

Status of Stock Holdings

I. Standards and ways of thinking by category in investments

The Group holds investment stocks for the purpose of pure investment in order to reap earnings by an increase in equity value and by receiving dividends and so forth. In addition, the Group holds investment stocks for purposes other than pure investment purposes (hereinafter “non-pure investment stocks”). The purposes of holding non-pure investment stocks are to maintain and to expand long-term, stable business relationships, to maintain and to strengthen business partnerships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth.

II. Holdings stocks on Taiyo Life Insurance Company

Of the Company and its consolidated subsidiaries, Taiyo Life is the consolidated subsidiary with the largest balance of investment stock. The status of Taiyo Life’s stock holding is as follows:

1. Non-pure investment stocks

a. Policies to hold shares, the rationality to hold shares, verification contents at the Board of Directors meetings about the appropriateness to hold individual companies

Every year, the boards of directors of the Company and Taiyo Life Insurance Company shall verify the propriety of holding individual non-pure investment stocks by concretely examining the adequacy of the holdings, whether the benefits and risks are commensurate with the capital costs, and other factors.

b. The number of stocks and the amounts on Balance Sheets

	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	5	¥ 2,871
Stocks other than unlisted stocks	36	263,292

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

	The number of stocks	Total of acquisition costs related to the increase in the number of shares (¥ millions)	The reasons for increasing the number of shares
Unlisted stocks	0	¥ —	
Stocks other than unlisted stocks	2	3,611	For additional purchase as the purpose of expectation of the quantitative effectiveness to hold the stocks by further enhancement with the long-term and stable business relationships

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

	The number of stocks	Total of sale price related to the decrease in the number of shares (¥ millions)
Unlisted stocks	0	¥ —
Stocks other than unlisted stocks	1	644

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

Specified Investment Shares

Stocks	Year ended March 31, 2018	Year ended March 31, 2019	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Keio Corporation	5,862,032	5,862,032	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	¥ 26,642	¥ 41,913		
SHIMADZU CORPORATION	7,411,520	7,411,520	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	22,175	23,716		
Mitsui Fudosan Co., Ltd.	8,096,575	8,096,575	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	20,901	22,528		
Mitsubishi Electric Corporation	14,350,000	14,350,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	24,416	20,412		
Tokyu Corporation	8,566,559	9,566,559	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs. For the expectation to receive high quantitative effect of holding benefits through the reinforcement with the long-term and stable business relationships, the number of stocks has been increased.	Y
	14,203	18,492		
Daiwa Securities Group Inc.	31,140,000	31,140,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	21,134	16,784		
Mitsubishi Estate Co., Ltd.	7,700,000	7,700,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	13,848	15,442		
Mitsubishi Chemical Holdings Corporation	18,838,372	18,838,372	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N *notice1
	19,412	14,682		
Tsubakimoto Chain Co.	17,798,316	3,559,663	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs. Due to the stock integration, the number of the stocks has been decreased. So there is virtually no change in the number of shares.	Y
	15,413	14,060		
MITSUI & CO., LTD.	7,160,800	8,160,800	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs. For the expectation to receive high quantitative effect of holding benefits through the reinforcement with the long-term and stable business relationships, the number of stocks has been increased.	Y
	13,050	14,024		
Sompo Holdings, Inc.	2,661,820	2,661,820	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N *notice2
	11,397	10,908		
Mitsubishi UFJ Financial Group, Inc.	15,220,718	15,220,718	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N *notice3
	10,608	8,371		

Status of Stock Holdings

Stocks	Year ended March 31, 2018	Year ended March 31, 2019	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Obayashi Corporation	5,486,400	5,486,400	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	6,386	6,111		
KURARAY CO., LTD.	3,282,010	3,282,010	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	5,933	4,621		
TS TECH Co.,Ltd.	1,400,000	1,400,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	5,901	4,459		
RAITO KOGYO CO., LTD.	2,734,500	2,734,500	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	3,002	4,079		
Electric Power Development Co., Ltd. (J-POWER)	1,085,040	1,085,040	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,910	2,925		
Showa Denko K.K.	700,000	700,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	3,150	2,723		
Tsukishima Kikai Co., Ltd	1,885,000	1,885,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,835	2,599		
Sotetsu Holdings, Inc.	760,000	760,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,149	2,587		
Tsubakimoto Kogyo Co., Ltd.	573,805	573,805	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	1,968	2,168		
Hokuetsu Corporation	2,817,987	2,817,987	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	1,933	1,823		
Kurimoto, Ltd.	1,209,075	1,209,075	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,447	1,760		
Taikisha Ltd.	422,029	422,029	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	1,468	1,420		
Takasago Thermal Engineering Co., Ltd.	678,347	678,347	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	1,325	1,208		
Toppan Printing CO., LTD.	949,088	474,544	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs. Due to the stock integration, the number of the stocks has been decreased. So there is virtually no change in the number of shares.	Y
	828	792		

Stocks	Year ended March 31, 2018	Year ended March 31, 2019	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Advance Create Co., Ltd.	365,500	365,500	The purpose holding the stocks is to maintain and strengthen business partnerships in insurance, and to reap medium- to long-term earnings through by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N
	724	671		
Daiwa Motor Transportation Co., Ltd.	375,000	375,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	506	389		
Sanwa Holdings Corporation	260,000	260,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	356	342		
TOYO WHARF&WAREHOUSE CO., LTD.	200,643	200,643	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	344	298		
Meito Sangyo Co., Ltd.	150,000	150,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	238	228		
MEIWA INDUSTRY CO., LTD.	210,120	210,120	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	278	225		
MAEZAWA KASEI INDUSTRIES CO., LTD.	216,800	216,800	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	251	222		
Mitsubishi Paper Mills Limited	205,220	205,220	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	134	114		
NKK SWITCHES CO., LTD.	22,584	22,584	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	143	102		
San ju San Financial Group, Inc.	50,000	50,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N *notice4
	117	77		
Nisshin Steel Co., Ltd.	457,500	—	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving of dividends and so forth.	N
	581	—		
Concordia Financial Group, Ltd.	705,869	—	Taiyo Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving of dividends and so forth.	N
	414	—		

*notice1 The subsidiary Mitsubishi Chemical Corporation holds stocks.

*notice2 The subsidiary Sompo Japan Nipponkoa Insurance Inc. holds stocks.

*notice3 The subsidiary MUFG Bank, Ltd. holds stocks.

*notice4 The subsidiary THE MIE BANK,LTD. holds stocks.

Regarded as Holding Shares

Not applicable.

Status of Stock Holdings

2. Stocks for which the holding purpose is pure investment

	Fiscal 2017		Fiscal 2018	
	The number of stocks	Total of balance sheet amount (¥ millions)	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	42	¥ 19,415	42	¥ 19,200
Stocks other than unlisted stocks	20	224,021	20	181,362

	Fiscal 2018 (¥millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Valuation losses
Unlisted stocks	¥ 110	¥ 23	¥ 1,824	¥ —
Stocks other than unlisted stocks	6,446	10,180	38,830	168

3. Change in investment purpose during fiscal 2018

a. Stocks of which the holding purpose has been changed from pure investment to non-pure investment

Not applicable.

b. Stocks of which the holding purpose has been changed from non-pure investment to pure investment

	The number of shares	Balance sheet amount ¥millions
Concordia Financial Group, Ltd.	705,869	¥ 301

III. Holdings stocks on Daido Life Insurance Company

Of the Company and its consolidated subsidiaries, Daido Life is the consolidated subsidiary with the second largest balance of investment stock. The status of Daido Life's stock holding is as follows:

1. Non-pure investment stocks

a. Policies to hold shares, methods to verify the rationality to hold shares, verification contents at the Board of Directors meetings about the appropriateness to hold individual companies

Every year, the boards of directors of the Company and Daido Life Insurance Company shall verify the propriety of holding individual non-pure investment stocks by concretely examining the adequacy of the holdings, whether the benefits and risks are commensurate with the capital costs, and other factors.

b. The number of Stocks and the amounts on Balance Sheets

	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	98	¥ 5,605
Stocks other than unlisted stocks	78	248,880

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

	The number of stocks	Total of acquisition costs related to the increase in the number of shares (¥millions)	The reasons for increasing the number of shares
Unlisted stocks	2	¥ 1,441	For new and additional purchase as the purpose of new construction on business relationships
Stocks other than unlisted stocks	2	1,823	For new and additional purchase as the purpose of further enhancement on business relationships

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

	The number of stocks	Total of sale price related to the decrease in the number of shares (¥millions)
Unlisted stocks	4	¥ 20
Stocks other than unlisted stocks	12	21,687

Status of Stock Holdings

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

Specified Investment Shares

Stocks	Year ended March 31, 2018	Year ended March 31, 2019	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Mitsubishi UFJ Financial Group, Inc.	64,168,770	64,168,770	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N *notice1
	¥ 44,725	¥ 35,292		
Ezaki Glico Co., Ltd.	3,500,400	3,500,400	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	19,497	20,372		
Daiwa House Industry Co., Ltd.	5,000,000	5,000,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	20,500	17,595		
Kansai Paint Co., Ltd.	7,607,000	7,607,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	18,850	16,058		
Nuernberger Beteiligungs- Aktiengesellschaft	1,552,936	1,727,036	The purpose holding the stocks is to maintain and strengthen business partnerships in insurance products/services and asset management, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs. For the reinforcement of the business partnerships, the number of stocks has been increased.	Y
	14,492	15,165		
ONO PHARMACEUTICAL CO., LTD.	6,549,500	6,549,500	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	21,574	14,205		
Resona Holdings, Inc.	28,590,000	28,590,000	The purpose holding the stocks is to maintain and strengthen business partnerships in the sales, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N *notice2
	16,067	13,714		
SMC Corporation	627,300	313,700	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	27,017	13,027		
TKC Corporation	2,569,046	2,569,046	The purpose holding the stocks is to maintain and strengthen partnerships to support the continuation and development of small and medium enterprises, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been unveiled as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	11,123	10,391		
FUJII CORPORATION	6,684,000	6,684,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	13,929	9,852		
KONICA MINOLTA, INC.	9,040,518	9,040,518	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	8,244	9,845		
The Kansai Electric Power Company, Incorporated	3,656,550	3,656,550	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	4,998	5,967		

Stocks	Year ended March 31, 2018	Year ended March 31, 2019	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
Electric Power Development Co., Ltd. (J-POWER)	1,993,680	1,993,680	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	5,347	5,374		
Mitsubishi Pencil Co., Ltd.	2,344,000	2,344,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	5,620	5,027		
OKASAN SECURITIES GROUP INC.	8,660,000	8,660,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	5,507	3,559		
THE SHIZUOKA BANK, LTD.	3,824,000	3,824,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	3,846	3,223		
MEISEI INDUSTRIAL CO., LTD.	4,032,700	4,032,700	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,915	3,012		
Keihan Holdings Co., Ltd.	633,800	633,800	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,078	2,950		
Tsukishima Kikai Co., Ltd	2,115,700	2,115,700	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	3,182	2,917		
Mitsui Fudosan Co., Ltd.	1,000,000	1,000,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,581	2,782		
Sekisui House, Ltd.	1,400,000	1,400,000	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,718	2,564		
Sompo Holdings, Inc.	618,525	618,525	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N *notice3
	2,648	2,534		
Daishi Hokuetsu Financial Group, Inc.	705,600	705,600	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	N *notice4
	3,316	2,205		
MOS FOOD SERVICES, INC.	790,760	790,760	The purpose holding the stocks is to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving dividends and so forth. The figures on the effect of holdings have not been disclosed as it contains the transaction information to the counterpart company. It's been quantitatively periodically examined whether the effectiveness and risks to hold stocks have been commensurate with the capital costs.	Y
	2,506	2,127		

Status of Stock Holdings

Stocks	Year ended March 31, 2018	Year ended March 31, 2019	Holding purposes, quantitative effects to hold stocks, and reasons to increase the number of stocks.	Whether the counterpart company holds the Company's share Y=Yes/N=No
	The number of shares			
	Balance sheet amount ¥millions			
PERSOL HOLDINGS CO., LTD.	1,200,000	—	Daido Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving of dividends and so forth.	N
	3,714	—		
GLORY LTD.	700,000	—	Daido Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving of dividends and so forth.	Y
	2,656	—		
TEIJIN LIMITED	1,225,000	—	Daido Life Insurance Company used to have the stocks to maintain and expand long-term and stable business relationships, and to reap medium- to long-term earnings by an increase in equity value and by receiving of dividends and so forth.	N
	2,451	—		

*notice1 The subsidiary MUFG Bank, Ltd. holds stocks.

*notice2 The subsidiary Resona Bank, Limited. holds stocks.

*notice3 The subsidiary Sompo Japan Nipponkoa Insurance Inc. holds stocks.

*notice4 The subsidiary The Daishi Bank, Ltd. holds stocks.

Regarded as Holding Shares

Not applicable.

2. Stocks for which the holding purpose is pure investment

	Fiscal 2017		Fiscal 2018	
	The number of stocks	Total of balance sheet amount (¥ millions)	The number of stocks	Total of balance sheet amount (¥ millions)
Unlisted stocks	15	¥ 9,164	13	¥ 4,826
Stocks other than unlisted stocks	21	35,818	23	41,013

	Fiscal 2018 (¥millions)			
	Total dividends received	Total gains (losses) on sales	Total of valuation gains (losses)	
			Net unrealized gains (losses)	Valuation losses
Unlisted stocks	¥ 1,568	¥ —	(¥ 189)	¥ 369
Stocks other than unlisted stocks	506	341	5,902	—

3. Change in investment purpose during fiscal 2018

Stocks of which the holding purpose has been changed from pure investment to non-pure investment

Not applicable.

Stocks of which the holding purpose has been changed from non-pure investment to pure investment

Not applicable.

IV. T&D Holdings, Inc.

The status of the Company's stock holding is as follows:

1. Non-pure investment stocks

a. Policies to hold shares, the rationality to hold shares, verification contents at the Board of Directors meetings about the appropriateness to hold individual companies

Not applicable.

b. The number of Stocks and the amount on Balance Sheets

Not applicable.

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

Not applicable.

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

Not applicable.

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

Specified Investment Shares

Not applicable.

Regarded as Holding Shares

Not applicable.

2. Stocks for which the holding purpose is pure investment

Not applicable.

3. Change in investment purpose during fiscal 2018

Stocks of which the holding purpose has been changed from pure investment to non-pure investment

Not applicable.

Stocks of which the holding purpose has been changed from non-pure investment to pure investment

Not applicable.

Glossary

A

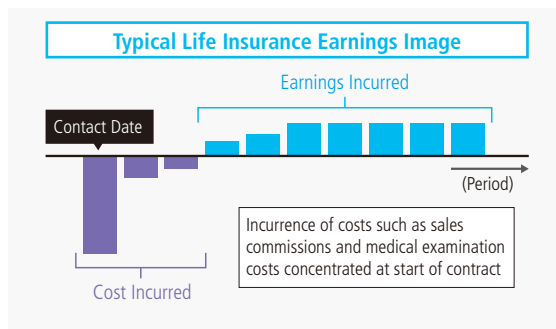
Annualized premiums	An adjusted figure for premiums paid using monthly, annual, or lump-sum payment methods showing total premiums paid on an annual basis.
Assumed business expense rate	One of the forecast rates used in the calculation of insurance premiums. It is the rate used to include business expenses necessary for administering insurance policies.
Assumed investment yield	One of the forecast rates used in the calculation of insurance premiums. It is the predetermined discount rate based on the expected earnings from the investment of insurance premiums.

C

Contingency reserve	<p>A reserve included as part of the policy reserve to account for the risk of insurance payment events occurring at a higher-than-expected rate due to higher-than-expected mortality and morbidity rates, and the risk of actual investment yields being lower than the assumed investment yields related to outstanding policies.</p> <p>Contingency reserve can be classified into:</p> <p>Contingency reserve I Corresponds to insurance risk</p> <p>Contingency reserve II Corresponds to assumed investment yield risk</p> <p>Contingency reserve III Corresponds to minimum guarantee risk relating to variable annuity and others</p> <p>Contingency reserve IV Corresponds to insurance risk of Third Sector insurance</p>
Core profit	An indicator showing core period earnings of life insurance companies, made up of insurance income and expenses (which include income from insurance premiums and insurance benefits and business expenses), and investment income and expenses (which include mainly interest, dividends and income from real estate for rent). It is not an item on the Company's statement of operation, but is calculated by deducting capital gains, such as gains (losses) on sales of securities and other one-time gains (losses), from ordinary profit.

E

ERM (Enterprise Risk Management)	A strategic management method used to achieve managerial goals such as raising corporate value and maximizing earnings, through the integrated management of capital, profit and risk.
ESG investment	Selective investments focused on companies that pay adequate attention to the environmental, social and governance factors.
ESR (Economic Solvency Ratio)	An indicator of capital adequacy based on economic value, calculated by dividing net assets based on economic value (surplus), by the risk volume (economic capital (EC)) quantified using the internal model. An ESR of 100% means that capital and risk are equal. The higher the ESR, the greater the amount of capital secured relative to risk. Although ESR is widely used mainly in Europe, there is no standardized calculation method. Each life insurance company calculates ESR individually based on its internal models.
EV (Embedded Value)	<p>Generally, life insurance policies extend over significantly long durations, resulting in a time gap between the recognition of revenues and expenses. EV is a concept used for measuring the corporate value of a life insurance company in consideration of this gap. EV (embedded value) refers to the amount of net assets after tax, which is considered to be attributable to shareholders, and is the sum of adjusted net assets calculated based on balance sheets, etc., and the value of in-force business calculated based on policies in force.</p> <p><Specific nature of life insurance accounting></p> <p>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.</p>



G

General account The aggregate of a life insurer's assets, other than those allocated to separate accounts. General account assets are invested by a company to meet fixed guaranteed rates of return for policyholders, and that company bears the investment risk on such assets.

J

Japan's Corporate Governance Code Guidelines for corporate governance drafted by the Financial Services Agency and the Tokyo Stock Exchange, which indicate a "a structure for transparent, fair, timely and decisive decision-making by companies, with due attention to the needs and perspectives of shareholders and also customers, employees and local communities," in the form of a code of conduct to be observed by a listed company.

Japan's Stewardship Code Code of conduct for behavior for institutional investors setting out the principles as "responsible institutional investors," designed to prompt sustainable growth of corporations through investment and dialogue.

L

Level-premium products A type of insurance where the amount of the premium is constant from inception to the expiry of the premium payment period.

M

MCEV (Market Consistent EV) MCEV refers to Market Consistent EV, which is a method for evaluating EV in consistency with financial markets. MCEV is an EV calculated based on the MCEV Principles established in June 2008 by the CFO Forum (an organization of major European insurance companies), whereby a market consistent evaluation method was applied with a view to further unify the calculation standards.

Mortality rate Rates of death, varying by such parameters as gender, age, and health, used in pricing and computing liabilities for future policyholder benefits for life insurance and annuity products.

N

Non-participating policy Policies under which the policyholder receives no policyholder dividends. Non-participating policies generally feature lower premiums than participating or semi-participating policies.

P

Participating policy Policies under which the policyholder is eligible to share in the divisible surplus of a company—calculated based on the mortality rate margin, investment yield margin, and business expense margin—through the receipt of annual policyholder dividends.

Policy amount Aggregate sum insured by a life insurance company. The total of policy amount at the end of a fiscal year is called the "policy amount in force." The total policy amount of policies (including converted policies) sold in a year is called the "new policy amount."

Policy reserve A reserve established for the fulfillment of insurance claims and other payments related to a company's outstanding policies that are expected to be paid in the future. The policy reserve consists of a premium reserve, an unearned premium reserve, a repayment reserve, and a contingency reserve. A company uses the net level premium method to calculate the amount it sets aside each year as a policy reserve. The policy reserve is one of the three reserves comprising the reserve for policy and other reserves.

Positive spread/Negative spread The state in which actual investment earnings exceed the expected return based on the assumed investment yield is referred to as a "positive spread." A "negative spread" is when actual investment earnings are below the expected return.

Positive spread (Negative spread denoted in bracket) =
(Investment yield on core profit – Average assumed investment yield) × Policy reserve in general account

- "Investment yield on core profit" is calculated by dividing the numerator as investment earnings in general account included in core profit less the provision for interest portion of reserve for dividends to policyholder by the denominator as policy reserve in general account.
- "Average assumed investment yield" is calculated by dividing the numerator as assumed interest by the denominator as policy reserve in general account.
- "Policy reserve in general account" represents the policy reserve in general account less contingency reserve calculated by the following method.

Policy reserve in general account =
(Policy reserve at beginning of fiscal year + Policy reserve at the end of fiscal year – Assumed interest) × 1/2

Glossary

R

Reserve for policyholder dividends	A reserve used to fund the payment of policyholder dividends. The reserve for policyholder dividends is one of the three reserves comprising the reserve for policy and other reserves. For a mutual life insurance company, a transfer to reserve for policyholder dividends is treated as a disposition of net surplus. For a joint stock corporation, provision for reserve for policyholder dividends is treated as an expense.
Reserve for price fluctuations	Pursuant to provisions of the Insurance Business Act, companies maintain reserves to cover losses due to price fluctuations in assets subject to market price volatility, particularly investments in domestic and foreign stocks, yen-denominated bonds, and foreign currency-denominated bonds. This reserve may be used only to reduce deficits arising from price fluctuations of those assets.
ROEV/Core ROEV	ROEV stands for Return on Embedded Value, which is an indicator for measuring capital efficiency by assuming an increase in EV as profit in consideration of the specialty of life insurance accounting. Core ROEV is an indicator using an increase in EV mainly through the acquisition of new business.

S

Separate account	Assets related to variable insurance and variable annuity products, as well as some group pension products (including employee pension fund insurance and national pension fund insurance), are managed in a separate account for the purpose of directly returning investment results to policyholders. The investment results, less asset management fees, of the separate account assets are attributable to all policyholders so that the insurance company bears limited or no investment risk on such assets.
Single-premium insurance	A type of insurance where the premium is paid in lump-sum at the conclusion of the policy which covers the entire insurance period.
Small amount and short term insurance business	Type of insurance businesses that solely underwrite protection-type insurance products, involving small insured amounts and policy periods within one year (two years for second sector) within a specified scale of operation.
Social bond	Bond issued to raise funds for contributing to solutions to global social issues, such as support for emerging countries and measures against global warming.
Solvency margin ratio	A risk indicator calculated as the total solvency margin (including net assets, the reserve for price fluctuations, contingency reserve, reserve for possible loan losses, etc.) divided by 1/2 of total risk, which includes such factors as insurance risk due to a major earthquake or other disaster, investment risk, and various other risks. If a life insurance company's solvency margin ratio falls below 200%, the regulatory authorities will require management to introduce corrective measures to quickly return the company to soundness.
Standard mortality table	A table used by an insurance company for calculating "standard policy reserve," required to be set aside subject to the standards set out under the Insurance Business Act, which summarizes the data including the mortality rate and average life expectancy (average longevity into the future), by gender and age. Life insurance companies use the standard mortality table as a guideline for insurance premiums.
Standard yield rate	A rate which is required by the supervisory authorities to be applied in calculating the "standard policy reserve (a policy reserve required to be set aside from the standpoint of ensuring the business soundness of life insurance companies and protecting policyholders)."
Surrender and lapse amount	The total amount of money reimbursed on the surrender or lapse of insurance policies in a given fiscal year. Surrender occurs when policyholders choose to discontinue their policies. Lapse occurs when the deadline for payment of premiums that are in arrears is exceeded.

T

Third sector insurance	In the Japanese insurance industry, life insurance products and non-life insurance products are called "First Sector" and "Second Sector" insurance products, respectively, and insurance products which have intermediate characteristics of both products are called "Third Sector" insurance products. Examples include medical care, cancer, accident, and nursing care insurance.
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U

Ultimate Forward Rate (UFR)	A very long-term interest rate level that is thought to be realized macroeconomically. The Group begins interest rate extrapolation from 31 years and sets the convergence point for the ultimate forward rate level at 60 years.
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V

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