May 15, 2026

T&D Holdings, Inc.
(Security Code: 8795, TSE Prime Market)
Taiyo Life Insurance Company
Daido Life Insurance Company
T&D Financial Life Insurance Company

Disclosure of Group Embedded Value as of March 31, 2026

T&D Holdings, Inc. (President: Masahiko Moriyama, "TDH"), Taiyo Life Insurance Company (President: Yasuro Tamura, "Taiyo"), Daido Life Insurance Company (President: Hiroyuki Fujita, "Daido") and T&D Financial Life Insurance Company (President: Morinaka Kanaya, "TDF") (collectively, the "Group") have disclosed market consistent embedded value ("MCEV") in compliance with the European Insurance CFO Forum Market Consistent Embedded Value Principles© (the "MCEV Principles").
In light of the introduction of a new economic value–based solvency regulation (the "New Regulation") at the end of fiscal year 2025, the Group will, starting with its results for the fiscal year ended March 31, 2026, disclose "Group EV" as an indicator representing the Group's enterprise value. This measure will be calculated using a methodology consistent with the New Regulation.

(Note) The figures as of March 31, 2025 for the Group and its three life insurance companies have not been retrospectively adjusted, and the Group MCEV and each company's MCEV are presented as disclosed.

Summary

The Group EV as of March 31, 2026 is as shown in the table below:

(Billions of yen)

	March 31, 2025	March 31, 2026	Increase (Decrease)
Group EV	3,945.7	4,238.6	292.9
Adjusted net worth	988.8	777.7	(211.0)
Value of in-force business	2,956.9	3,460.8	503.9
Value of new business	166.1	169.0	2.9

Contents

1. EV results of T&D Insurance Group

(1) Group EV

Group EV increased by ¥292.9 billion from the previous fiscal year-end to ¥4,238.6 billion as of March 31, 2026, mainly driven by the contribution of new business and the rise in domestic and foreign stock prices.
Adjusted net worth decreased despite positive contributions from the rise in domestic and foreign stock prices, as the impact of higher domestic interest rates more than offset these gains. Life insurance in-force value increased, mainly driven by the contribution of new business and higher domestic interest rates.

(Billions of yen)

	March 31, 2025	March 31, 2026	Increase (Decrease)
Group EV	3,945.7	4,238.6	292.9
Adjusted net worth	988.8	777.7	(211.0)
Value of in-force business	2,956.9	3,460.8	503.9

(2) Value of new business

Value of new business represents the value as of March 31, 2026 of new business written during fiscal year 2025, calculated using the same assumptions as those applied to the Group EV as of March 31, 2026, and does not include the value of future new business to be written.
The new business margin is the ratio of the Value of new business to the present value of premiums.
Value of new business is ¥169.0 billion, an increase of ¥2.9 billion from the value for the prior fiscal year.

(Billions of yen)

	March 31, 2025	March 31, 2026	Increase (Decrease)
Value of new business	166.1	169.0	2.9
Present value of new business premiums	2,121.6	1,936.3	(185.3)
New business margin	7.8%	8.7%	0.9points

2. Movement Analysis

The table below shows an analysis of the increase (decrease) in the embedded value during the 12 month period ended March 31, 2026. All components are shown on a post-tax basis.

(Billions of yen)

	Group EV
Opening EV	3,945.7
(1) Opening adjustments	(191.4)
Adjusted opening Group EV	3,754.2
(2) New business value	169
(3) Expected existing business contribution (reference rate)	59.6
(4) Expected existing business contribution (in excess of reference rate)	121.9
(5) Experience variances	(24.3)
(6) Assumption changes	(166.3)
(7) Economic variances	289.8
(8) Changes in net assets of non-covered business	34.5
(9) Changes due to other factors	-
Closing Group EV	4,238.6

(1) Opening adjustments

This amount consists of the shareholders dividend paid to its shareholders, the treasury stock purchased from the market by T&D Holdings during fiscal year 2025, and the impact of internal model changes, and the impact of the adoption of changes in U.S. GAAP (LDTI).

(2) New business value

This is the value of new business issued during fiscal year 2025, including converted policies.

(3) Expected existing business contribution (reference rate)

This represents the aggregate of the expected investment income after tax that would be earned by investing assets equivalent to the adjusted net assets at the reference interest rate for a one-year period; the interest equivalent for one year calculated by discounting the future value arising from in-force business as of March 31, 2025 at the reference interest rate; and the costs for fiscal year 2025 relating to the time value of options and guarantees and non-hedgeable risks.

(4) Expected existing business contribution (in excess of reference rate)

Expected after-tax investment earnings on assets during fiscal year 2025 earned in excess of the reference rates.

(5) Experience variances

This is the impact on the embedded value of differences between the actual experience and the operating assumptions during the period.

(6) Assumption changes

This is the impact of changes in the operating assumptions which has been calculated as of the beginning of the period.

(7) Economic variances

This represents the impact of differences between expected and actual investment returns during the period, as well as the impact on the value of future profits arising from changes in economic assumptions at the end of the period, including changes in inflation rates.

(8) Changes in net assets of non-covered business

This is the aggregate impact of profits from the Group's non-covered business and changes in unrealized gains and losses on assets and liabilities.
The covered businesses include life insurance subsidiaries 100% owned by T&D Holdings (Taiyo Life, Daido Life, T&D Financial Life, and their subsidiaries and affiliates).

(9) Changes due to other factors

This represents changes attributable to factors not included in items (1) through (8) above.

3. EV by Company

(1) Taiyo Life

EV and value of new business

(Billions of yen)

	March 31, 2025	March 31, 2026	Increase (Decrease)
EV	1,133.2	1,159.4	26.2
Adjusted net worth	374.7	294.9	(79.8)
Value of in-force business	758.4	864.5	106.1
Value of new business	27.2	27.4	0.1

(2) Daido Life

EV and value of new business

(Billions of yen)

	March 31, 2025	March 31, 2026	Increase (Decrease)
EV	2,731.9	2,845.7	113.8
Adjusted net worth	694.7	479.9	(214.8)
Value of in-force business	2,037.1	2,365.8	328.7
Value of new business	130.0	132.6	2.6

(3) T&D Financial Life

EV and value of new business

(Billions of yen)

	March 31, 2025	March 31, 2026	Increase (Decrease)
EV	171.7	184.6	12.8
Adjusted net worth	10.4	(45.7)	(56.2)
Value of in-force business	161.3	230.4	69.0
Value of new business	8.8	8.9	0.1

(4) Movement analysis

(Billions of yen)

	Taiyo	Daido	TDF
Opening EV	1,133.2	2,731.9	171.7
(1) Opening adjustments	(50.4)	(243.6)	(2.7)
Adjusted opening EV	1,082.7	2,488.2	168.9
(2) New business value	27.4	132.6	8.9
(3) Expected existing business contribution (reference rate)	14.1	41.4	4.1
(4) Expected existing business contribution (in excess of reference rate)	44.1	77.9	(0.1)
(5) Experience variances	(8.2)	(12.9)	(3.1)
(6) Assumption changes	(77.4)	(87.0)	(1.9)
(7) Economic variances	76.6	205.4	7.7
(8) Changes in net assets of non-covered business	-	-	-
(9) Changes due to other factors	-	-	-
Closing EV	1,159.4	2,845.7	184.6

4. Sensitivities

The impact of changes in assumptions (sensitivities) on the Group EV results are summarized below. For each sensitivity, only one specific assumption is changed and other assumptions remain unchanged from the base. It should be noted that the effect of the change of more than one assumption at a time is likely to be different from the sum of two sensitivities with only one assumption change.

(Billions of yen)

	Group EV	Value of new business
Base Scenario	4,238.6	169.0
Sensitivity 1: 50 basis points increase in interest rate	(25.4)	0.2
Sensitivity 2: 50 basis points decrease in interest rate	18.7	(0.6)
Sensitivity 3: 10% decrease in equity and real estate value	(204.0)	0.0
Sensitivity 4: 10% decrease in lapse rate	221.7	21.7
Sensitivity 5: 10% decrease in maintenance expenses	58.9	5.8
Sensitivity 6: 5% decrease in claim incidence rates for the life business	78.9	6.9

Sensitivity 1: 50 basis points increase in interest rate, Sensitivity 2: 50 basis points decrease in interest rates

Fixed interest assets (bonds, loans, etc.) are revalued according to the change in the interest rate. The value of in-force business is re-calculated according to the change of investment yield and risk discount rate. Policyholder behaviour also changes corresponding to these changes. The ultimate forward rate used for the extrapolation beyond the last liquid data point of interest rate is not shifted for the sensitivities 1and 2.

In addition, under Sensitivity 2, no floor is applied to interest rates following the decrease.

Sensitivity 3: 10% decrease in equity and real estate value as at the valuation date

Market values of equities and real estate at the valuation date are reduced by 10%.

Sensitivity 4: 10% decrease in lapse rate

Base lapse rates are multiplied by 0.9.

Sensitivity 5: 10% decrease in maintenance expenses

Base maintenance expense assumptions are multiplied by 0.9.

Sensitivity 6: 5% decrease in claim incidence rates for the life business

Base claim incidence rates (mortality and morbidity) are multiplied by 0.95. The possibility of premium rate adjustments and any other managerial actions associated with such changes in claim incidence rates are not reflected.

The table below shows each company's EV sensitivity results.

(1) Taiyo Life

(Billions of yen)

	EV	Value of new business
Base Scenario	1,159.4	27.4
Sensitivity 1: 50 basis points increase in interest rate	(32.5)	(2.0)
Sensitivity 2: 50 basis points decrease in interest rate	32.4	22
Sensitivity 3: 10% decrease in equity and real estate value	(80.0)	-
Sensitivity 4: 10% decrease in lapse rate	41.6	5.9
Sensitivity 5: 10% decrease in maintenance expenses	17.7	1.6
Sensitivity 6: 5% decrease in claim incidence rates for the life business	21.0	2.7

(2) Daido Life

(Billions of yen)

	EV	Value of new business
Base Scenario	2,845.7	132.6
Sensitivity 1: 50 basis points increase in interest rate	5.8	2.3
Sensitivity 2: 50 basis points decrease in interest rate	(11.9)	(3.0)
Sensitivity 3: 10% decrease in equity and real estate value	(124.3)	-
Sensitivity 4: 10% decrease in lapse rate	177.4	15.6
Sensitivity 5: 10% decrease in maintenance expenses	37.2	3.6
Sensitivity 6: 5% decrease in claim incidence rates for the life business	53.0	3.9

(3) T&D Financial Life

(Billions of yen)

	EV	Value of new business
Base Scenario	184.6	8.9
Sensitivity 1: 50 basis points increase in interest rate	1.2	(0.0)
Sensitivity 2: 50 basis points decrease in interest rate	(1.7)	0.1
Sensitivity 3: 10% decrease in equity and real estate value	0.2	0.0
Sensitivity 4: 10% decrease in lapse rate	2.6	0.1
Sensitivity 5: 10% decrease in maintenance expenses	3.9	0.5
Sensitivity 6: 5% decrease in claim incidence rates for the life business	4.8	0.1

5. EV Methodology

(1) EV

EV (Embedded Value) is an indicator of the Group's corporate value attributable to shareholders and does not include the value arising from future new business.
EV is composed of Adjusted net worth and the Value of in-force business.

(2) Adjusted net worth

Adjusted net worth is calculated by adjusting the total net assets on the Group's balance sheet for the following:

- In order to mark to market, differences in market value and book value of assets have been reflected on an after-tax basis. The assets to be adjusted include held-to-maturity bonds, policy reserve-matching bonds, loans, land, building, debt and borrowings etc. The equities of subsidiaries and affiliates of life subsidiaries have been adjusted to marked-to-market values. For retirement benefits, figures from the primary statements have been used without adjustment.
- Certain liabilities that are effectively part of net worth (price fluctuation reserve, contingency reserve, unallocated portion in the policyholders' dividend reserve, and general reserve for possible loan losses) have been added on an after-tax basis.

(3) Value of in-force business

The value of in-force business is calculated as follows:

Certainty equivalent present value of future profits of each relevant business entity
Less Time value of financial options and guarantees
Less Cost of non-hedgeable risks

(4) Certainty equivalent present value of future profit

The certainty equivalent value is the value of the future cash flows calculated on a deterministic basis, and the present value of the future after-tax profits at the reference rates. It is calculated assuming all assets earn the reference rate.

(5) Time value of financial options and guarantees

Insurance contracts include various options and guarantees which may cause asymmetric impact on future profits in accordance with changes of economic assumptions. To calculate the time value of financial options and guarantees, a stochastic method is used with the assumptions calibrated to the prices of options traded in the financial markets. The time value of financial options and guarantees is calculated as the difference between the average of the present values of future profits calculated under a set of market-consistent stochastic economic scenarios and the certainty equivalent present value of future profits.

(6) Cost of non-hedgeable risks

The cost of non-hedgeable risks is calculated as the aggregate present value of amounts obtained by applying the cost of capital rate to the economic-capital-based risk amounts excluding economic factors for each future period, and discounting such amounts at the reference interest rate.

(7) Value of new business

The Value of new business is the value of new policies issued during fiscal year 2025. The value has been calculated as of March 31, 2026, and the same operating and economic assumptions as those applied for the valuation of EV are used.
However, the Value of new business of the single premium saving products issued by TDF is calculated as a value at point of sale, applying economic assumptions as of the end of each quarter to new business of the quarter.
The Value of new business includes the value of new policies issued and the net increase in value arising from conversions and does not include values of future renewals of the in-force policies

6. Main EV Assumptions

(1) Reference rates

In the certainty equivalent calculation, the reference rates used as the discount rates and investment yields are based on government bond yields. The table below shows, for selected terms, the reference rates (spot rates) which have been used for the calculation.
The Group uses the ultimate forward rate at 2.9% for Japanese yen (3.8% for U.S. dollar and Australian dollar) and sets the last liquid data point at 40th year for Japanese yen (30th year for U.S. dollar and Australian dollar). For the forward rates beyond the last liquid data point, the Group extrapolated the yield curve to the ultimate forward rate over a convergence period of 30 years using the Smith-Wilson method.

Term	JGB	
	As of the end of March, 2025	As of the end of March, 2026
1 year	0.641%	1.105%
2 year	0.857%	1.382%
3 year	0.893%	1.511%
4 year	1.023%	1.689%
5 year	1.114%	1.822%
10 year	1.521%	2.426%
15 year	1.957%	2.983%
20 year	2.322%	3.540%
25 year	2.413%	3.751%
30 year	2.688%	4.082%
35 year	2.873%	4.193%
40 year	2.970%	4.106%
45 year	3.016%	4.007%
50 year	3.029%	3.913%

Source: Ministry of Finance Japan, after interpolation/extrapolation

Term	US Treasury		Australian government bonds	
	As of the end of March, 2025	As of the end of March, 2026	As of the end of March, 2025	As of the end of March, 2026
1 year	4.018%	3.669%	3.781%	4.610%
2 year	3.890%	3.787%	3.682%	4.654%
3 year	3.875%	3.816%	3.698%	4.648%
4 year	3.915%	3.885%	3.757%	4.657%
5 year	3.963%	3.953%	3.858%	4.693%
10 year	4.256%	4.399%	4.468%	5.011%
15 year	4.515%	4.854%	4.763%	5.207%
20 year	4.756%	5.124%	5.002%	5.407%
25 year	4.746%	5.133%	5.155%	5.490%
30 year	4.639%	5.037%	5.254%	5.537%
35 year	4.541%	4.924%	5.230%	5.472%
40 year	4.460%	4.811%	5.118%	5.330%
45 year	4.393%	4.711%	4.996%	5.184%
50 year	4.337%	4.625%	4.884%	5.054%

Source: Bloomberg, after interpolation/extrapolation

(2) Stochastic scenarios

i. Interest rate model

As an interest rate model, it is calibrated to market conditions as of each reference date, and the parameters are estimated based on the implied volatilities of multiple interest rate swaptions with different yield curves and maturities.

ii. Implied volatilities of equities and currencies

With respect to the volatilities of major equity indices and currencies, calibration is performed based on implied volatility data of options traded in the market.

iii. Correlations

In addition to the implied volatilities mentioned above, implied volatilities reflecting each company's asset composition are derived based on correlation coefficients. The asset allocation ratios are assumed to remain constant over the future periods.

As market-consistent data based on sufficiently liquid exotic options are not available for correlation coefficients, values calculated from market data over the most recent 10 years are used.

(3) Other assumptions

All cash flows (premiums, commissions, non-commission expenses, death benefits, cash surrender values, taxes, etc.) were projected up to policy termination, applying, by product, best estimate assumptions based on past and current experience and the Group's future views. The mortality assumption includes the allowance for future improvements based on the Group's experience study.

Effective tax rates

Effective tax rates were determined based on the tax rates used in each company's most recent financial statements.

The effective tax rates applied are as follows:

	FY2025	FY2026 and thereafter
Taiyo	28.00%	28.90%
Daido	27.90%	28.90%
TDF	27.97%	28.90%

Expenses

Expense assumptions have been set based on the expenses incurred by each of the life insurance companies. Some adjustments were made including the elimination of one-off expenses which are not expected to be regularly repeated in the future.

Inflation

The inflation assumption for the first 40 years was set at 1.4% with reference to the break-even inflation rate from inflation index-linked government bonds. For the 41st year and later, the inflation assumption was extrapolated to converge to 2.0%, the inflation rate implied in the ultimate forward rate, at 70th year.

Policyholder Dividends

Assumptions for policyholder dividend rates are set based on each company's policyholder dividend policy.

7. Notes on the Use of the Information

The calculation of EV results involves certain assumptions regarding future projections that are subject to risks and uncertainties. It should be noted that actual future results might differ materially from the assumptions used in the EV calculations. Moreover, although EV is one indicator of the corporate value of a life insurance company/group, the actual market value may significantly diverge from the EV.

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