

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

T&D Holdings, Inc. (security code: 8795)

<Outlook Change>

Long-term Issuer Rating:	AA-
Outlook:	from Stable to Positive

<Affirmation>

Bonds (Dated subordinated bonds):	A
Subordinated Loan:	A

DAIDO LIFE INSURANCE COMPANY (security code: -)

<Outlook Change>

Long-term Issuer Rating:	AA-
Outlook:	from Stable to Positive
Ability to Pay Insurance Claims:	AA-
Outlook:	from Stable to Positive

TAIYO LIFE INSURANCE COMPANY (security code: -)

<Outlook Change>

Long-term Issuer Rating:	AA-
Outlook:	from Stable to Positive
Ability to Pay Insurance Claims:	AA-
Outlook:	from Stable to Positive

<Affirmation>

Bonds (Dated subordinated bonds):	A+
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T&D FINANCIAL LIFE INSURANCE COMPANY (security code: -)

<Outlook Change>

Long-term Issuer Rating:	AA-
Outlook:	from Stable to Positive
Ability to Pay Insurance Claims:	AA-
Outlook:	from Stable to Positive

Rationale

- (1) T&D Insurance Group is a life insurance group, which has its core companies DAIDO LIFE INSURANCE COMPANY, TAIYO LIFE INSURANCE COMPANY, and T&D FINANCIAL LIFE INSURANCE COMPANY (the "3 core companies") as well as Pet & Family Insurance Co., Ltd., T&D Asset Management Co., Ltd., T&D United Capital Co., Ltd., and others under umbrella of its insurance holding company, T&D Holdings, Inc. Having a business scale next to that of Japan's major life insurance groups, DAIDO LIFE has strength in SME market and TAIYO LIFE in household market, while T&D FINANCIAL LIFE offers its products through financial institutions, walk-in insurance shops, etc. While strengthening and deepening the business foundations in which each company has strengths, positioning the domestic life insurance business as its core business, the Group aims to increase group profit by diversifying and optimizing its business portfolio, including overseas. It is also focusing on the promotion of integrated group management, such as sophistication of asset investment and pursuit of business synergies.
- (2) JCR views the T&D Insurance Group's creditworthiness as equivalent to "AA-," reflecting its solid and diversified business base, stable earnings capacity, and thick capital level relative to risk. The Group has been a pioneer in ERM-oriented management, and its economic value-based management and operations have become widespread. Reducing interest rate risk has been an issue, but given that it has made steady progress in reducing risk over the medium term, JCR believes it will continue to do

so in the future. In addition to persistently ultra-low interest rate environment, it has been affected by a considerable amount of stress in the external environment, including a review of the tax treatment of insurance for business owners and restrictions on sales under the COVID-19 pandemic, but its flexible response to product development and sales structure reviews has been successful, and the policy performance of the 3 core companies has been strong. It is also beginning to see the results of its efforts to diversify the Group's revenue sources, including its overseas operations. Based on the above, JCR has revised the rating outlook from Stable to Positive.

- (3) The restrictions on face-to-face sales under the COVID-19 pandemic forced it to devise a new sales style, but the impact on policy performance was generally limited. Strengthening the initiatives in the senior market, shifting the product portfolio to the third sector insurance, flexibly introducing products, and utilizing non-contact tools have resulted in steady growth in the combined policy performance of the 3 core companies. Efforts are also underway to pursue group synergies through cross-selling and the mutual use and concentration of management resources. Although the increase in the Group's MCEV as of the end of the fiscal year ended March 2021 (FY2020) was largely due to economic assumptions and other factors, new business value has steadily increased thanks to expansion of sales of third sector insurance and other factors. JCR will pay attention to whether it can stably increase its MCEV through sales activities as shown in the value of new business, etc., ensuring a risk-return balance, as the product mix gradually changes due to the focus on protection products.
- (4) T&D Insurance Group invests in overseas closed-book businesses through T&D United Capital. It acquired a 25% stake in Fortitude Group Holdings, LLC ("Fortitude") from U.S.-based AIG in June 2020, making it an equity-method affiliate. The current scale of investment is not large in light of the Group's real earnings capacity and capital scale, but the Group Long-Term Vision indicates a policy of further increasing the amount of investment. In the first half of 2021, Fortitude is expected to acquire a U.S. variable annuity book, and its business scale is expected to expand. JCR believes that the risk associated with the T&D Insurance Group's investments will be appropriately controlled within the limits allowed by ERM, but JCR will continue to monitor the direction of risk-taking.
- (5) T&D Insurance Group has been building and improving its ERM framework ahead of its competitors. In the Group Long-Term Vision, it set expansion of group earnings through the improvement of capital efficiency. It aims at a stable and sustainable increase of enterprise value by appropriately controlling balance between capital, risks and returns based on risk appetite principles. The risk-return management is firmly rooted in the Group as indicated by the use of the economic value-based evaluation for the sales strategies, asset investment policy, etc. Although the entire group is exposed to a certain amount of interest rate risk, it has indicated a policy of reducing interest rate risk under its capital management. DAIDO LIFE, which accounts for the majority of the interest rate risk amount, continues to work to increase the interest rate matching ratio between assets and liabilities by purchasing ultra-long-term bonds and other measures. Even excluding the impact of the change in the assumption for calculating the risk amount (long term forward rate) implemented in 2019, steady progress has been made in reducing the risk amount, and JCR expects this trend to continue over the medium term.
- (6) The Group has secured a sufficient level of capital relative to risk by accumulating retained earnings including various kinds of reserves. With a relatively strong earnings base and a disciplined capital policy, JCR expect the profits to continue to accumulate for the time being. As of September 30, 2021, the economic value-based ESR was 228%, which JCR thinks is a level where it can keep soundness even under considerable stress. With regard to ESR, the key point is not only its level, but also the results of controlling sensitivity through the reduction of interest rate risk and other measures.

Issuer: T&D Holdings, Inc.

T&D Holdings, Inc. is an insurance holding company of T&D Insurance Group. JCR's issuer rating on T&D Holdings is at the same level as those of the 3 core companies, which reflect the Group's creditworthiness. JCR does not reflect structurally subordinated nature of creditors of a holding company to those of the subsidiaries in the rating for T&D Holdings, given that it has stable cash flows backed by earnings capacity of its subsidiaries and that it will keep a double leverage ratio at around 100% over the medium term.

Issuer: DAIDO LIFE INSURANCE COMPANY

- (1) DAIDO LIFE is a core life insurance company in T&D Insurance Group. JCR's issuer rating on DAIDO LIFE is at the same level as the T&D Insurance Group's creditworthiness in light of the position in the Group, etc. It has a very strong business base in SME market, supported by its alliances with

organizations such as The National Federation of Corporate Taxpayers Associations, Tax Payment Associations, TKC National Federation and CPTA Cooperative Associations.

- (2) DAIDO LIFE mainly offers protection products through tax accountant agents and in-house sales representative channel. In addition to the core term life insurance, it sells third sector products to protect against management personnel's disability due to serious diseases and physical impairment and products to protect against loss of income when long-term care is required and to cover nursing care costs, etc. Through developing into markets such as those targeting business owners and sole proprietors which overlap the senior segment in addition to deeply penetrating into the corporate market, in which it has strength, DAIDO LIFE has expanded the customer base by providing products that are different from the conventional death protection insurance. DAIDO LIFE has been affected by external factors in recent years, such as the impact of a review of the tax treatment of insurance for business owners in FY2019 and the restrictions on face-to-face sales under the COVID-19 pandemic in FY2020, but the performance of its policies has generally been strong. Its tailor-made insurance products that can meet the diverse needs of business owners and products that focus on serious cancer coverage, which were launched in December 2020, have shown steady sales results and are contributing to policy performance. JCR will pay attention to whether it can continue to expand the amount of policies in force by promoting sales of protection products for both corporate and individual customers.
- (3) DAIDO LIFE's product mix of policies in force has gradually changed, as its profit is underpinned by a relatively large amount of mortality gains, backed by policies in force mainly for long-term protection products, and it focuses more on expansion of sales of third sector products. Its new business value in FY2020 increased year-on-year, and JCR will pay attention to whether it can stably increase its MCEV through sales activities. In terms of asset investment, it is extending duration of its assets by measures such as purchasing ultra-long-term bonds. Although DAIDO LIFE is exposed to a certain amount of interest rate risk due to the duration gap between assets and liabilities, it has made steady progress in reducing the amount of risk, and given the Group's policies, JCR expects this trend to continue over the medium term.

Issuer: TAIYO LIFE INSURANCE COMPANY

- (1) TAIYO LIFE is a core life insurance company in T&D Insurance Group. JCR's issuer rating on TAIYO LIFE is at the same level as T&D Insurance Group's creditworthiness. It has built a stable business base mainly in household market through offering protection insurance to senior segment, homemakers and their families.
- (2) TAIYO LIFE has traditionally excelled at "door-to-door sales based on the combination activities of in-house sales representatives in household market" and sells protection products mainly through the sales representative channel. Although the COVID-19 pandemic forced it to revise its sales style, it has responded by utilizing customer information and posting activities to better capture the rising rate of being at home and the growing need for protection. The number of sales representatives, which had been declining over the past few years, has been on an upward trend, and productivity has been improving as a result of a review of the compensation system and measures to strengthen training. In FY2020, its policy performance exceeded that of the previous fiscal year, and it remains solid. Its flexible launching of products capturing new protection needs is also supporting the solid policy performance. As it has shifted from the past product portfolio centered on savings products to protection products including those for dementia, disability and nursing care, its product mix has changed, increasing ratio of protection products, particularly third sector insurance, to the policies in force. Its new business value in FY2020 increased year-on-year, and JCR will pay attention to whether it can continue to stably increase its MCEV through sales activities.
- (3) Its profit has been supported by cost reductions through the use of IT to improve operational efficiency and a fundamental review of the administrative structure, on which it has been working for some time. Duration of assets and liabilities is almost matched, and the economic value-based interest rate risk is controlled. With regard to the dementia related insurance, the incidence rate of insurance benefits has remained low, but JCR will watch the difference from the assumption, etc. from a long- and medium-term perspective.

Issuer: T&D FINANCIAL LIFE INSURANCE COMPANY

- (1) T&D FINANCIAL LIFE is a life insurance in T&D Insurance Group, specializing in sales through the agency channels such as financial institutions and walk-in insurance shops. Given the T&D FINANCIAL LIFE's position in the Group and the strong unity in terms of business administration and

other aspects, JCR's issuer rating on T&D FINANCIAL LIFE is at the same level as the Group's creditworthiness.

- (2) While insurance sales through the agency channel are expected to grow, competitive environment remains severe. In addition, persistently low interest rate environment in Japan and overseas has narrowed the product lineup options, but T&D FINANCIAL LIFE's initiatives to flexibly introduce new products that meet customer needs, revise products, and diversify sales channels and products have been successful, and annualized premiums of new policies in FY2020 were at the same level as in the previous year, despite the COVID-19 pandemic impact. Sales of foreign-exchange-linked whole life insurance have been strong, and policies in force for level-premium protection products, which are sold mainly through walk-in insurance shops, are gradually increasing. The key point will be whether it can expand the size of its policies in force and further stabilize its earnings base by introducing products flexibly in response to the financial environment and expanding the support system for its agent channel.
- (3) T&D Insurance Group is working on strategic enhancement of T&D FINANCIAL LIFE in an integrated manner and is supporting it in the fields of product development and asset investment. There are also initiatives that can generate group synergies including sales partnership of T&D FINANCIAL LIFE's products by DAIDO LIFE. T&D FINANCIAL LIFE aims to expand its business scale while controlling the required capital from a perspective of capital efficiency. Although the required capital amount will not rapidly increase in light of the current trend of policy performance and structure of policies in force, JCR believes that the Group will extend support to T&D FINANCIAL LIFE in an appropriate and a timely manner, if it needs a capital increase.

Tomohiro Miyao, Kota Matsuzawa

Rating

Issuer: T&D Holdings, Inc.

<Outlook Change>

Long-term Issuer Rating: AA- Outlook: Positive

<Affirmation>

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
1st Series Deferrable Interest and Callable Unsecured Subordinated Bonds	JPY 50	Sept. 20, 2018	Sept. 23, 2048	(Note 1)	A
2nd Series Deferrable Interest and Callable Unsecured Subordinated Bonds	JPY 30	Jan. 30, 2020	Feb. 4, 2050	(Note 2)	A
3rd Series Deferrable Interest and Callable Unsecured Subordinated Bonds	JPY 40	Jan. 30, 2020	Feb. 4, 2050	(Note 3)	A

Notes:

1. 1.12% per annum till Sept. 20, 2028. 6M Euroyen LIBOR +1.74% after that date.
2. 0.69% per annum from next day of Issue Date to Feb. 4, 2025; 6M Euroyen LIBOR + 0.64% from next day of Feb. 4, 2025 to Feb. 4, 2030; and 6M Euroyen LIBOR + 1.64% on and after next day of Feb. 4, 2030
3. 0.94% per annum from next day of Issue Date to Feb. 4, 2030; 6M Euroyen LIBOR + 1.80% on and after next day of Feb. 4, 2030

Issue	Amount (bn)	Execution Date	Repayment Date	Int. Rate	Rating
Subordinated Loan	JPY 13.5	June 28, 2021	June 28, 2051	(Note)	A

Note:

Fixed interest rate of base interest rate corresponding to the period + initial spread for interest period starting any day between the execution date and until June 2031 (excluding the month). Floating interest rate of base interest rate corresponding to the period + initial spread + 1% step-up interest rate for the interest period starting any day after June 2031 (including the month).

Issuer: DAIDO LIFE INSURANCE COMPANY

<Outlook Change>

Long-term Issuer Rating: AA- Outlook: Positive
Ability to Pay Insurance Claims: AA- Outlook: Positive

Issuer: TAIYO LIFE INSURANCE COMPANY

<Outlook Change>

Long-term Issuer Rating: AA- Outlook: Positive
Ability to Pay Insurance Claims: AA- Outlook: Positive

<Affirmation>

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
Subordinated Callable Bonds no.5-A (private placement)	JPY 23.9	Dec. 22, 2017	Dec. 22, 2027	(Note)	A+
Subordinated Callable Bonds no.5-B (private placement)	JPY 2.1	Dec. 22, 2017	Dec. 22, 2027	(Note)	A+
Subordinated Callable Bonds no.5-C (private placement)	JPY 4	Dec. 22, 2017	Dec. 22, 2027	(Note)	A+
Subordinated Callable Bonds no.5-D (private placement)	JPY 7	Dec. 22, 2017	Dec. 22, 2027	(Note)	A+

(Note) 0.64% per annum till December 22, 2022. 6M Euroyen LIBOR + 2.00% after that date.

Issuer: T&D FINANCIAL LIFE INSURANCE COMPANY

<Outlook Change>

Long-term Issuer Rating: AA- Outlook: Positive
Ability to Pay Insurance Claims: AA- Outlook: Positive

Rating Assignment Date: November 30, 2021

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (November 7, 2014), "Life Insurance" (July 1, 2013), "Rating Methodology for Financial Groups' Holding Companies and Group Companies" (March 29, 2019), "Ratings of Hybrid Securities" (September 10, 2012), and "Rating Methodology for Financial Institutions' Capital and TLAC Instruments" (April 27, 2017) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)



INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	T&D Holdings, Inc. DAIDO LIFE INSURANCE COMPANY TAIYO LIFE INSURANCE COMPANY T&D FINANCIAL LIFE INSURANCE COMPANY
Rating Publication Date:	December 3, 2021

1

The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release.

2

The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release.

3

The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

3C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
- A) Audited financial statements presented by the rating stakeholders
- B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the publication by the issuer or some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR received in the last fiscal year in the past payment of compensation from DAIDO LIFE INSURANCE COMPANY and TAIYO LIFE INSURANCE COMPANY for any kind of JCR's service other than the determination of credit rating, such as one in the ancillary business.
- JCR did not receive in the last fiscal year in the past payment of compensation from T&D Holdings and T&D FINANCIAL LIFE INSURANCE COMPANY for any kind of JCR's service other than the determination of credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

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Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

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Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement

or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

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Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

Japan Credit Rating Agency, Ltd.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
T&D Holdings, Inc.	Issuer(Long-term)	August 20, 2018	AA-	Stable
T&D Holdings, Inc.	Issuer(Long-term)	October 19, 2018	AA-	Stable
T&D Holdings, Inc.	Issuer(Long-term)	November 5, 2019	AA-	Stable
T&D Holdings, Inc.	Issuer(Long-term)	November 20, 2020	AA-	Stable
T&D Holdings, Inc.	Bonds no.1(subordinated)	September 13, 2018	A	
T&D Holdings, Inc.	Bonds no.1(subordinated)	October 19, 2018	A	
T&D Holdings, Inc.	Bonds no.1(subordinated)	November 5, 2019	A	
T&D Holdings, Inc.	Bonds no.1(subordinated)	November 20, 2020	A	
T&D Holdings, Inc.	Bonds no.2(subordinated)	January 24, 2020	A	
T&D Holdings, Inc.	Bonds no.2(subordinated)	November 20, 2020	A	
T&D Holdings, Inc.	Bonds no.3(subordinated)	January 24, 2020	A	
T&D Holdings, Inc.	Bonds no.3(subordinated)	November 20, 2020	A	
T&D Holdings, Inc.	Loan(subordinated)	June 28, 2021	A	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 6, 2006	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 16, 2007	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 7, 2008	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 16, 2009	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 15, 2010	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	September 15, 2011	A+	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	September 7, 2012	A+	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 1, 2013	A+	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 22, 2014	A+	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	November 5, 2015	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	December 2, 2016	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	September 28, 2017	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 19, 2018	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	November 5, 2019	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Issuer(Long-term)	November 20, 2020	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	May 28, 1997	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	February 17, 1999	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 30, 1999	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 29, 2000	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 26, 2001	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 1, 2002	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	December 18, 2003	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	January 20, 2005	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 14, 2005	AA-	
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 6, 2006	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 16, 2007	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 7, 2008	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 16, 2009	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 15, 2010	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 15, 2011	A+	Stable

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 7, 2012	A+	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 1, 2013	A+	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 22, 2014	A+	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 5, 2015	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	December 2, 2016	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 28, 2017	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 19, 2018	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 5, 2019	AA-	Stable
DAIDO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 20, 2020	AA-	Stable

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 6, 2006	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 16, 2007	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 7, 2008	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 16, 2009	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 15, 2010	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	September 15, 2011	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	September 7, 2012	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 1, 2013	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 22, 2014	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	November 5, 2015	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	December 2, 2016	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	September 28, 2017	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	October 19, 2018	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	November 5, 2019	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Issuer(Long-term)	November 20, 2020	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	February 16, 1999	A+	
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 30, 1999	A+	
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 29, 2000	A+	
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 26, 2001	A	
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 1, 2002	A	
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	December 18, 2003	A	
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	January 20, 2005	A+	
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 14, 2005	A+	
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 6, 2006	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 16, 2007	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 7, 2008	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 16, 2009	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 15, 2010	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 15, 2011	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 7, 2012	A+	Stable

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 1, 2013	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 22, 2014	A+	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 5, 2015	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	December 2, 2016	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 28, 2017	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 19, 2018	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 5, 2019	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 20, 2020	AA-	Stable
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-A(subordinated)	December 15, 2017	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-A(subordinated)	October 19, 2018	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-A(subordinated)	November 5, 2019	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-A(subordinated)	November 20, 2020	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-B(subordinated)	December 15, 2017	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-B(subordinated)	October 19, 2018	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-B(subordinated)	November 5, 2019	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-B(subordinated)	November 20, 2020	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-C(subordinated)	December 15, 2017	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-C(subordinated)	October 19, 2018	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-C(subordinated)	November 5, 2019	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-C(subordinated)	November 20, 2020	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-D(subordinated)	December 15, 2017	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-D(subordinated)	October 19, 2018	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-D(subordinated)	November 5, 2019	A+	
TAIYO LIFE INSURANCE COMPANY	Bonds no.5-D(subordinated)	November 20, 2020	A+	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	October 6, 2006	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	October 16, 2007	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	October 7, 2008	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	October 16, 2009	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	October 15, 2010	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	September 15, 2011	A+	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	September 7, 2012	A+	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	October 1, 2013	A+	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	October 22, 2014	A+	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	November 5, 2015	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	December 2, 2016	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	September 28, 2017	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	October 19, 2018	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	November 5, 2019	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Issuer(Long-term)	November 20, 2020	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 19, 2001	A	
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 1, 2002	A	
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	December 18, 2003	A	
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	January 20, 2005	A	
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 14, 2005	A	
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 6, 2006	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 16, 2007	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 7, 2008	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 16, 2009	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 15, 2010	A	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 15, 2011	A+	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 7, 2012	A+	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 1, 2013	A+	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 22, 2014	A+	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 5, 2015	AA-	Stable

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	December 2, 2016	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	September 28, 2017	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	October 19, 2018	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 5, 2019	AA-	Stable
T&D FINANCIAL LIFE INSURANCE COMPANY	Ability to Pay Insurance Claims	November 20, 2020	AA-	Stable

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Shozo Matsumura, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

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Shozo Matsumura

General Manager of Financial Institution Rating Department

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