

Initiatives for Improving the Effectiveness of the Board of Directors

For further strengthening of corporate governance, the Company has been conducting annual self-assessments regarding the effectiveness of the Board of Directors since FY2014 to ensure the validity of decision-making by the Board of Directors, and utilized this for improvements in the following fiscal year and thereafter.

Also for the FY2024 evaluation, a third-party organization conducted a one-hour interview with all Directors individually, after conducting an anonymous survey of all Directors in advance*. The third-party organization evaluated that the effectiveness of the Board of Directors is at a higher level in comparison with other companies.

* The advance survey consists of a total of 46 questions in 8 categories, which include "Overall Evaluation," "Structure," "Preparation in Advance, etc.," "Operation," "Contents of Discussion," "Each Committee," "Execution Monitoring," and "Others."

Issues and measures for improvement based on FY2023 evaluation results

Issues	Measures for improvement
(1) Enhance group governance system	✧ Enhance reporting by Group Heads and CXOs ✧ Enhance reporting on business strategies of operating companies in overseas and non-insurance areas
(2) Enhance group strategy discussions	✧ Discuss on the group-based resource allocation and the medium to long term business portfolio using off-site meetings, etc.
(3) Further strengthen the function of the Board of Directors secretariat	✧ Strengthen feedback from the Board of Directors Office to each department from the viewpoint of setting appropriate agendas and stabilizing the quality of explanatory materials ✧ Improve the model of summary materials used for explanations in order to clarify the issues of a proposal ✧ Earlier timing of providing materials to directors to allow time for them to understand the content of the agenda in advance, in order to enhance discussions

Examples of specific improvement initiatives for FY2024

(1) Enhance group governance system

- Discussions were made at Board of Directors meetings toward further enhancement of operations of reporting lines between Group Heads and CXOs and operating companies (for overseas operating companies, additionally regional supervising companies).
- From the perspective of monitoring the penetration of the three-axis (Group Heads, CXOs, and the operating companies) structure, all Group Heads and CXOs were provided opportunities to be present at the Board of Director's meetings and medium- to long-term strategy study meetings*, where they discussed a vision for each area, the strategies for achieving them, and future issues. Regarding operating companies, they held discussions with the President of Benefit One which newly joined the Group about a theme of medium- to long-term business strategies as well as discussions with CEO of the major overseas operating companies about business strategies and investment projects.

* Held as an occasion for strategic discussions by the Directors on the medium- to long-term issues facing the Company. Provided information necessary for discussing important matters and facilitated the exchange of opinions on the direction of strategies, etc.

(2) Enhance group strategy discussions

- The medium- to long-term strategy study meeting was utilized to confirm the profit-loss structure and unit costs of major domestic operating companies and based on this, multiple discussions were made.
- Directors retreat was held to deepen discussions toward the optimization of future business portfolios. Taking into consideration macroeconomic conditions and situations of other companies considered to be in the global top-tier, intensive discussions were made about the desired direction of the business portfolio which the Group should head, financial strategies, etc.

(3) Further strengthen the function of the Board of Directors secretariat

- The Board of Directors secretariat, acting as a hub, collected necessary information, and provided such to the chairperson of the Board of Directors to ensure appropriate agenda setting. In addition, after each meeting of the Board of Directors, feedback was received from the chairperson of the Board of Directors and Group CEO and the PDCA cycle was continuously implemented.
- The Board of Directors secretariat Improved the templates explanatory materials provided to each department by

clearly specifying the required content and key considerations for preparing the materials. Each department is required to strictly conform to these templates when creating materials.

- Explanatory materials were provided four business days before the Board of Directors meeting in principle, to ensure each Director had time to understand the content of the agenda in advance in order to enhance discussions.

(4) Other initiatives that enhance the effectiveness of the Board of Directors

- At the medium- to long-term strategy study meetings and other occasions, we collaborated with external experts to gain objective and professional analysis and evaluations on topics such as "evaluation of the Group in the market" and "direction of strategies which the Company should pursue toward enhancement of corporate value," fostering an exchange of opinions.
- Outside Directors made an on-site inspection of an overseas business site (Dai-ichi Life Insurance Company of Vietnam) and held a dialogue with the local general director and major business partners.

<On-site inspection>



(Dialogue with General Director Dang Hong Hai)



(Office inspection)

Issues and measures for improvement based on FY2024 evaluation results

Issues	Measures for improvement
(1) Enhance group governance system	✧ Further clarify responsibility, authority, and divided roles among Group Heads, CXOs, and the heads of operating companies ✧ Regular monitoring of the status of group-wide supervision and control by CXOs
(2) Further improvement of the productivity of discussions	✧ With a focus on the time-effectiveness of discussions, review the number of agenda items and their priorities, especially for medium- to long-term strategy study meetings, where time tends to be limited