by 120.2% year-on-year to ¥86.7 billion, due primarily to increased income from interest and dividends.

The Company's consolidated solvency margin ratio [note 11], a criterion subject to government supervision, indicating management soundness of an insurance holding company (consolidated) and an insurance company, was 960.7% at the end of the current fiscal year (995.7% at the end of the previous fiscal year).

Solvency margin ratios of the Group's Three Life Insurance Companies were 678.6% for Taiyo Life Insurance Company (716.2% at the end of the previous fiscal year), 1,168.0% for Daido Life Insurance Company (1,193.5% at the end of the previous fiscal year) and 575.3% for T&D Financial Life Insurance Company (567.6% at the end of the previous fiscal year).

[note 11] The solvency margin ratio 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.

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

(Billions of yen)

Company Name	FY2023		FY2024 (year under review)	
Annualized premiums of new policies (Third Sector products)	198.3	(41.9)	213.2	(43.3)
Taiyo Life Insurance Company	32.4	(19.4)	47.2	(20.2)
Daido Life Insurance Company	73.5	(18.2)	76.4	(20.8)
T&D Financial Life Insurance Company	92.3	(4.3)	89.6	(2.2)
Annualized premiums of total policies (Third Sector products)	1,633.6	(296.8)	1,703.9	(308.8)
Taiyo Life Insurance Company	564.1	(136.9)	566.9	(141.6)
Daido Life Insurance Company	806.4	(152.2)	812.7	(157.5)
T&D Financial Life Insurance Company	263.0	(7.6)	324.2	(9.6)
New policy amount	4,490.2		4,795.7	
Taiyo Life Insurance Company	240.9		593.1	
Daido Life Insurance Company	3,382.2		3,455.6	
T&D Financial Life Insurance Company	867.1		746.9	
Policy amount in force as at the end of the year	51,756.9		50,835.2	
Taiyo Life Insurance Company	11,461.8		10,399.3	
Daido Life Insurance Company	36,343.2		36,237.9	
T&D Financial Life Insurance Company	3,951.7		4,198.0	

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

The Japanese economy is expected to continue its moderate recovery due to the virtuous cycle of wage increases and price hikes as Japan returns to "a world with interest rates." However, the outlook is growing increasingly uncertain amid concerns that U.S. tariff policy could adversely affect the economies of various countries and corporate activities.

In the life insurance industry, the business environment is also changing due to the declining population, falling birthrate and aging population, diversification of customers' needs with changing values and lifestyles, acceleration of digitalization triggered by IT sophistication and the growing use of generative AI, and increasing uncertainty in the financial markets. It is necessary to further improve the quality of business operations by providing customer-oriented products and services, enhancing the sophistication of asset management, improving capital efficiency based on the cost of capital, and managing the company in light of social issues.

○ Policy for business initiatives in FY2025
In fiscal 2025, the final year of the Group Long-Term Vision, we will continue to carry out various initiatives as part of our Group's growth strategies (five primary themes).

(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 Group will continue to expand its lineup of products and services aimed at resolving social issues, expand its customer contact points and improve productivity, and expand and reinforce business domains through the pursuit of each company's specialization strategy, thereby strengthening its insurance profitability, and reinforcing the Group's earnings base.

Taiyo Life is working to increase earnings mainly targeting the home market under its management policy of "strengthening profitability through productivity improvements and becoming a company that supports the health and longevity of each and every customer." It will reinforce its customer base by expanding opportunities to approach new customers through the use direct information collected through promotions such as TV commercials and web advertisements, and through operational reforms by promoting DX. Taiyo Life aims to support the health and longevity of more customers to extend healthy life expectancy, as well as expand its market, improve productivity, and achieve sustainable growth.

Daido Life will protect SMEs by providing total insurance combining corporations and individuals. It will also further contribute to the business continuity, growth and development of SMEs that support the economy, family planning and employment in Japan, with evolving and expanding the value to provide and strengthening the "power to create connections." It will accomplish this by developing and providing services to help SMEs resolve various issues they face (practicing health management and solving social issues). It will deliver value beyond expectations to SMEs and aim to realize a better future society as a trusted partner for SMEs.

In order to deliver prosperity and peace of mind to customers' lives through the independent insurance agent market, T&D Financial Life will contribute to customers' stable asset formation by providing products that are in the best interests of customers (product governance), primarily in the three product categories of yen-denominated fixed amount insurance, foreign currency-denominated fixed amount insurance, and variable insurance. It will also work to enhance corporate value in a sustainable manner by strengthening its support systems for agents, its growth partners, through improvement of its highly unique products and services and human resources.

(ii) Diversification and optimization of business portfolio
In addition to increasing profits in the Group's existing businesses, with the domestic life insurance business as its core, the Group is working to improve capital efficiency by allocating Group management resources to growth businesses. Based on this policy, in order to leverage the Group's strengths in areas with a high affinity with the life insurance business, the Group will expand and develop its closed book business, and create and develop new businesses. The Group will also work to reform low ROE business through the Group's business portfolio management, in order to improve the entire Group's capital efficiency by effective use of capital, thereby strengthening the Group's earnings base.

(iii) 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 based on cost of capital by optimizing the Group's management resources and balancing investment in growth and shareholder returns, while responding appropriately to changes in economic circumstances and fluctuations in financial markets.

In regard to risk management, we are steadily making progress for the introduction of an economic value-based solvency regulation (planned for the end of FY2025) by reducing interest rate risk and equity risk, etc. 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
To cope with the highly uncertain business environment, we will optimize our management resources, leveraging the entire Group as our field, and we will continue to take on new challenges, unconstrained by existing frameworks, pursuing an even greater level of business synergies through collaborations among Group companies. To further raise the Group awareness of executives and employees, which is the foundation for realizing these goals, we will continue to implement integrated Group management from the perspectives of strengthening governance, improving human capital, and enhancing shared Group operations. We will continue striving to revitalize communication within the Group so that each and every executive and employee works with pride in being a member of our Group, and we will further strengthen our integrated management.

(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, providing workplace environments in which diverse people can participate actively, contributing to global environment conservation and climate change mitigation and adaptation, and investing to help build a sustainable society.

Primary theme 1: Promote healthy and abundant lives
We will contribute to the sustainable growth of society and the resolution of social issues through our insurance business by providing optimal, high-quality products and services that meet the needs of our customers.

Primary theme 2: Provide workplace environments in which diverse people can participate actively
We respect the human rights of all people and the personalities and diversity of our employees, and we develop human resources by ensuring a healthy and safe working environment.

Primary theme 3: Contribution to global environment conservation and climate change mitigation and adaptation
Through our own business activities of providing insurance products and services to our customers, we will contribute to climate change mitigation and adaptation, achieve a net-zero society, and preserve biodiversity.

Primary theme 4: Invest to help build a sustainable society
As a responsible institutional investor, we aim to contribute to securing long-term stable earnings and the realization of a sustainable society, and to grow sustainably together with society by making investments that consider environmental, social, and corporate governance (ESG) issues.

The Group considers human resources that work together to be the most important and greatest driving force for its business activities to realize the Group's corporate philosophy, and are working to improve human capital. Under the human resource development policy to develop "autonomous human resources who can think independently, act proactively, and deliver the expected results," we will develop leaders who will drive the Group's growth, provide educational opportunities for growth, and promote the advancement of female employees. In addition, amidst increasingly diversifying lifestyles, we will work to improve the well-being of each and every colleague by promoting DE&I (Diversity, Equity & Inclusion).

As stated above, we will continue our efforts to realize the Group's Long-Term Vision in fiscal year 2025 and will work to formulate the next Group Long-Term Vision starting in fiscal year 2026 with the aim of further enhancing our corporate value.

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.

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.

(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	FY2021	FY2022	FY2023	FY2024 (year under review)
Ordinary revenues	2,614,377	3,214,110	3,207,991	3,730,479
Ordinary profit (loss)	57,029	(74,144)	159,809	198,595
Profit (Loss) attributable to owners of parent	14,180	(132,150)	98,777	126,411
Comprehensive income	(36,079)	(335,943)	493,358	(13,361)
Net assets	1,389,506	993,681	1,409,926	1,306,829
Total assets	17,813,408	16,773,877	17,207,110	16,619,009

Notes:

1. Comprehensive income decreased by ¥506.7 billion year-on-year due to an decrease in net unrealized gains on securities resulting from declining domestic stock prices and rising domestic interest rate. Net assets also decreased by ¥103.0 billion year-on-year due to a decrease in net unrealized gains on securities and other factors.
2. The Group's adjusted profit for the year under review increased by 36.7% year-on-year to ¥141.5 billion.

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

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

Categories	FY2021	FY2022	FY2023	FY2024 (year under review)
Operating revenues	132,007	51,827	110,298	87,829
Dividend received	126,736	46,025	103,846	80,009
Insurance operating subsidiaries	126,736	44,025	103,846	80,009
Other subsidiaries	–	2,000	–	–
Net income	126,842	46,273	103,918	79,400
Net income per share (¥)	¥218.13	¥83.10	¥192.66	¥151.83
Total assets	957,122	985,650	1,000,720	984,941
Stocks, etc. of insurance operating subsidiaries	736,527	736,527	736,527	736,527
Stocks, etc. of other subsidiaries	21,649	25,064	25,899	27,184

(3) Financing of the corporate group

(Capital increase)
The Company invested an additional ¥1 billion in its subsidiary, T&D Innovation Fund, on February 27, 2025. As a result, of the total amount to be committed by the Company of ¥5 billion, the cumulative total investment amount comes to ¥4.0 billion. The Company plans to invest the remaining ¥1.0 billion in the fund in the future.

Date of investment	Total	Purpose of funds	Investment performance per unit
February 27, 2025	1,000 million yen	Investment in start-up companies, etc.	20,000 yen

(Issuance of bonds)
For the purpose of funding the redemption of corporate bonds, the Company has issued the following domestic unsecured straight bonds:

(Millions of yen)

Date of issue	Maturity date	Amount (face value)
December 12, 2024	December 12, 2029	20,000
December 23, 2024	December 21, 2029	10,000
Total amount issued in FY2024 (Balance at the end of FY2024)		30,000 (120,000)

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, 2024	August 23, 2024	4,000
June 25, 2024	September 25, 2024	4,000
August 23, 2024	November 22, 2024	4,000
September 25, 2024	December 24, 2024	4,000
November 22, 2024	February 21, 2025	2,000
December 24, 2024	March 24, 2025	4,000
February 21, 2025	May 22, 2025	4,000
March 24, 2025	June 24, 2025	4,000
Total amount issued in FY2024 (Balance at the end of FY2024)		30,000 (8,000)

(4) Capital expenditure of the corporate group

A. Total capital expenditure

(Millions of yen)

Divisions	Amount
Insurance and insurance-related businesses	41,272
Investment-related businesses	88
Administration-related businesses	517
Total	41,877

B. New construction of material equipment, etc.

Company name	Description	Amount
Daido Life Insurance Company	Establishment of next-generation systems	8,273 million yen

(5) 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	
All Right Co., Ltd.	Chuo-ku, Tokyo	Services, etc. in healthcare and wellness field	September 15, 2022	750	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 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 Risk Solutions Co., Ltd.	Chuo-ku, Tokyo	Insurance brokerage business	May 19, 2023	50	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 Lease Co., Ltd.	Minato-ku, Tokyo	Leasing business	September 5, 1966	150	100.0 (100.0)	
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)	
Toyo Kosan Ltd.	Toshima-ku, Tokyo	Goods brokerage and sales business	November 13, 1957	100	100.0 (100.0)	
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)	
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)	
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 5,305 million	26.4 (26.4)	

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. All Right Co., Ltd. completed a capital increase through shareholder allocation on April 3, 2025, and capital after the increase is ¥1,250 million.
7. All Right Co., Ltd. acquired all outstanding shares of Aflac Pet Short-Term Insurance Co., Ltd. on April 1, 2025, and subsequently changed the company's name to All Right Small Amount & Short Term Insurance Co., Ltd., making it a subsidiary.
8. Taiyo Life Insurance Co., Ltd. established Taiyo Building Service Co., Ltd. as a subsidiary on April 1, 2025.
9. 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 ¥656 million.
10. 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 ¥167 million.
11. Development and performance of significant business combination
    The Group comprises 21 subsidiaries and 5 affiliated entities, where the consolidated ordinary revenues and profit attributable to owners of parent of the Group including the Company for fiscal year 2025 were ¥3,730.4 billion and ¥126.4 billion, respectively.

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

Our consolidated subsidiaries, Taiyo Life Insurance Company and Daido Life Insurance Company, acquired through absorption-type split effective April 1, 2024, the system development, operation, and server maintenance related businesses from our consolidated subsidiary T&D Information Systems, Ltd.
Furthermore, on September 30, 2024, we acquired all shares of T&D Information Systems, Ltd. held by Taiyo Life Insurance Company and Daido Life Insurance Company, making it a wholly-owned subsidiary directly under our control.

(7) 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, 2025)

Name	Positions/Responsibilities	Significant concurrent positions held	Remarks
Hirohisa Uehara	Representative Director and Chairman	Director, Taiyo Life Insurance Company	
Masahiko Moriyama	Representative Director and President	–	
Hotaka Nagai	Director and Senior Managing Executive Officer (In charge of Financial Strategy Department and Accounting Department)	Director, Daido Life Insurance Company Director, T&D Financial Life Insurance Company	
Yoko Futami	Director and Managing Executive Officer (In charge of Internal Auditing Department)	–	
Kensaku Watanabe	Director (Outside Director)	Attorney Outside Director, JDC Corporation	
Masazumi Kato	Director (Outside Director)	–	
Kenji Fuma	Director (Outside Director)	Representative Director and CEO, Neural, Inc. Outside Director, Valuence Holdings Inc.	
Naoki Soejima	Director	Representative Director and President, Taiyo Life Insurance Company	
Mutsuro Kitahara	Director	Representative Director and President, Daido Life Insurance Company	
Takashi Ikawa	Director (Full-time Audit & Supervisory Committee Member)	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 accounting, etc. at a life insurance subsidiary of the Group.
Takashi Tojo	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, etc. at a life insurance subsidiary of the Group.

Name	Positions/Responsibilities	Significant concurrent positions held	Remarks
Shinnosuke Yamada	Director (Audit & Supervisory Committee Member) (Outside Director)	Certified public accountant Outside Audit and Supervisory Board Member, Rakuten Bank, Ltd.	As a certified public accountant, he has considerable expertise in finance and accounting.
Atsuko Taishido	Director (Audit & Supervisory Committee Member) (Outside Director)	Attorney Outside Audit & Supervisory Board Member, Pigeon Corporation	
Koji Nitto	Director (Audit & Supervisory Committee Member) (Outside Director)	Outside Director, Wacoal Holdings Corp. Outside Director, GS Yuasa Corporation	Having work experience as a CFO of a Tokyo Stock Exchange Prime-listed company with global operations, he has considerable expertise in finance and accounting.

Notes:

1. Executive officers (excluding directors concurrently serving as executive officers) as of March 31, 2025 are as follows:

Name	Positions/Responsibilities
Tomoyasu Isobe	Senior Managing Executive Officer (in charge of Business Development Department)
Iwao Kanazawa	Managing Executive Officer (in charge of Risk Control Department)
Yasuhiro Mori	Executive Officer (in charge of Sustainability Promotion Department and Public Relations Department, vice in charge of Risk Control Department)
Kazunori Watanabe	Executive Officer (in charge of System Management Department)
Yoshitaka Moriya	Executive Officer (in charge of Group Planning Department and Investor Relations Department)
Takahiro Honda	Executive Officer (vice in charge of Group Planning Department and Financial Strategy Department)
Toshikatsu Imai	Executive Officer (in charge of Human Resources and General Affairs Department)
Kanaya Morinaka	Group Executive Officer
Yoshihisa Tanaka	Group Executive Officer
Osamu Ikebata	Group Executive Officer

2. Apart from the above, changes in executive officers and Group executive officers (excluding directors concurrently serving as executive officers) as of April 1, 2025 are as follows:

Managing Executive Officer	Yasuhiro Mori
Executive Officer	Norihiko Morichika
Group Executive Officer	Junjiro Ishii

3. Messrs. Kensaku Watanabe, Masazumi Kato, Kenji Fuma, Shinnosuke Yamada, and Koji Nitto have been registered with Tokyo Stock Exchange, Inc. as independent directors/auditors without potential conflict of interests with general shareholders. Ms. Atsuko Taishido meets the criteria for independence set forth by Tokyo Stock Exchange, Inc. and is deemed not to pose a risk of conflict of interests with general shareholders. However, in accordance with the rules of Mori Hamada & Matsumoto, to which she belongs, she has not been registered as an independent director/auditor.
4. Messrs. Takashi Ikawa and Takashi Tojo 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.

(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	186	4	61	4	48	10	296
(Of which, Outside Directors who are not Audit & Supervisory Committee Members)	4	28	0	–	0	–	4	28
Directors who are Audit & Supervisory Committee Members	6	120	0	–	0	–	6	120
(Of which, Outside Directors who are Audit & Supervisory Committee Members)	4	37	0	–	0	–	4	37
Total	16	306	4	61	4	48	16	416

Notes:

1. Monthly compensation and reserve for bonus for Directors who are not Audit & Supervisory Committee Members (excluding part-time Directors (includes Outside Directors) are performance-linked compensation and trust-type stock compensation is non-monetary compensation. For Directors who are not Audit & Supervisory Committee Members (excluding part-time Directors (includes Outside Directors)) (four Directors), performance-linked compensation is a total of ¥201 million and non-monetary compensation, etc. is a total of ¥48 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 one Director who is not an Audit & Supervisory Committee Member and one Director who is an Audit & Supervisory Committee Member, who retired as of the conclusion of the 20th Ordinary General Meeting of Shareholders held on June 26, 2024. As of the end of the current fiscal year, the Company had nine 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, during the current fiscal year, the Company paid ¥5 million as bonuses to two Directors who are not Audit & Supervisory Committee Members, from amounts not included in the reserve for bonus to directors and audit & supervisory board members recorded in fiscal year 2023.
6. There is no compensation received by Outside Directors from the Company's parent company, etc.

2. 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. Calculation formulae for individual officer compensation, etc. is as shown below.

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 deliberated by the Nomination and Compensation Committee, which offers its opinions to the Board of 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 deliberated by the Nomination and Compensation Committee, which offers its opinions to the Board of Directors, and then approved at the Board of Directors meeting.	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.

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

- The Company established the 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 Group by ensuring management transparency and clarified accountability. The Committee 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 Nomination and Compensation Committee deliberates items regarding important decisions or changes relating to executive treatment at the Company or direct subsidiaries and offers its opinions to the Board of Directors. The amount of monthly compensation and bonuses for Directors (excluding part-time Directors (includes Outside Directors) and Directors who are Audit & Supervisory Committee Members) and evaluation of individual officers are deliberated by the Nomination and Compensation Committee, which offers its opinions to the Board of Directors, and then approved at the Board of Directors meeting.

<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 (financial/non-financial) stipulated based on the mid- to long-term management strategy. ● For performance indicators, a coefficient according to the achievement rate for each item is multiplied to yield a score.
Evaluation of the division in charge	● 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 (FY2024)>

- 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	¥116.8 billion	¥141.5 billion	121.2%
Value of new business	¥59.6 billion	¥166.1 billion	104.0%

(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
Adjusted ROE	8.0%
ROEV	7.5%

- Actual adjusted ROE is 10.4%.
- Actual ROEV is 5.2%.

(iii) Market evaluation items

	Evaluation criteria, etc.
Total shareholder 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 benchmark.

Actual TSR performance is 394.6% over five years.

Note: TSR is calculated as follows:

- Five years: (Share price on March 31, 2025 + cumulative total of dividends per share from FY2020 to FY2024) / share price on March 31, 2020

(iv) ESG evaluation items

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

	Evaluation criteria, etc.
Customer satisfaction level	• The status of achievement of these items are evaluated based on the evaluation criteria which are set in line with the levels of these items in the previous fiscal year.
Employee engagement score	
Reduction of CO_2 emissions	

- The results of the customer satisfaction level and the employee engagement score have achieved the evaluation criteria, and CO_2 emissions have been reduced by 17.6% (estimated) 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 57-74%	Bonus approximately 14-21%	Trust-type stock compensation approximately 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
Kensaku Watanabe	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.
Masazumi Kato	Same as above
Kenji Fuma	Same as above
Shinnosuke Yamada	Same as above
Atsuko Taishido	Same as above
Koji Nitto	Same as above

Note: 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.

(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, Paragraph 1 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., Pet & Family Insurance Co., Ltd., All Right Co., Ltd., T&D Information Systems, Ltd., and T&D Risk Solutions Co., Ltd.

3. Matters concerning outside officers

(1) Concurrent positions held by outside officers

(As of March 31, 2025)

Name	Concurrent positions, etc.	
Kensaku Watanabe	JDC Corporation	Outside Director
Masazumi Kato	—	
Kenji Fuma	Neural, Inc. Valuence Holdings Inc.	Representative Director and CEO Outside Director
Shinnosuke Yamada	Rakuten Bank, Ltd.	Outside Audit and Supervisory Board Member
Atsuko Taishido	Pigeon Corporation	Outside Audit & Supervisory Board Member
Koji Nitto	Wacoal Holdings Corp. GS Yuasa Corporation	Outside Director Outside Director

Note: The Company has neither major transactions nor any other type of relationship with JDC Corporation, Neural, Inc., Valuence Holdings Inc., Rakuten Bank, Ltd., Pigeon Corporation, Wacoal Holdings Corp., or GS Yuasa Corporation.

(2) Main activities of outside officers

The Company appoints multiple 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
Kensaku Watanabe	4 years 9 months (assumed office in June 2020)	Board of Directors' Meeting: attended all 19 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 Chairperson 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, 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
Masazumi Kato	9 months (assumed office in June 2024)	Board of Directors' Meeting: attended all 16 meetings	At the Board of Directors' Meetings, he has presented his views as necessary from his wealth of knowledge and experience in corporate management, international finance and capital markets, having served as Representative Executive Officer and Vice President at a bank and Representative Director and Vice Chairman at a foreign-owned asset management 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. Kato carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, and Representative Directors and Presidents of major subsidiaries.
Kenji Fuma	9 months (assumed office in June 2024)	Board of Directors' Meeting: attended all 16 meetings	At the Board of Directors' Meetings, he has presented his views as necessary from his wealth of knowledge and experience in providing international level knowledge to major companies, having served as CEO of a sustainability management and ESG investment advisory 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. Fuma carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, and Representative Directors and Presidents of major subsidiaries.
Shinnosuke Yamada	4 years 9 months (assumed office in June 2020)	Board of Directors' Meeting: attended all 19 meetings Audit & Supervisory Committee Meeting: attended all 17 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, and Representative

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
			Directors and Presidents of major subsidiaries.
Atsuko Taishido	2 years 9 months (assumed office in June 2022)	Board of Directors' Meeting: attended 16 of 19 meetings Audit & Supervisory Committee Meeting: attended all 17 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 a member 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. Taishido carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, and Representative Directors and Presidents of major subsidiaries.
Koji Nitto	9 months (assumed office in June 2024)	Board of Directors' Meeting: attended all 16 meetings Audit & Supervisory Committee Meeting: attended all 11 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 a CFO at a globally operating company listed on the Tokyo Stock Exchange Prime Sector. In addition to the above, Mr. Nitto carries out other activities, including exchanges of views with the Representative Directors, the Accounting Auditor, and Representative Directors and Presidents of major subsidiaries.

(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	544,000 thousand shares

(2) Number of shareholders (as of March 31, 2025)

198,431

(3) Major shareholders

Name	Status of equity participation	
	Shares held (Thousand shares)	Percentage of ownership (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	92,155	17.90
Custody Bank of Japan, Ltd. (Trust Account)	33,130	6.43
Goldman, Sachs & Co. Reg	24,105	4.68
State Street Bank and Trust Company 505001	19,930	3.87
State Street Bank West Client—Treaty 505234	9,663	1.88
JP Morgan Chase Bank 385781	7,486	1.45
CEP LUX-ORBIS SICAV	7,474	1.45
State Street Bank and Trust Company 505103	7,308	1.42
JP Morgan Securities Japan Co., Ltd.	7,024	1.36
AIG General Insurance Company, Ltd.	6,000	1.17

Note: The Company owns treasury stock of 29,038 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) Other Important Matters Related to Shares

Our company has introduced a stock grant system called the “ESOP (Employees Stock Ownership Plan) Trust” for group employees starting from fiscal year 2024. This system aims to enhance employees’ awareness of company performance and stock price appreciation, thereby increasing their motivation to contribute to the medium- to long-term improvement of corporate value and ultimately leading to the enhancement of the group’s corporate value. Under this system, the trust period is set at five years, and shares of our company acquired through the ESOP Trust are granted to employees who meet certain requirements, in accordance with the stock grant regulations predetermined by each group company.

Other key details of the system are as follows.

Trustee of the ESOP Trust	Number of Shares Entrusted
Mitsubishi UFJ Trust and Banking Corporation	1,563 thousand shares (as of the end of March 2025)

[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 Policy on Corporate Governance"
https://www.td-holdings.co.jp/company/governance/pdf/governance_policy.pdf

(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 and supervises 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, in order to enhance the corporate governance structure of the Company and the Group, 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 (including successor planning) 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.
The monthly compensation, bonuses, and individual evaluations of executives are deliberated by the Nomination and Compensation Committee, which reports its opinions to the Board of Directors, and then resolved by the Board of Directors.

(Assessment of effectiveness of the Board of Directors)
To further enhance the effectiveness of its Board of Directors, the Company conducts an annual assessment of the effectiveness of the Board of Directors. This fiscal year, with the aim of obtaining external insights and objective assessments, the Company appointed a third-party organization to conduct an assessment (survey and interviews) on the effectiveness of the Board of Directors.

[Assessment method]
In collaboration with the third-party organization, the Company drafted a survey questionnaire and discussed its content and structure at the Board of Directors meeting held in December. The survey was conducted anonymously, with all Directors responding via a dedicated website. The third-party organization then compiled and analyzed the responses.
Regarding interviews, the Company targeted the Chairman of the Board of Directors, Outside Directors, and Full-Time Audit & Supervisory Committee Members to ensure a balanced representation of perspectives from both the supervisory and executive sides, as well as from internal and external directors.
Furthermore, following the previous fiscal year, we conducted a self-assessment of individual directors through a survey.

[Assessment items]
The survey items for fiscal year 2024 were as follows. Each question was rated on a 5-point scale, and free-text fields were included to gather specific opinions.
1. Board composition
2. Board operations
3. Board discussion
4. Board oversight function
5. Board's role fulfillment
6. Training
7. Dialogue with shareholders
8. Questions for Outside Directors
9. Nomination and compensation
10. Summary
In addition, the interviews confirmed the grounds for the evaluation presented in the questionnaire and identified challenges related to the effectiveness of the Board of Directors.

[Summary of assessment results for the current fiscal year]
The results of the Board of Directors effectiveness assessment for fiscal year 2024 are as follows.
- Based on the assessment, opinions, and survey scores of each Director, the Board of Directors was generally assessed as functioning effectively.
- The issues identified in the previous year's Board evaluation, namely "promoting Group human resources that contribute to improving human capital," and "promoting integrated Group management and Group synergies," have been steadily improving due to the organizational restructuring implemented in April 2024 to promote Group management, particularly the establishment and operation of the Group Human Capital Improvement Committee and the Group System and DX Promotion Committee. It is important to continue to steadily progress with current initiatives.
- Similarly, regarding the issue of "ensuring the diversity of the Board of Directors in connection to our management strategy," measures have been taken by adding one female Director following the General Meeting of Shareholders held in June 2024 and by appointing an Outside Director with extensive experience and knowledge in global markets, sustainability, and financial capital markets.

[Initiatives for further enhancing effectiveness]
Based on the survey and interview results, the Board of Directors discussed and reaffirmed the importance of the following three key areas for further enhancing effectiveness for medium- to long-term sustainable growth. We will continue to focus on these areas:
1. Enhancing discussions on medium- to long-term management strategy
- In addition to regular Board of Directors meetings, we will establish multiple focused meetings and opportunities for further understanding to ensure sufficient time and opportunities for discussion of important agenda items. We will also actively promote discussion by incorporating a wide range of perspectives from internal and external stakeholders.

2. Thorough implementation of effective and efficient meeting operations
- To enhance substantive discussions for improving corporate value, we will expand pre-meeting explanations, simplify in-meeting agenda presentations, reduce the amount of materials, and clarify the key issues presented in the materials.

3. Deepening discussions on the Board of Directors' structure and function
- We will further deepen discussions on the role of the Chairman and the ideal composition of the Board of Directors within the Board of Directors itself and the optional Nomination and Compensation Committee.

(Role of the Audit & Supervisory Committee)
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 in order to contribute to the establishment of the Company and our corporate group's governance systems, as well as to sustainable growth and the enhancement of corporate value, while cooperating with the Board of Directors and maintaining an independent standpoint.

(Assessment of the effectiveness of the Audit & Supervisory Committee)
To review the auditing activities of the Committee over the course of the fiscal year under review and to improve the quality of auditing by addressing the issues that are identified, the Company performs an assessment of the effectiveness of the Audit & Supervisory Committee in addition to the Committee's self-verification of its role.

[Assessment method and assessment items]
A questionnaire survey was conducted with Audit & Supervisory Committee Members, Directors who are not Audit & Supervisory Committee Members, Executive Officers, and the Accounting Auditor*, and assessments were made based on the responses. Questionnaire items in fiscal year 2024 included "Supervision of Directors," "Auditing of the Corporate Group," "Coordination with Related Departments," and more, and answers consisted of both multiple-choice answers (whether or not there were issues) and free response answers.

* The Accounting Auditor was added as a respondent in fiscal year 2024 in order to include assessments from an outside perspective.

[Summary of assessment results for the current fiscal year]
The results of the fiscal year 2024 assessment are as follows.
- Based on the survey answers, the Audit & Supervisory Committee was evaluated as having generally fulfilled its duties by effectively collaborating and cooperating with the Board of Directors and appropriately overseeing duties of directors through its audit activities throughout the year.
- With respect to the issue of "reinforcing the monitoring of business companies," which was pointed out in the fiscal year 2023 effectiveness assessment, the Audit & Supervisory Committee identified the management issues faced by individual companies through measures such as exchanging opinions with the Audit & Supervisory Boards of life insurance subsidiaries.
- On the other hand, with respect to "strengthening coordination with the Internal Audit Department," which was identified as an issue of the tripartite audits, including audits by accounting auditors and internal audits, while the Audit & Supervisory Committee and Internal Audit Department worked to enhance their information sharing, the assessment found a need to strive further for more detailed understanding of information regarding matters such as the status of deliberations between the Company and the Internal Audit Departments of Group companies.

[Initiatives for further enhancing effectiveness]
The following initiatives will be carried out to address the issues identified in the effectiveness assessments that have been conducted to date and to further improve the effectiveness of the Audit & Supervisory Committee.

1. Strengthen collaboration in the tripartite audits
- We will further enhance information sharing with the Internal Audit Departments by appropriately monitoring the discussion between the Internal Audit Departments of the Company and Group companies. Through enriched daily communication and other measures, we will further deepen our collaboration with the accounting auditors.

2. Enhance discussions regarding important management issues
- In auditing plans that are formulated in the future, the Audit & Supervisory Committee will set key audit items focused on important management issues and will enhance its discussions on the sufficiency of the executive department's initiatives in addressing these issues, thereby further exercising its auditing and supervisory functions with respect to management.

(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.
The Committee members consist 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 Three Life Insurance Companies, 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 Reduction of Cross-Shareholdings

[Target and results of cross-shareholdings reduction]

In order to improve capital efficiency, the Group is reducing its cross-shareholdings balance in stages. In FY2024, the balance of cross-shareholdings has been reduced by approximately ¥7.5 billion (on market value basis) (the balance based on market value has been reduced by approximately ¥12.2 billion). The balance of cross-shareholdings to net asset was 17%.

From FY2025, the Group will continuously reduce its balance of cross-shareholdings, excluding shares of business alliance partners and collaborators, with the aim of reaching zero by the end of FY2030.

<Balance of cross-shareholdings>

(Billions of yen)

	FY2023		FY2024	
	Number of issues (Issues)	Total amount recorded on balance sheet	Number of issues (Issues)	Total amount recorded on balance sheet
Non-listed shares	100	143	96	140
Shares other than non-listed shares	40	2,265	38	2,145
Total	140	2,408	134	2,285
Consolidated net assets	-	14,099	-	13,068
Ratio of cross-shareholdings to consolidated net assets	-	17%	-	17%

* The number of non-listed shares and shares other than non-listed shares are total of Taiyo Life and Daido Life.

* There are no deemed shareholdings.

3. Changes in ROE

ROE, an indicator of capital efficiency, was 9.3% in FY2024, and has averaged 3.2% over the past five years.

The adjusted ROE, which is calculated with the Group adjusted profit* as the numerator, was 10.4% in FY2024, and has averaged 7.1% over the period since FY2020.

<Changes in profit attributable to owners of parent>

Fiscal year	Profit attributable to owners of parent	Group adjusted profit
		-
FY2020	**¥108.5 billion**	**¥77.9 billion**
FY2021	**¥14.1 billion**	**¥39.2 billion**
FY2022	**¥(132.1) billion**	**¥90.2 billion**
FY2023	**¥98.7 billion**	**¥103.5 billion**
FY2024	**¥126.4 billion**	**¥141.5 billion**

* Group adjusted profit, which was introduced in FY2020, is an original indicator of the Group's actual business performance, which is calculated by adjusting profit (loss) attributable to owners of parent for gains (losses) that arise in accounting due to market fluctuations, etc. and do not represent actual business performance, and additional internal reserves in excess of the legal standard requirements.

<Changes in ROE>

	FY2020	FY2021	FY2022	FY2023	FY2024	Average
Financial accounting ROE	8.3%	1.0%	(11.2)%	8.3%	9.3%	3.2%
Adjusted ROE	**5.9%**	**2.7%**	**7.6%**	**8.6%**	**10.4%**	**7.1%**

4. Improving Human Capital

The T&D Insurance Group considers human resources that work together to be the most important and greatest driving force for its business activities to realize the Group's corporate philosophy. We are creating an environment in which diverse human resources can play an active role to improve the wellbeing of our employees. Such initiatives will be measured annually for effectiveness using the Employee Engagement Score, leading to more effective human resource strategies.

In June 2024, we introduced an "Employee Stock Ownership Plan (ESOP) Trust" for the Group employees, with the aim of enhancing medium- to long-term corporate value by increasing employee awareness of company performance and stock price appreciation, and promoting value sharing with shareholders. We believe this system will significantly contribute to enhancing Group human capital, as it also serves as a welfare benefit and improves employee engagement.

Promotion of diverse work styles	To enable employees to fully demonstrate their abilities and enhance their performance at work while fulfilling family responsibilities such as housework, childcare, and nursing care, we are strengthening various initiatives, including enhancement of systems that support childcare and nursing care, reduction of total working hours, and introduction of work-at-home and satellite office work systems to enable diverse work styles.
Providing educational opportunities	We provide educational opportunities, such as implementing training on data analysis and AI utilization for reskilling support using online tools and delivering new value. In addition to dispatching employees to business schools and MBA programs through public application, and offering opportunities for overseas language study and assignments to overseas companies, we are also establishing an environment where employees can take on challenges through a system that allows them to apply for desired positions within the Group.
Diversity, equity and inclusion	By accepting the diversity of human resources and fostering a sense of unity, we are working to promote the advancement of women, employment of people with disabilities, and senior human resources so that we can build a corporate culture of mutual trust, appreciation, and respect among employees.
Promotion of female advancement	We recognize that the further exercise of female talent is a source of sustainable corporate value enhancement and that female advancement is an important management issue for the Group. Based on this recognition, the T&D Insurance Group is setting Group-wide targets for women in managerial positions and systematically working to develop human resources to promote female employees to these positions such as by implementing collaborative training across the Group.

<Performance and targets for human capital-related indicators (total of the Three Life Insurance Companies)>

	FY2023	FY2024	Target
Employee engagement score	3.80	3.90	Equal to or greater than the previous fiscal year

*Evaluation ranges from a minimum of 1.0 to a maximum of 5.0 in a five-option multiple choice format.

	April 2024	April 2025	Target	
			2027	2030
Ratio of female managers	23.0%	24.6%	25.0% or above	30.0% or above

* The figures include the junior management layer, to systematically and gradually develop female executive leaders.

	FY2023	FY2024	Target

Percentage of male employees taking childcare leave	100%	98.6%	100%

*The percentage of male employees taking childcare leave is calculated using, as the denominator, the number of male employees whose spouses gave birth during fiscal year 2024, and as the numerator, the number of those employees who took childcare leave within the same fiscal year. The percentage may fall below 100% when the childcare leave is taken across the end of the fiscal year.

5. 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 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

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

Company	Product	Key feature
Taiyo Life		A customizable insurance product that responds meticulously to the diverse needs of customers that can support a large number of customers
Daido Life		Health promotion insurance that combines "prevention of illness through health management" and "preparation for unexpected retirement"
T&D Financial Life		A whole life insurance policy that allows customers to receive "money for their own use" while also preparing "funds to leave for their family"

Priority theme 2
Provide workplace environments in which diverse people can participate actively

Made efforts to provide employees with comfortable workplace environment

●Provided educational opportunities through publicly funded business schools, online tools, etc.
●Diversity, equity and inclusion
●Promoted advancement of women
●Promoted diverse lifestyles
●The Three Life Insurance Companies have been approved as Certified Health and Productivity Management Outstanding Organizations (White 500)

Priority theme 3
Contribution to global environment conservation and climate change mitigation and adaptation

Promoted reduction of CO_2 emissions
[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)
FY2030	70% reduction (compared with FY2013)
FY2040	Net zero

[Promotion of introduction of renewable energy]

● Participated in "RE100"
● Established an intermediate goal, "increase in a renewable energy use rate to 60% by FY2030" and promote the switch of electricity consumption to renewable energy.

Priority theme 4
Invest to help build a sustainable society

[Establishment of CO_2 emission volume (Scope 3, Category 15) reduction goal through investments and loans]

Target fiscal year	Reduction rate
FY2030	50% 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 ESG theme (examples of major efforts)]

● Invested in green bonds that help address environmental problems
● Invested in social bonds that provide support for emerging countries and contribute to gender equality
● Invested in other themed bonds that addressed societal problems in Japan and abroad

Consolidated Balance Sheet for Fiscal Year 2024

(as of March 31, 2025)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Cash and deposits	778,681	Policy reserves	13,721,161
Call loans	10,089	Reserve for outstanding claims	84,167
Monetary claims purchased	170,671	Policy reserve	13,568,704
Monetary trusts	1,115,454	Reserve for policyholder dividends	68,289
Securities	12,212,019	Due to agencies	1,215
Loans	1,653,720	Due to reinsurers	42,233
Tangible fixed assets	373,697	Short-term bonds	7,989
Land	208,807	Subordinated bonds	120,000
Buildings	157,831	Other liabilities	1,071,568
Lease assets	405	Reserve for bonus to directors and audit & supervisory board members	349
Construction in progress	368	Provision for share-based remuneration	2,265
Other tangible fixed assets	6,284	Net defined benefit liability	33,767
Intangible fixed assets	55,057	Reserve for directors' and audit & supervisory board members' retirement benefits	27
Software	53,882	Reserve for price fluctuations	281,262
Lease assets	22	Deferred tax liabilities	25,870
Other intangible fixed assets	1,152	Deferred tax liabilities on land revaluation	4,470
Due from agencies	282		
Due from reinsurers	60,578		
Other assets	181,355		
Net defined benefit asset	10,062		
Deferred tax assets	301	Total liabilities	15,312,180
Reserve for possible loan losses	(2,962)	(Net assets)	
		Common stock	207,111
		Retained earnings	607,242
		Treasury stock	(75,106)
		Total stockholders' equity	739,248
		Net unrealized gains on securities	526,981
		Deferred gains on hedging instruments	(1,853)
		Land revaluation	(6,124)
		Foreign currency translation adjustments	38,742
		Debt value adjustments of foreign subsidiaries and affiliates	3,810
		Total accumulated other comprehensive income	561,555
		New share subscription rights	304
		Non-controlling interests	5,721
		Total net assets	1,306,829
Total assets	16,619,009	Total liabilities and net assets	16,619,009

Consolidated Statement of Operations for Fiscal Year 2024

(from April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount
Ordinary revenues	3,730,479
Income from insurance premiums	2,579,821
Investment income	488,335
Interests, dividends and income from real estate for rent	356,497
Gains on sales of securities	115,711
Foreign exchange gains, net	9,290
Reversal of reserve for possible loan lesses	1,366
Other investment income	4,561
Gains on separate accounts, net	909
Other ordinary income	662,322
Ordinary expenses	3,531,884
Insurance claims and other payments	2,968,213
Insurance claims	305,142
Annuity payments	340,747
Insurance benefits	176,981
Surrender payments	851,478
Other payments	109,889
Reinsurance premiums	1,183,974
Provision for policy and other reserves	14
Interest portion of reserve for policyholder dividends	14
Investment expenses	216,038
Interest expenses	2,403
Losses from monetary trusts, net	6,807
Losses on investments in trading securities, net	228
Losses on sales of securities	87,357
Devaluation losses on securities	10,853
Net derivative financial instruments loss	74,393
Depreciation of real estate for rent	6,495
Other investment expenses	27,499
Operating expenses	265,445
Other ordinary expenses	80,968
Equity in net loss of affiliated companies	1,202
Ordinary profit	198,595

(Millions of yen)

Account	Amount
Extraordinary gains	8,232
Gains on sale of fixed assets	5,541
Gains on negative goodwill	1,341
State subsidy	1,349
Extraordinary losses	12,215
Losses on sale, disposal and devaluation of fixed assets	2,449
Impairment loss	1,580
Provision for reserve for price fluctuations	6,814
Subsidized Project Expenses	1,370
Provision for reserve for policyholder dividends	25,917
Income before income taxes	168,695
Income taxes-current	53,704
Income taxes-deferred	(12,413)
Total income taxes	41,290
Net income	127,404
Profit attributable to non-controlling interests	992
Profit attributable to owners of parent	126,411

Non-consolidated Balance Sheet for Fiscal Year 2024

(as of March 31, 2025)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	22,471	Current liabilities	7,966
Cash and deposits	14,871	Lease obligations	7
Prepaid expenses	40	Accounts payable	2,475
Accounts receivable	1,015	Accrued expenses	592
Suspense payments	6,316	Income tax payable	279
Other current assets	226	Consumption tax payable	109
Fixed assets	962,470	Deposits received	4,341
Tangible fixed assets	166	Reserve for bonus to directors and audit & supervisory board members	116
Buildings	144	Other	43
Machinery and equipment	8	Fixed liabilities	182,411
Lease assets	13	Subordinated bonds	120,000
Investments and other assets	962,303	Long-term borrowings	13,500
Investments in subsidiaries	760,220	Long-term borrowings from subsidiaries	46,500
Investments in capital of subsidiaries	3,492	Lease obligations	8
Long-term loans receivable from subsidiaries	198,100	Long-term accounts payable-other	134
Deferred tax assets	348	Provision for share-based remuneration	2,265
Deposit for rent	142	Provision for retirement benefits	0
		Deposits received	2
		Total liabilities	190,378
		(Net assets)	
		Stockholders' equity	794,258
		Common stock	207,111
		Capital surplus	327,474
		Additional paid-in capital	89,420
		Other capital surplus	238,054
		Retained earnings	334,778
		Other retained earnings	334,778
		Retained earnings brought forward	334,778
		Treasury stock	(75,106)
		Valuation difference on available-for-sale securities	0
		New share subscription rights	304
		Total net assets	794,563
Total assets	984,941	Total liabilities and net assets	984,941

Non-consolidated Statement of Operations for Fiscal Year 2024

(from April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount
Operating income	87,829
Dividends on investments in affiliate companies	80,009
Fees and commissions received from affiliate companies	6,098
Interest on loans receivable from affiliate companies	1,721
Operating expenses	5,843
General and administrative expenses	5,843
Operating profit	81,985
Non-operating income	240
Gains on expired dividends payable	181
Gains on settlement of deposit received	49
Other income	9
Non-operating expenses	1,896
Interest expenses	1,566
Commissions	102
Bond issuance costs	111
Other expenses	116
Ordinary profit	80,329
Extraordinary losses	783
Loss on retirement of fixed assets	0
Loss on valuation of shares of subsidiaries and associates	783
Income before income taxes	79,546
Income taxes-current	221
Income taxes-deferred	(76)
Total income taxes	145
Net income	79,400

Audit Report of the Independent Auditor

May 15, 2025

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

Hiroshi Yamano
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, 2024 through March 31, 2025.
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.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which forms the basis for expressing an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing 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 measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

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 15, 2025

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

Hiroshi Yamano
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 21th fiscal year from April 1, 2024 through March 31, 2025.
In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the Company for the period covered by the 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 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 measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

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 the Audit & Supervisory Committee Members' Audit (Copy)

Report of Audit

We performed our audit of the execution of duties by the Directors of T&D Holdings, Inc. (the "Company") during the 21th fiscal year from April 1, 2024 to March 31, 2025, 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), (b) and (c) 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" (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.

(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 16, 2025

Shinnosuke Yamada, Head of Audit & Supervisory Committee Member
Takashi Ikawa, Full-Time Audit & Supervisory Committee Member
Takashi Tojo, Full-Time Audit & Supervisory Committee Member
Atsuko Taishido, Audit & Supervisory Committee Member
Koji Nitto, Audit & Supervisory Committee Member

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

(Note) Audit & Supervisory Committee Members Shinnosuke Yamada, Atsuko Taishido and Koji Nitto are Outside Directors stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Japanese Companies Act.

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

(1) Principal offices of the corporate group (as of March 31, 2025)

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.

(2) Employees of the corporate group

Employees of the Company

Classification	At the end of FY2023	At the end of FY2024	Change during FY2024	At the end of the current fiscal year		
				Average age	Average service years	Average monthly salary
Employees	129	160	31	47.0 years	21.8 years	¥612 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 2025 (including overtime payment), excluding bonus payment.

Employees of the consolidated companies

Divisions	At the end of FY2023	At the end of FY2024	Change during FY2024
Insurance and insurance-related businesses	19,165	20,235	1,070
Investment-related businesses	494	452	(42)
Administration-related businesses	749	209	(540)
Total	20,408	20,896	488

(3) The Group's main source of debt

Not applicable.

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

Not applicable.

2. 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
(0 shares of common stock)

T&D Holdings, Inc. New Share Subscription Rights (5th series) (issued in August 2016): 0
(0 shares of common stock)

T&D Holdings, Inc. New Share Subscription Rights (6th series) (issued in August 2017): 0
(0 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.

3. 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 Hiroshi Yamano Designated partner Norio Hashiba Designated partner Yohei Kondo	¥240 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 ¥62 million for advisory service, etc. related to introduction of economic value-based solvency regulations.

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 ¥580 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.

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

Not applicable.

5. 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.

(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 approval by the Company
   iii) Matters to be reported to the Company by subsidiaries
   iv) Guidance, advice and directions 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 approval by the Company" above include important matters that impact the operation of the Group, such as the agenda at shareholders meetings, management plans, important 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; the same applies hereinafter).
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, etc., information required for the purpose of the Audit & Supervisory Committee's audits and other material facts identified by the Company.
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 and general management of various risks 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 2024.

(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 approval 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, advice, and instruction 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 raise its security management level and reinforce its incident response system by introducing and reviewing various security tools and other technical measures, conducting drills cooperated with an external organization, security evaluation, and a cyber security training course in the Group in preparation for cyber-attacks, etc.

(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 on structures and rules as appropriate, as well as regularly conducts drills, etc. in order to ensure the effectiveness of response to the crisis.

(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 internal audits and 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

- 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.

- 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 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 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, etc. have been designated as matters requiring the prior consent of the Audit & Supervisory Committee.

6. 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	¥984,941 million
Daido Life Insurance Company	2-1 Edobori 1-chome, Nishi-ku, Osaka, Osaka-fu, Japan	¥363,053 million	

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

Not applicable.

8. Matters concerning Accounting Advisors

Not applicable.

9. Other matters

In accordance with the resolution of the 18th Ordinary General Meeting of Shareholders held on June 28, 2022, the Company amended its Articles of Incorporation to allow the Board of Directors to make a resolution on the distribution of surplus and other matters pursuant to Article 459, Paragraph 1 of the Companies Act in order to achieve a flexible capital and dividend policy.
The basic policy of the Company is to increase shareholder value and to implement stable dividend while ensuring the sound management of the Company and its group companies and securing the internal reserves necessary for the group.

Consolidated Statement of Changes in Net Assets for Fiscal Year 2024

(from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of April 1, 2024	207,111	-	533,841	(26,610)	714,342
Changes in the period					
Dividends from surplus			(39,561)		(39,561)
Profit attributable to owners of parent			126,411		126,411
Acquisition of treasury stock				(48,778)	(48,778)
Disposal of treasury stock		(24)		283	259
Reversal of land revaluation			(13,425)		(13,425)
Transfer from retained earnings to capital surplus		24	(24)		-
Net changes of items other than stockholders' equity					
Total changes in the period	-	-	73,401	(48,495)	24,906
Balance as of March 31, 2025	207,111	-	607,242	(75,106)	739,248

(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	Valuation adjustments on liabilities of foreign affiliates	Total accumulated other comprehensive income			
Balance as of April 1, 2024	668,135	(2,221)	(19,410)	38,906	3,810	689,220	343	6,020	1,409,926
Changes in the period									
Dividends from surplus									(39,561)
Profit attributable to owners of parent									126,411
Acquisition of treasury stock									(48,778)
Disposal of treasury stock									259
Reversal of land revaluation									(13,425)
Transfer from retained earnings to capital surplus									-
Net changes of items other than stockholders' equity	(141,154)	367	13,285	(164)	-	(127,665)	(39)	(298)	(128,002)
Total changes in the period	(141,154)	367	13,285	(164)	-	(127,665)	(39)	(298)	(103,096)
Balance as of March 31, 2025	526,981	(1,853)	(6,124)	38,742	3,810	561,555	304	5,721	1,306,829

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: 21
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.
T&D Asset Management Co., Ltd.
Pet & Family Insurance Co., Ltd.
All Right Co., Ltd.
T&D United Capital North America Inc.
T&D Risk Solutions Co., Ltd.
T&D Confirm Ltd.
T&D Information Systems, Ltd.
T&D Lease Co., Ltd.
Taiyo Credit Guarantee Co., Ltd.
Toyo Insurance Agency Co., Ltd.
Taiyo Life Aging Society Institute
Daido Management Service Co., Ltd.
Nihon System Shuno, Inc.
Zenkoku Business Center Co., Ltd.
Toyo Kosan Ltd.
and 2 other companies

In the consolidated fiscal year under review, Toyo Kosan Ltd. was included in the scope of consolidation due to an increase in the voting rights ratio following its repurchase of treasury stock.

(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: 5
The names of the companies: Capital Taiyo Life Insurance Ltd.
Thuriya Ace Technology Co., Ltd.
Alternative Investment Capital, Ltd.
FGH Parent, L.P., and 1 other company

(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 fiscal year end of certain consolidated subsidiaries is December 31. In preparing the consolidated financial statements, financial statements as of that date are used, and adjustments necessary for consolidation are made for significant transactions that occurred between that date and the consolidated balance sheet 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
- 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.
(iv) Treatment of deferred assets
Bond issuance expenses are treated in full at the time of incurrence.

(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 1,844 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 as of the consolidated fiscal year-end under review.

(iii) Provision for share-based remuneration

To provide for the grant of the Company's shares to employees, the estimated provision of share-based benefit remuneration is recorded based on the internal rules of the Company and its Group 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 and past service cost

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

(hedging instrument)	(hedged assets)
Interest swap	Loan receivable, bonds
Currency swap	Foreign currency denominated loans
Exchange contracts, currency options	Foreign currency-denominated assets
Option	Domestic and foreign stocks, domestic and foreign listed investment trusts, domestic bonds
Credit transaction	Domestic and foreign stocks, domestic and foreign listed investment trusts
Forward contracts	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 and currency options 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.

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

(hedging instrument)	(hedged assets)
Exchange contracts	Foreign currency-denominated securities, foreign currency-denominated certificates of deposit
Currency options	Foreign currency-denominated 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.

C. Hedge accounting method of T&D United Capital Co., Ltd.

(i) Hedge accounting method

T&D United Capital Co., Ltd. applies deferral hedge accounting. Deferred designation is applied as the requirements are satisfied.

(ii) Hedging instruments and hedged assets

T&D United Capital Co., Ltd. employs exchange contract transactions as a hedging instrument, with the hedged assets of foreign currency-denominated stocks (planned transaction).

(iii) Hedging policy

Based on the resolution of the Board of Directors concerning the acquisition of foreign currency-denominated stocks, exchange fluctuation risks of hedged assets are hedged within a certain scope.

(iv) Evaluation of the effectiveness of hedging activities

Evaluation of hedging effectiveness is omitted since 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) 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 end of the fiscal year under review 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.

(iii) 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 end of the consolidated fiscal year under review, 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 (hereinafter "reserve for outstanding claims for IBNR").

With regard to the reserve for outstanding claims for IBNR, due to the termination of the special treatment for payment of hospitalization benefits, etc., in cases where a patient is diagnosed with COVID-19 and is treated under the supervision of a doctor or other health care provider at an accommodation facility or at home (hereinafter "deemed hospitalization"), etc., since May 8, 2023, it is not possible to calculate the appropriate level of the amount by the calculation based on the main provisions of Article 1, Paragraph 1 of the Public Notice of the Ministry of Finance No. 234 of 1998 (hereinafter the "IBNR Notice"). Therefore, the amount calculated in accordance with the proviso of Article 1, Paragraph 1 of the IBNR Notice is recorded based on the following method.

(Outline of calculation method)

From the amount of reserve for outstanding claims for IBNR required and claims paid for all fiscal years listed in Article 1, Paragraph 1, main provision of the IBNR Notice, the amount related to deemed hospitalization is excluded, and calculated in the same manner as in Article 1, Paragraph 1, main provision of the IBNR Notice.

(iv) 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.

(v) Policy reserve

To prepare for future performance of obligations under insurance contracts for which contractual obligations have commenced as of the end of the fiscal year under review, 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. 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 "Accounting Standard for Revenue Recognition, etc." (ASBJ Statement No. 29, March 31, 2020), 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

6. Significant accounting estimates

(1) Policy reserve

(i) Amounts recognized on the consolidated balance sheet

(Millions of yen)

	As of March 31, 2025
Policy reserve	13,568,704
Other ordinary income (Reversal for policy reserve)	579,691

(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, (v) 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, 2025
Net defined benefit asset	10,062
Net defined benefit liability	33,767

(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, 15. 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, 2025
Impairment loss	1,580

(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.

7. Changes in accounting policies

Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, issued on October 28, 2022), etc., were adopted from the beginning of the current consolidated fiscal year. This change has no impact on the consolidated financial statements.

8. Unapplied accounting standards, etc.

(1) Accounting Standards for Leases, etc.

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, ASBJ)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ)

(i) Overview

As part of efforts to align J-GAAP with international standards, the Accounting Standards Board of Japan has been considering the development of accounting standards for leases that require lessees to recognize assets and liabilities for all leases. Based on international accounting standards, the fundamental policy is to base the lease accounting standards on the single accounting model of IFRS 16, but not adopt all of its provisions. Instead, only the main provisions are adopted to aim for a simple, convenient, and easily applicable standard that would require minimal adjustments even if the provisions of IFRS 16 were used in individual financial statements. The Accounting Standards for Leases, etc., were made available to achieve these factors.

As for the lessee's accounting treatment, regardless of whether a lease is a finance lease or an operating lease, a single accounting model is applied, similar to IFRS 16, where depreciation expense for the right-of-use asset and interest expense equivalent to the lease liability are recognized.

(ii) Scheduled date of application

The accounting standards are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(iii) Impact of applying the accounting standards

The impact amount is currently being evaluated.

(2) Practical Guidelines on the Accounting for Financial Instruments (Transferred Guidance No. 9, March 11, 2025, ASBJ)

(i) Overview

To improve the transparency of financial statements and enhance information disclosure to investors, the Accounting Standards Board of Japan has revised the "Practical Guidelines on the Accounting for Financial Instruments" with the aim of valuing unlisted stocks included in funds at fair value. It is also expected that, as a result, more growth capital will be supplied to venture capital funds, etc., from institutional investors both domestically and internationally.

Under the amendment, a new provision has been established allowing investors in certain qualifying partnerships or similar entities to base their accounting treatment on the fair value of all unlisted shares included in the assets of such partnerships or entities. When applying this provision, unlisted shares held as part of the partnership's assets should be measured at fair value, and the portion corresponding to the investor's share of valuation difference is to be recorded under net assets. Impairment treatment shall follow the provisions applicable to impairment of securities that have fair value.

(ii) Scheduled date of application

The guidelines are scheduled to be applied from the beginning of the fiscal year ending March 31, 2027.

(iii) Impact of applying the accounting standards

The impact amount is currently being evaluated.

9. Changes in presentation method

(Consolidated Statement of Operations)

In the previous consolidated fiscal year, "Subsidy project expenses" which were included in "Other extraordinary losses" under "Extraordinary losses" exceeded 10% of the total extraordinary losses. Therefore, these expenses are presented independently from the current consolidated fiscal year.

10. Business combinations

(Transactions under common control, etc.)

Our consolidated subsidiaries, Taiyo Life Insurance Company (hereinafter referred to as the "Taiyo Life") and Daido Life Insurance Company (hereinafter referred to as the "Daido Life"), acquired through absorption-type split effective April 1, 2024, the system development, operation, and server maintenance related businesses from our consolidated subsidiary T&D Information Systems, Ltd. (hereinafter referred to as the "T&D Information Systems"). Furthermore, on September 30, 2024, we acquired all shares of T&D Information Systems held by Taiyo Life and Daido Life, making it a wholly-owned subsidiary directly under our control.

(1) Overview of transaction

(i) Name and description of the business subject to the transaction

The business of developing, operating, and maintaining servers for Taiyo Life and Daido Life within T&D Information Systems.

(ii) Date of business combination

April 1, 2024

(iii) Legal form of the business combination

An absorption-type split where Taiyo Life and Daido Life are the surviving companies and T&D Information Systems is the split company.

(iv) Name of the combined entity

Taiyo Life and Daido Life

(v) Other matters regarding the overview of the transaction

To build a swift and agile DX/IT promotion system integrating the overseeing department and the systems department, the system development functions of T&D Information Systems were absorbed by Taiyo Life and Daido Life through an absorption-type split. Furthermore, T&D Information Systems has become a wholly-owned subsidiary of the Company and will now play a role in creating group synergy in the DX/IT field and promoting research and development of cutting-edge technologies such as AI and cloud.

(2) Outline of the accounting treatment implemented

The transaction has been accounted for as a transaction under common control based on "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

11. Additional information

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

(1) Stock Compensation Plan for Officers

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).

(i) 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.

(ii) 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 2,299 million yen and the number of shares is 1,303,900 shares.

(2) Stock Compensation Plan for Employees

To further enhance Group employees' awareness of company performance and stock price increases, and thereby boost their commitment to improving medium- to long-term corporate value, the Company introduced an Employee Stock Ownership Plan (ESOP) trust based on trust structure (hereinafter referred to as the "Employee Program") in fiscal year 2024. The eligible participants in the Employee Program are employees of the Company, Taiyo Life Insurance Company, Daido Life Insurance Company, T&D Financial Life Insurance Company, T&D Asset Management Co., Ltd., Pet

& Family Insurance Co., Ltd., T&D Information Systems, Ltd., T&D Lease Co., Ltd., Toyo Insurance Agency Co., Ltd., and Daido Management Services Co., Ltd. (excluding non-resident employees in Japan).
The accounting treatment for the 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).
(i) Overview of transaction
Based on the stock grant rules established by each Group company, points are granted to employees, and shares of the Company are delivered to employees who meet certain requirements through the trust, equivalent to their accumulated points. The shares of the Company delivered to employees are acquired in advance using funds entrusted to the trust by the Company.
(ii) 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 4,096 million yen and the number of shares is 1,563,331 shares.

(Reinsurance of insurance contracts to the Fortitude Group at Taiyo Life Insurance Company)
Taiyo Life Insurance Company has reinsured a block of existing contracts (excluding some) for lifetime dementia and long-term care annuities to Fortitude International Reinsurance Ltd. through coinsurance.
The impact of this ceded reinsurance transaction is as follows:
- Reversal of policy reserve: 656,997 million yen
- Reinsurance premium: 658,500 million yen

(Acquisition of treasury stock)
At a meeting of the Board of Directors held on March 31, 2025, the Company resolved matters pertaining to the acquisition of treasury stock in accordance with Article 31 of the Articles of Incorporation of the Company pursuant to Article 459, Paragraph 1, Item 1 of the Companies Act.

1. Reason for the acquisition of treasury stock
To enhance shareholder returns and improve capital efficiency.
2. Details of matters relating to the acquisition

(1) Class of shares to be acquired	Common stock
(2) Total number of shares that may be acquired	Up to 50,000,000 shares
(3) Total acquisition cost of shares	Up to 100,000 million yen
(4) Acquisition period	May 19, 2025 to March 31, 2026
(5) Acquisition method	Market purchase through a discretionary transaction method

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 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

Calculations of market values of financial instruments 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, 2025 are as follows. Securities, etc. without market value and investments in partnerships and other similar entities in which the net amount of equity interest is recorded on the consolidated balance sheets ("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	115,686	105,715	(9,970)
a Those treated as securities	113,183	103,338	(9,845)
• Held-to-maturity debt securities	83,479	73,634	(9,845)
• Other securities	29,703	29,703	-
b Other than above	2,502	2,377	(125)
(ii) Monetary trusts	1,114,453	1,013,554	(100,898)
a Monetary trust for investment	2,351	2,351	-
b Held-to-maturity monetary trusts	27,094	22,219	(4,874)
c Policy-reserve-matching monetary trusts	863,136	767,112	(96,024)
d Other monetary trusts	221,871	221,871	-
(iii) Securities	11,667,514	10,738,791	(928,723)
a Trading securities (*1)	122,536	122,536	-
b Held-to-maturity debt securities	651,016	622,881	(28,134)
c Policy-reserve-matching securities	5,523,396	4,622,807	(900,588)
d Other securities (*1)	5,370,565	5,370,565	-
(iv) Loans	1,651,491	1,607,839	(43,651)
a Policy loans (*2)	104,233	108,915	4,691
b Commercial loans (*2)	1,549,487	1,498,923	(48,342)
c Reserve for possible loan losses (*3)	(2,229)	-	-
Total assets	14,549,145	13,465,901	(1,083,244)
(i) Subordinated bonds	120,000	115,957	(4,043)
(ii) Borrowings as part of Other liabilities	56,369	55,196	(1,172)
Total liabilities	176,369	171,153	(5,215)
Derivatives (*4)			
(i) Those outside the scope of hedge accounting	3,239	3,239	-
(ii) Those subject to hedge accounting	3,960	3,960	(0)
Total derivatives	7,199	7,199	(0)

(*1) In accordance with generally accepted accounting principles, the net asset value per share of certain investment trusts is considered to be the fair market value of the investment trusts, and such investment trusts are included.

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

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

(*4) 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 [ ].

(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		14,940
	Unlisted shares, etc. (*1)	1,276
	Investments in partnerships, etc. (*2)	13,663
Other securities		529,564
	Unlisted shares, etc. (*1) (*3)	28,996
	Investments in partnerships, etc. (*2) (*3)	500,568

(*1) Unlisted shares have no fair values and therefore are not subject to disclosure of fair value based on Paragraph 5 of 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 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

(*3) The Company recognized impairment losses of 2,173 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	-	28,404	1,299	29,703
Other securities	-	28,404	1,299	29,703
Monetary trusts	2,288	221,934	-	224,223
Monetary trusts for investment	2,288	62	-	2,351
Other Monetary trusts	-	221,871	-	221,871
Securities	2,196,900	2,541,065	-	4,737,965
Trading securities	-	122,024	-	122,024
Foreign securities	-	20	-	20
Other foreign securities	-	20	-	20
Other securities	-	122,003	-	122,003
Other securities	2,196,900	2,419,040	-	4,615,940
Public and corporate bonds	534,331	864,627	-	1,398,958
Government bonds	478,864	-	-	478,864
Local government bonds	-	35,171	-	35,171
Corporate bonds	55,467	829,455	-	884,923
Stocks	707,508	-	-	707,508
Foreign securities	650,244	1,455,099	-	2,105,344
Foreign public and corporate bonds	337,723	275,831	-	613,555
Foreign stocks	12,372	-	-	12,372
Other foreign securities	300,148	1,179,267	-	1,479,416
Other securities	304,815	99,313	-	404,129
Derivative transactions	-	21,176	-	21,176
Currencies related	-	12,823	-	12,823
Stocks related	-	8,353	-	8,353
Total assets	2,199,188	2,812,581	1,299	5,013,068
Derivative transactions	-	13,976	-	13,976
Currencies related	-	13,522	-	13,522
Stocks related	-	454	-	454
Total liabilities	-	13,976	-	13,976

(*) In accordance with generally accepted accounting principles, the net asset value per share of certain investment trusts is considered to be the fair market value of the investment trusts, and such investment trusts are not included.

(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	-	73,634	2,377	76,011
Held-to-maturity debt securities	-	73,634	-	73,634
Other than those treated as securities	-	-	2,377	2,377
Monetary trusts	789,331	-	-	789,331
Held-to-maturity monetary trusts	22,219	-	-	22,219
Policy-reserve-matching monetary trusts	767,112	-	-	767,112
Securities	3,841,758	1,403,930	-	5,245,689
Held-to-maturity debt securities	426,818	196,063	-	622,881
Public and corporate bonds	426,006	165,079	-	591,086
Government bonds	426,006	-	-	426,006
Local government bonds	-	38,501	-	38,501
Corporate bonds	-	126,577	-	126,577
Foreign stocks	811	30,983	-	31,795
Foreign public and corporate bonds	811	30,983	-	31,795
Policy-reserve-matching securities	3,414,940	1,207,866	-	4,622,807
Public and corporate bonds	3,392,374	1,189,435	-	4,581,809
Government bonds	3,383,040	-	-	3,383,040
Local government bonds	-	254,570	-	254,570
Corporate bonds	9,333	934,865	-	944,199
Foreign securities	22,566	18,431	-	40,997
Foreign public and corporate bonds	22,566	18,431	-	40,997
Loans	-	-	1,607,839	1,607,839
Policy loans	-	-	108,915	108,915
Commercial loan	-	-	1,498,923	1,498,923
Derivative transactions	-	(0)	-	(0)
Interest rate related	-	(0)	-	(0)
Total assets	4,631,090	1,477,564	1,610,217	7,718,871
Subordinated bonds	-	115,957	-	115,957
Borrowings as part of Other liabilities	-	12,693	42,503	55,196
Total liabilities	-	128,650	42,503	171,153

(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 per share published by an industry association or investment management company is shown as fair value, and amounts of those with unadjusted market prices are categorized into Level 1 fair value, and amounts otherwise, Level 2 fair value.

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, and amounts are categorized into Level 3.

(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	2.47%	2.47%

(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 securities	Total
Beginning balance	2,224	0	22,023	24,248
Profit or loss for the consolidated fiscal year or other comprehensive income	(36)	0	(23)	(59)
Recognized in profit or loss (*1)	-	-	-	-
Recorded in other comprehensive income	(36)	0	(23)	(59)
Net of purchase, sale, issuance and settlement	(889)	(0)	(22,000)	(22,889)
Transferred to Level 3 fair value	-	-	-	-
Transferred from Level 3 fair value (*2)	-	-	-	-
Ending balance	1,299	-	-	1,299
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 “Investment income” and “Investment expenses” in the consolidated statement of operations.

(*2) It is a transfer of fair value from Level 3 to Level 2 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).

(4) Investment trusts that deem the net asset value per share of investment trusts to be fair market value in accordance with generally accepted accounting principles

Certain investment trusts for which the net asset value per share is deemed to be the fair value in accordance with generally accepted accounting principles are not disclosed in (3) Matters relating to breakdown of fair value of financial instruments by level. The amount of such investment trusts in the consolidated balance sheet is 755,136 million yen in financial assets.

(1) Reconciliation table from beginning balance to ending balance of investment trusts in which the investment trust assets are financial instruments

(Millions of yen)

	Trading securities	Other securities	Total
	Other foreign securities	Other foreign securities	
Beginning balance	746	656,746	657,492
Profit or loss for the consolidated fiscal year or other comprehensive income	(229)	28,262	28,032
Recognized in profit or loss (*)	(229)	35,731	35,501
Recorded in other comprehensive income	-	(7,469)	(7,469)
Net of purchase, sale and redemption	(4)	1,805	1,800
The amount of investment trust of which net asset value per share is deemed to be the fair market value	-	-	-
The amount of investment trust of which net asset value per share is not deemed to be the fair market value	-	-	-
Ending balance	511	686,814	687,326
Of those amounts recorded in profit or loss for the year under review, valuation profit or loss of investment trusts held as of the date of the consolidated balance sheet.	(229)	1,469	1,240

(*) Included in “Investment income” and “Investment expenses” in the consolidated statement of operations.

(2) Breakdown by nature of restrictions on cancellation or repurchase requests for investment trusts whose investment trust assets are financial instruments

(Millions of yen)

	Trading securities	Other securities	Total
	Other foreign securities	Other foreign securities	
Investment trusts with restrictions on the frequency, etc. of dates on which cancellation or repurchase requests can be made	511	524,511	525,022
Other than above	-	162,303	162,303
Total	511	686,814	687,326

(3) Reconciliation table from beginning balance to ending balance of investment trusts in which the investment trust assets are real estate

(Millions of yen)

	Other securities		Total
	Other foreign securities	Other securities	
Beginning balance	7,489	58,530	66,019
Profit or loss for the consolidated fiscal year or other comprehensive income	(436)	1,025	588
Recognized in profit or loss	-	-	-
Recorded in other comprehensive income	(436)	1,025	588
Net of purchase, sale and redemption	-	1,202	1,202
The amount of investment trust of which net asset value per share is deemed to be the fair market value	-	-	-
The amount of investment trust of which net asset value per share is not deemed to be the fair market value	-	-	-
Ending balance	7,052	60,757	67,810
Of those amounts recorded in profit or loss for the year under review, valuation profit or loss of investment trusts held as of the date of the consolidated balance sheet.	-	-	-

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 276,660 million yen while their market value is 408,848 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.

3 Status of claims based on the Insurance Business Act

Of the claims, the total amount of claims subject to bankruptcy proceeding and reorganization proceedings and claims thereto, claims with risks, claims overdue for three months or more, and claim with relaxed terms is 1,207 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 388 million yen. Of the above, direct write-off for estimated uncollectable is 1,638 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 35 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 763 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.

4 Cumulative amount of depreciation for tangible fixed assets

The cumulative amount of depreciation for tangible fixed assets stood at 243,172 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 127,831 million yen, and the amount of separate account liabilities was also 127,831 million yen.

6 Net assets per share

Net assets per share was 2,540.17 yen.

Note: The shares held by the Company remaining in the BIP and ESOP trust, 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 2,867,231 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	68,752 million yen
Policyholder dividend payment in the consolidated fiscal year under review	26,440 million yen
Increase due to interest, etc.	14 million yen
Increase due to other reasons	46 million yen
Provision for reserve for policyholder dividends	25,917 million yen
Balance at the end of the consolidated fiscal year under review	68,289 million yen

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

Total loan commitments	24,935 million yen
Loans carried out	10,627 million yen
Balance	14,307 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 1,517,548 million yen.

10. Subordinated bonds

Of the bonds, 90,000 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, 13,500 million yen was subordinated borrowings, which rank after other debts should the Company fall into receivership or be closed.

12. 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

13. 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.

14. Stocks of affiliated companies and investments therein

Securities include the stock of affiliated companies worth 1,276 million yen and investments in partnerships worth 13,663 million yen.

15. Retirement benefits

Matters concerning employees' retirement benefit obligations are as follows:

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

The Company and its 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	136,943 million yen
Service cost	5,054 million yen
Interest cost	1,920 million yen
Actuarial gain/loss	(6,088) million yen
Payment of retirement benefits	(6,462) million yen
Other	(127) million yen
Ending balance of retirement benefit obligations	131,240 million yen

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

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

Beginning balance of pension assets	112,221 million yen
Expected return on assets	1,753 million yen
Actuarial gain/loss	(5,720) million yen
Contribution by the business operator	3,962 million yen
Payment of retirement benefits	(4,680) million yen
Ending balance of pension assets	107,535 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	106,626 million yen
Pension assets	(107,535) million yen
[Retirement benefits trust of the above]	[(50,903) million yen]
	(909) million yen
Retirement benefits obligations for unfunded plans	24,613 million yen
Net amounts of liabilities and assets recorded in consolidated balance sheet	23,704 million yen
Net defined benefit liability	33,767 million yen
Net defined benefit asset	(10,062) million yen
Net amounts of liabilities and assets recorded in consolidated balance sheet	23,704 million yen

(iv) Retirement benefit cost and its breakdown

Service cost	5,054 million yen
Interest cost	1,920 million yen
Expected return on assets	(1,753) million yen
Amount of actuarial gain/loss treated as expenses	(367) million yen
Other	(129) million yen
Retirement benefits cost for defined benefit plan	4,724 million yen

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

(v) Matters concerning pension assets

a. Breakdown by main items of pension assets

Corporate bonds	61.6%
Life insurance general account	14.9%
Foreign securities	11.6%
Stocks	5.9%
Cash and deposits	3.2%
Real estate	1.7%
Joint investment assets	1.1%
Other	0.0%
Total	100.0%

Note: Total pension assets include retirement benefits trust that accounts for 47.3% 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	1.30%-2.04%
Expected long-term rate of return on assets	1.03%-2.29%

(3) Defined contribution plans

Amount of contribution required for defined contribution plans at consolidated subsidiaries is 281 million yen.

16. Notes to tax effect accounting

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

Deferred tax assets

Reserve for price fluctuation	81,284 million yen
Policy reserves	65,656 million yen
Net defined benefit liability	25,541 million yen
Devaluation losses on securities	16,686 million yen
Net unrealized gains (losses) on securities	4,983 million yen
Reserve for bonuses	2,979 million yen
Tax loss carried forward	202 million yen
Losses on sale, disposal and devaluation of fixed assets	136 million yen
Reserve for possible loan losses	1,167 million yen
Others	29,515 million yen
Subtotal	228,155 million yen
Valuation allowance	(18,883) million yen
Total deferred tax assets	209,271 million yen

Deferred tax liabilities

Net unrealized gains (losses) on securities	(220,722) million yen
Securities dividend receivables	(2,796) million yen
Reserve for reduction entry of real estate	(701) million yen
Others	(10,620) million yen
Total deferred tax liabilities	(234,840) million yen
Net deferred tax assets (liabilities)	(25,568) million yen

(2) Breakdown of major items that caused major differences between the statutory tax rate and the effective income tax rate after the application of tax effect accounting, when such discrepancies exist

The effective tax rate stipulated by the law	28.0%
(Adjustment)	
Adjustment of year-end deferred tax assets due to change in tax rate	(3.3)%
Others	(0.2)%

The contribution ratio of corporate and other taxes after the application of the deferred tax accounting	24.5%

(3) Adjustment of deferred tax assets and deferred tax liabilities due to changes in statutory tax rates
Following the enactment of the "Act Partially Ammending the Income Tax Act, etc" by the Diet on March 31, 2025, deferred tax assets and deferred tax liabilities for the current consolidated fiscal year (however, limited to those to be reversed on or after April 1, 2026) have been calculated using a statutory effective tax rate of 28.9% instead of 28.0%.
This change resulted in a decrease of ¥5,609 million in income taxes-deferred, and an increase of ¥5,609 million in profit attributable to owners of parent. Additionally, deferred tax liabilities increased by ¥1,658 million, and net unrealized gains (losses) on securities decreased by ¥7,178 million.

(4) Accounting for corporate and local income taxes or tax effect accounting related to these taxes
The Company and some of its consolidated domestic subsidiaries have applied the group tax sharing system under which the Company is the aggregate parent company. In accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021), the Company accounts for and discloses corporate and local income taxes or tax effect accounting related to these taxes.

17. 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)	1,652,505 million yen
Securities (foreign securities)	127,805 million yen
Cash collateral paid for financial instruments	1,298 million yen
Total	1,781,608 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	849,918 million yen

18. Market value of financial assets held as collateral for which the Company has free disposal rights
Not applicable.

19. 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	31,700 shares	21,400 shares	34,100 shares
Vested	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Exercisable	31,700 shares	21,400 shares	34,100 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	38,200 shares	96,900 shares	69,900 shares
Vested	-	-	-
Exercised	2,100 shares	17,100 shares	13,400 shares
Forfeited	-	-	-
Exercisable	36,100 shares	79,800 shares	56,500 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	2,562 yen	2,578 yen	2,653 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 income per share

Net income per share in the consolidated fiscal year under review was 241.72 yen.

Note: The shares held by the Company remaining in the BIP and ESOP trust 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 2,491,583 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 asset groups 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.	5 properties in Kanazawa-shi, Ishikawa prefecture	290	131	422
Real estate for rent, etc.	4 properties in Koriyama-shi, Fukushima prefecture	605	552	1,157
Total	-	896	683	1,580

(4) Method of calculating recoverable amount

The net sales value is applied for recoverable amounts.

The net sales value 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	544,000,000	–	–	544,000,000
Treasury stock: Common shares	13,996,963	18,084,777	175,569	31,906,171

Notes: 1. The decrease in the number of shares issued 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 15, 2024: 16,144,700 shares
Acquisition through ESOP trust: 1,564,500 shares
Acquisition through BIP trust: 355,400 shares
Purchase of fractional shares: 20,177 shares

2. The decrease in the number of treasury stock of common shares are due to the reasons as follows.
Exercise of stock options: 32,600 shares
Delivery due to the BIP trust: 119,300 shares
Sale due to the BIP trust: 22,500 shares
Delivery due to the ESOP trust: 1,019 shares
Sale due to the ESOP trust: 150 shares

3. The number of treasury stocks of common shares at the end of the consolidated fiscal year under review includes 1,303,900 shares (1,090,300 shares at the beginning of the consolidated fiscal year under review) of the Company held by the BIP and 1,563,331 shares (0 shares at the beginning of the consolidated fiscal year under review) of the Company held by the ESOP.

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 26, 2024	Common stock	18,588 million yen	35.0 yen	March 31, 2024	June 27, 2024
Board of Directors' Meeting on November 14, 2024	Common stock	20,973 million yen	40.0 yen	September 30, 2024	December 6, 2024

Notes: 1. The total dividends resolved at the Ordinary General Meeting of Shareholders held on June 26, 2024 include 38 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 14, 2024 include 52 million yen of dividends on treasury stock held by the BIP and 62 million yen of dividends on treasury stock held by the ESOP.

(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 26, 2025	Common stock	20,598 million yen	Retained earnings	40.0 yen	March 31, 2025	June 27, 2025

Notes: 1. This proposal is scheduled to be voted on June 26, 2025, at the Ordinary General Meeting of Shareholders for approval.
2. Total dividends include 52 million yen of dividends on treasury stock held by the BIP and 62 million yen of dividends on treasury stock held by the ESOP.

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	304

Significant subsequent events

Not applicable.

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

Non-consolidated Statement of Changes in Net Assets for Fiscal Year 2024

(from April 1, 2024 to March 31, 2025)

(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, 2024	207,111	89,420	238,078	327,498	294,939	294,939
Changes in the period						
Dividends from surplus					(39,561)	(39,561)
Net income					79,400	79,400
Acquisition of treasury stock						
Disposal of treasury stock			(24)	(24)		
Net changes of items other than stockholders' equity						
Total changes in the period	-	-	(24)	(24)	39,839	39,839
Balance as of March 31, 2025	207,111	89,420	238,054	327,474	334,778	334,778

(Millions of yen)

	Stockholders' equity		Valuation and translation adjustments		New share subscription rights	Total net assets
	Treasury stock	Total stockholders' equity	Net unrealized gains (losses) on securities	Total valuation and translation adjustments		
Balance as of April 1, 2024	(26,610)	802,938	-	-	343	803,282
Changes in the period						
Dividends from surplus		(39,561)				(39,561)
Net income		79,400				79,400
Acquisition of treasury stock	(48,778)	(48,778)				(48,778)
Disposal of treasury stock	283	259				259
Net changes of items other than stockholders' equity			0	0	(39)	(39)
Total changes in the period	(48,495)	(8,679)	0	0	(39)	(8,719)
Balance as of March 31, 2025	(75,106)	794,258	0	0	304	794,563

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 and investments in capital 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. Treatment of deferred assets

Bond issuance expenses are treated in full at the time of incurrence.

4. 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 as of the fiscal year-end 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 Group companies.

(3) Provision for retirement benefits

To provide for the payment of employees' retirement benefits, the Company has posted an allowance for an estimated amount of retirement benefits at the end of the fiscal year under review.

The simplified method is applied to the calculation of retirement benefit obligations, using the amount required for voluntary retirement at the end of the fiscal year as the retirement benefit obligation.

5. 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) Accounting Standard for Revenue Recognition.

6. Changes in accounting policies

Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, issued on October 28, 2022), etc., were adopted from the beginning of the current fiscal year. This change has no impact on the non-consolidated financial statements.

7. Additional information

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

Notes on the Stock Compensation Plan for Officers and Stock Compensation Plan for Employees are omitted as the same information is stated in "Additional information" under "Individual notes to consolidated financial statements."

(Acquisition of treasury stock)

At a meeting of the Board of Directors held on March 31, 2025, the Company resolved matters pertaining to the acquisition of treasury stock in accordance with Article 31 of the Articles of Incorporation of the Company pursuant to Article 459, Paragraph 1, Item 1 of the Companies Act.

1. Reason for the acquisition of treasury stock
   To enhance shareholder returns and improve capital efficiency.
2. Details of matters relating to the acquisition

(1) Class of shares to be acquired	Common stock
(2) Total number of shares that may be acquired	Up to 50,000,000 shares
(3) Total acquisition cost of shares	Up to 100,000 million yen
(4) Acquisition period	May 19, 2025 to March 31, 2026
(5) Acquisition method	Market purchase through a discretionary transaction method

Notes to the Non-consolidated Balance Sheet

1. Monetary claims and liabilities toward affiliated companies

Short-term monetary claims	1,152 million yen
Short-term monetary liabilities	4,884 million yen
Long-term monetary claims	198,187 million yen
Long-term monetary liabilities	46,502 million yen

2. Accumulated depreciation of tangible fixed assets 261 million yen

Notes to the Non-consolidated Statement of Operations

Volume of transactions with affiliated companies

Volume of transactions by operating transaction	
Operating income	87,829 million yen
Operating expenses	511 million yen
Volume of transactions other than operating transaction	
Non-operating expenses	223 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	31,906,171 shares

Note: The number of treasury stocks of common shares at the end of the fiscal year under review includes 1,303,900 shares of the Company held by the BIP and 1,563,331 shares of the Company held by the ESOP.

Notes to deferred tax accounting

1. Breakdown of deferred tax assets by major reason

(Deferred tax assets)	
Losses on valuation of investment in subsidiaries	919 million yen
Long-term accounts payable-other	42 million yen
Share-based compensation expenses	129 million yen
Reserve for bonuses	71 million yen
Others	108 million yen
Subtotal of deferred tax assets	1,270 million yen
Valuation reserve	(922) million yen

Total of deferred tax assets	348 million yen
(Deferred tax liabilities)	
Net unrealized gains (losses) on securities	(0) million yen
Total deferred tax liabilities	(0) million yen
Net deferred tax assets (liabilities)	348 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	(30.8) %
Valuation reserve	0.3 %
Others	0.0 %
The contribution ratio of corporate and other taxes after the application of the deferred tax accounting	0.2 %

3. Accounting for corporate and local income taxes or tax effect accounting related to these taxes

The Company has applied the group tax sharing system under which the Company is the aggregate parent company. In accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, August 12, 2021), the Company accounts for and discloses corporate and local income taxes or tax effect accounting related to these taxes.

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 (*1)	50,000
				Receipt of interest (*1)	599	Others	9
				Repayment of loans payable (*2)	6,400	Long-term borrowings from subsidiaries (*2)	23,250
				Payment of interests (*2)	111	Accounts payable	20
Subsidiary	Daido Life Insurance Company	Direct ownership 100%	Major subsidiary engaged in the insurance business	Repayment of loans payable (*2)	6,400	Long-term borrowings from subsidiaries (*2)	23,250
				Payment of interests (*2)	111	Accrued expenses	20
Subsidiary	T&D United Capital Co., Ltd.	Direct ownership 100%	Major subsidiary engaged in the investment business	-	-	Long-term loans receivable from subsidiaries (*3)	148,100
				Receipt of interests (*3)	1,121	Others	217

Terms and conditions for the transactions and the decision policy thereof

Notes:

*1 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.

*2 The interest rate on long-term borrowings from subsidiaries, which is an unsecured loan with lump-sum repayment at maturity, is reasonably determined by taking into account market interest rate, etc.

*3 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 balance of long-term loans receivable from subsidiaries of 148.1 billion yen as of the fiscal year end includes a subordinated loan of 79.4 billion yen.

Notes on information per share

Net assets per share 1,551.00 yen
Net income per share 151.83 yen

Note: The shares held by the Company remaining in the BIP and ESOP 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 2,867,231 shares, and the average number of treasury shares during the period deducted in calculating net income per share is 2,491,583 shares.

Notes concerning important subsequent event
Not applicable.

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