



## Aiming to be a corporate group that contributes to all people and societies through the life insurance business.

Tetsuhiro Kida

Representative Director and President, T&D Holdings, Inc.



The T&D Life Group is a corporate group made up of the holding company T&D Holdings, Inc. and its 16 subsidiaries and 2 affiliates. Among these companies are the Group's three core life insurance companies, Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company.

The T&D Life Group has embraced as the foundation of its business activities the corporate philosophy that "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." Based on this philosophy, each of the Group's companies has confronted changes in society, creating value by providing the products and services society needs and working toward the sustainable growth of the Group.

Against that backdrop, the T&D Life Group launched a new three-year medium-term management plan in April 2016. The new plan is positioned as the first stage in a vision for the next 10 years, with the goal of further expanding growth areas over a period of three years. Over the next decade, a further drop in the country's birthrate and increased aging will see the population of young people decline, while the number of seniors increases. This change in the demographic makeup of the population is expected to further increase the need for life security in preparation for the future, including in the areas of pensions, medical care and nursing care. To meet these needs, the Group plans, through its life insurance business, to expand in those fields which benefit society. Given this understanding of our business environment, our goal under the new medium-term management plan is to contribute to solutions for social issues through the life insurance business, while aiming to maximize the satisfaction of all shareholders.

To achieve this goal, we have positioned the following three points as priority areas.

The first point is "Providing Better Products and Services." By allowing each Group company to fully exploit its unique,

specialized strategies in the Group's core life insurance business, we will deliver the products our customers need, along with the services they require.

The second is "Respect for Human Rights." This will focus on initiatives for promoting changes in the way people work, facilitating the active participation of women and other diversity initiatives, and promoting a better work-life balance.

The final point is "Global Environmental Protection." Through efforts to reduce electricity consumption and office paper use and increase the Group's green purchasing ratio, and through forest preservation and other activities, the T&D Life Group will promote initiatives to conserve resources and prevent global warming.

In addition to these priority areas, the Group companies will work together to contribute to societies in a variety of other ways, including support for and promotion of senior sports and para-sports, regional beautification activities, Group-wide blood drives, and educational assistance for children in developing countries.

Along with these initiatives, in July 2015, the T&D Life Group became a participant in the United Nations Global Compact (UNGC), a cooperative framework between the UN and corporate entities aimed at achieving sustainable growth as advocated by the UN. The UNGC comprises 10 principles applying to the four areas of human rights, labor, the environment and the prevention of corruption. The T&D Life Group aims to fulfill its role as a member of society by committing to these principles.

While the T&D Life Group moves forward with these and a variety of other initiatives, the Group's individual employees are the ones who will actually put them into practice. In that effort, nothing is more important than ensuring that each and every employee continues to bring a sense of mission and pride to the work of helping to resolve social issues through business. The Group will continue to cultivate this corporate culture even further, redoubling its efforts toward the goal of contributing to people and societies.

We will contribute to people and societies by creating value through our activities to address social issues.

## T&D Life Group's Corporate Philosophy

With our "Try & Discover" motto for creating value, we aim to be a group that contributes to all people and societies.

## Group CSR Charter

(Preamble)

The T&D Life Group is firmly committed to fulfilling the public mission of life insurance and other businesses and to undertaking its corporate social responsibilities based on its management philosophy and by achieving sustainable growth along with society.

## Our Priority Areas (2016)



Providing Better  
Products and  
Services



Respect for Human  
Rights



Global  
Environmental  
Protection

We have selected three priority areas from among those areas material to an expansive range of stakeholders and those areas material to our corporate philosophy and growth. We are implementing activities targeting each priority area.



# T&D T&D Life Group

## T&D Holdings, Inc.

T&D Holdings is the cornerstone of the T&D Life Group, which consists of 18 subsidiaries and affiliated companies.

### Small and Medium Enterprises Market



Daido Life Insurance Company has built its own sales channel focusing on small and medium enterprise (SME) customers. Working with SME-related organizations, tax accountant organizations and others, the company provides products and services that protect SMEs and their employees from a variety of risks. As a leading company in the SME market, we offer SME owners the ultimate in peace of mind and satisfaction.

### Household Market



Taiyo Life Insurance Company focuses on serving the household market, mainly targeting women, the middle-aged, and elderly people. The company sells comprehensive life insurance coverage, which is centered on death protection and medical and nursing care products. The company uses an in-house sales force of women who can understand the needs of our customers and visit them at home to provide advice in tailoring policies to specific needs. The company stays ahead of the changing times by providing households with the finest products and services, aiming to deliver optimal comprehensive coverage to households.

### Independent Insurance Agent Market



T&D Financial Life Insurance Company responds to customer needs with unique insurance products offered via OTC sales at banks and other financial institutions and through insurance shops. For senior customers, these include asset formation products to support a comfortable retirement life by preparing for post-retirement expenditures and the need for protection for bereaved families. For the working and childrearing generation, the Group offers protection-oriented products at an affordable price.

### Asset Management Market

## T&D Asset Management

An asset management company focused on the investment trust and investment advisory business. The company responds to customer needs by offering a diverse range of products to individual and institutional investors.

### Pet Insurance Market

## Pet & Family Small-amount Short-term Insurance Company

This is a growing insurance company in the pet insurance market, which is expected to expand. It supports healthy pets by providing a wide range of coverage for injuries and medical expenses. Products are offered through pet shops, the internet and other channels.

### Main Group Companies Other Than Above .....

#### [Insurance-Related Businesses]

T&D Confirm Ltd.  
Toyo Insurance Agency Co., Ltd.  
Daido Management Service Co., Ltd.

#### [Other Investment-Related Businesses]

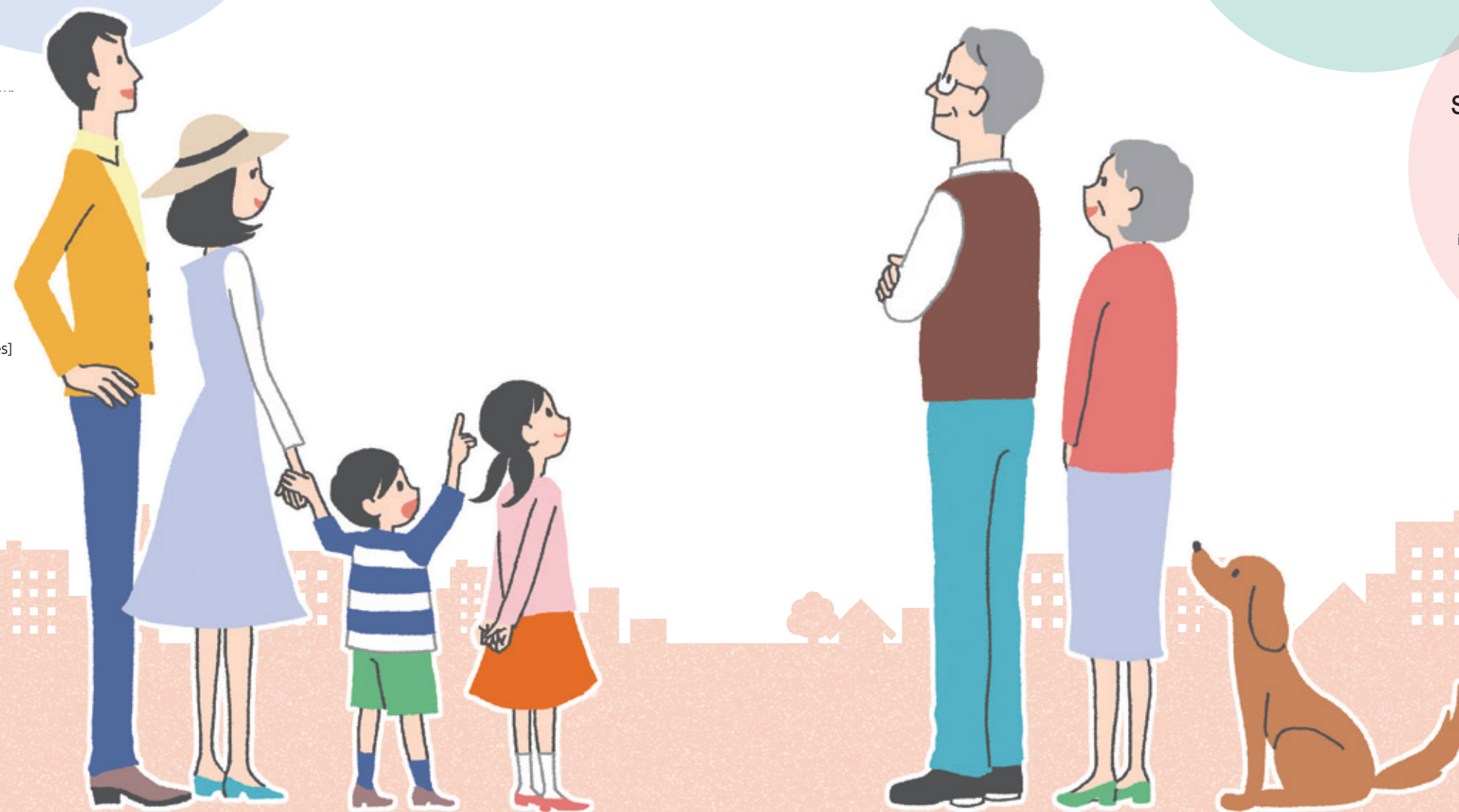
T&D Lease Co., Ltd.  
Taiyo Credit Guarantee Co., Ltd.  
Alternative Investment Capital Ltd.

#### [Administration-Related Businesses]

T&D Customer Services Co., Ltd.

#### [General Affairs and Calculation-Related Businesses]

T&D Information System Ltd.  
Nihon System Shuno, Inc.  
Zenkoku Business Center Co., Ltd.  
(September 2016)







Aiming to become a life insurance company that is most considerate of households.

### Innovative products that anticipate contemporary changes

As a result of the aging population, problems associated with a rise in dementia patients and an increase in the number of family members leaving their jobs to care for such patients have become a more familiar phenomenon. Fractures due to osteoporosis, common among elderly women, and a rise in lifestyle diseases associated with advancing age are also known to increase the risk of needing nursing care.

Given these circumstances, Taiyo Life has developed *Himawari Dementia Treatment Insurance*, the life insurance industry's first product to offer coverage for dementia care, aimed at seniors with health concerns and available with just a simple declaration. The product offers protection that places a priority on the concerns of seniors, including dementia, fractures and hospitalization and surgery due to the seven major lifestyle diseases, reflecting the company's desire to give seniors peace of mind and help them lead rich, positive lives.



Ayako Hachisu  
Product Section  
Product Department

ひまわり  
認知症治療保険

### Delivering security to households



At Taiyo Life, request for payment of insurance claims and benefits are accepted at branch offices and its customer service centers. The sales representative in charge will then bring the required paperwork, assist customers with completing documents and offer information about filing procedures.

In addition, to make it comfortable and more convenient for seniors to submit claims for benefits and other payments, office workers with specialized knowledge will visit customers and their families at home to provide assistance with procedures. Taiyo Life began offering this *Kaketsuke-Tai Service* in April 2016.

At the same time, the company began offering other related services, including allowing office workers to fill out benefit payment claim forms on behalf of senior customers, upon confirming their intent to file a claim, as well as obtaining the medical certificates needed when submitting a claim.

### Private Residential Care Home Completed

Taiyo Life is moving ahead with a variety of initiatives to assist the elderly in response to issues associated with an increasingly aging society.

One such initiative involves a dormitory for schoolgirls in Yokohama that the company had owned for many years, which, in response to changes in the demographic makeup of the local population, Taiyo Life has rebuilt as a care home offering a secure, comfortable place for seniors.

The facility will be operated by Benesse

Style Care Co., Ltd., which offers residential nursing care services nationwide. With nursing staff on duty 24 hours a day, 365 days a year, the facility will offer peace of mind to seniors ranging from those capable of independent living to those requiring Level 5 nursing care.

In an effort to serve even more seniors, Taiyo Life plans to make effective use of its assets, working with Benesse Style Care to expand its residential facilities for the elderly.



Aiming to be the life insurance group that brings the greatest peace of mind and the utmost satisfaction.

### Providing total support for the burdens of nursing care

The number of people who require nursing care has grown yearly as a result of the population aging, and a large number of people are concerned about the nursing care problems they and their family members will be facing in the future.

Given this social situation, in October 2015, Daido Life launched *Shunyu Relief*, a policy for small and medium enterprise (SME) owners and sole proprietors that protects against loss of income in the event they require nursing care, and *Kaigo Relief*, which covers nursing care costs.

At the same time, Daido Life began offering *Kaigo Concierge*, a free nursing care consultation service through which care managers and other specialists in nursing care offer advice on the use of public long-term care insurance, introduce care facilities tailored to the customer, and even arrange for tours of those facilities.

With *Shunyu Relief*, *Kaigo Relief*, and *Kaigo Concierge* as an integrated offering, Daido Life offers total support not just for the economic burden of nursing care, but for addressing the physical and emotional burdens as well.



### Providing easy-to-understand, highly convenient services

In response to an increasingly aging society, Daido Life is promoting its Best Senior Service, an initiative focused on ensuring that every process with which the customer becomes involved is easy to understand and highly convenient. This is part of an effort in working with seniors to encourage better understanding, verify the customers' wishes, and take their living conditions into consideration. As part of this initiative, Daido Life is working to provide clear, easily understood product documentation and paperwork, and its new PC-based policy application form, pension payment claim form and information pamphlet, policy confirmation notice, and policy overview form have all been certified for their design by the Universal Communication Design Association (UCDA).



Naoki Morimoto  
Assistant Manager  
CS Promotion Division



Eri Koyama  
Assistant Manager  
Marketing Planning Division

### Supporting SME Business Succession and Expansion

A majority of small and medium enterprises (SMEs) have no successor in place, and many SME owners recognize that business succession is an important management issue. By introducing its M&A Support Service, which

provides expert assistance in utilizing M&A for business succession and expansion, Daido Life offers its customers consistent support with everything from initial consultation to the actual contract process and other issues.





Aiming to be the life insurance company most trusted by its customers.

Unique products with a customer perspective

T&D Financial Life specializes in developing the unique products its customers expect, differentiated from competitors and offered on a timely basis through insurance agents. In fiscal 2015, T&D Financial Life developed the "regular payment rider," enabling customers to regularly receive a prescribed amount under their *Shougai Premium Series* coverage and to prepare for death protection and post-retirement living expenses. It also introduced *Kazoku Wo Tsunagu Shushinhoken*, which offers death protection and addresses a wide range of asset formation needs, and developed *Hataraku Anata Ni Yasashii Hoken*, which provides living benefit coverage for living expenses over a prescribed period for particular conditions associated with the three major diseases (defined as cancer, acute myocardial infarction and stroke). In August 2016, T&D Financial Life revised its *Kakei Ni Yasashii Shunyuho* and *Hataraku Anata Ni Yasashii Hoken* products, which provide death and disability income protection in the form of a monthly annuity, as part of an effort to expand coverage for carcinoma in situ.



Efforts to enhance services for seniors



Keiko Takagi  
Assistant Manager  
Customer Service Division

T&D Financial Life is strengthening its initiatives to address the needs of its senior customers. For example, to prevent various procedures from becoming too drawn out and ensure they are completed smoothly, the company encourages applicants to register a second contact in advance, so that family members or others can be reached. The company has also revised the forms used in the application process, and has colorized and improved the layout of its claim forms. In addition, T&D Financial Life is working to improve customer satisfaction by omitting some of the paperwork needed for payment of claims and by expanding its acceptance of proxy signatures. In addition, the Group endeavored to improve the skills of communicators at its call centers by providing appropriate training based on the theme of "improving customer service for elderly people."

Aiming to Offer an Improved Service to Customers

T&D Financial Life collects and analyzes feedback from customers regarding the various forms it sends out and the skills of communicators at its call centers. Each year, it conducts a Customer Satisfaction Survey to further improve customer satisfaction. According to the results of the fiscal 2015 survey, more than 90% of customers gave a positive rating to the way forms were to be filled out and to the response of call center communicators.

At the same time, many customers also responded that procedures for submitting corrections and changes to the policyholder name and registered seal were complicated, and the company subsequently began simplifying those procedures by accepting unregistered seals and so on. T&D Financial Life will continue to listen to its customers as it works toward achieving an even more customer-oriented operation.

T&D Asset Management

Aiming to satisfy customers through value creation.

Products that contribute to the formation of a sustainable society

T&D Asset Management has established and manages the T&D Japan Equities ESG Research Fund. This fund selectively invests in companies with outstanding ESG (Environmental, Social and Governance) performance through ESG research. In doing so, the fund seeks to generate investment returns that outperform the medium- to long-term market average. Moreover, by investing in companies that seek to reduce environmental impact and help achieve a sound society, the fund aims to play a part in forming a sustainable society.



As a responsible institutional investor

T&D Asset Management believes that the essence of CSR is to contribute widely to society through asset management, its original field of business, and to that end engages in a vigorous exchange of opinion and the communication of information. The company has participated in the proof of concept under the Ministry of the Environment's project to build a system for environmental information disclosure, and is active as a member of expert workshops. The company also continues to hold investment seminars on the subject of ESG investing, with the goal of providing investors with useful information.



Kiyoshi Yamanaka  
Executive Officer  
Investment Division



Pet & Family Small-amount Short-term Insurance Company

Aiming to provide well-being to pets and peace of mind to their owners.



Providing for an important part of the family

Against a background of social issues such as an advance in low birth rates and an aging population, as well as an increase in one-person households, pet ownership has remained stable. Changes in the way pet owners view their pets as a member of the family have also brought increased interest in issues such as medical care for pets and the associated costs. Given this background, Pet & Family Small-amount Short-term Insurance is responding to pet healthcare costs by offering products that cover a certain portion of the cost of veterinary care for pet illness and injury, including *Genki Number One* and *Genki Number One Slim*, ensuring peace of mind for both pet owners and their pets when treatment is needed.



More convenient procedures

In November 2015, Pet & Family Small-amount Short-term Insurance began offering new tablet-based contract procedures through its pet shop agencies. While traditional paper-based procedures and application forms often resulted in inadequate documentation, the introduction of tablets has led to shortened times for contract completion and reduced the burden on customers.



Mai Takai  
Contract Management Department  
Customer Service Division



# A Work Style Where Everyone in the Group Can Grow!

The T&D Life Group has advanced efforts to nurture a corporate culture where diverse human resources can feel job satisfaction and reach their potential. Each Group company has revised its personnel and compensation systems, introduced work-life balance support programs and formulated action plans for promoting the active participation of women.

The implementation of the two pillars, promoting work-life balance and promoting the active participation of women, is beginning to bear fruit in many different forms.

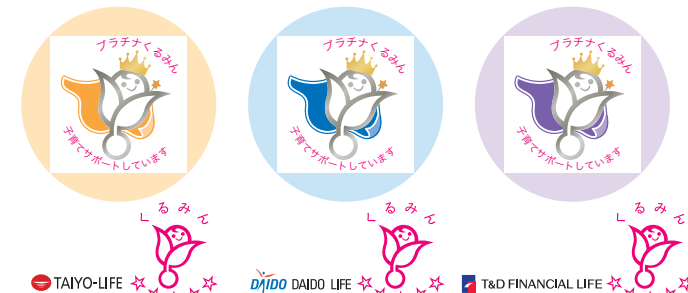
## Received the Ikumen Company Award 2015 from the Ministry of Health, Labour and Welfare (Daido Life)

Daido Life received the Ikumen Company Award 2015 in recognition of its efforts as a company to improve operations by proactively encouraging men to balance childrearing and work.

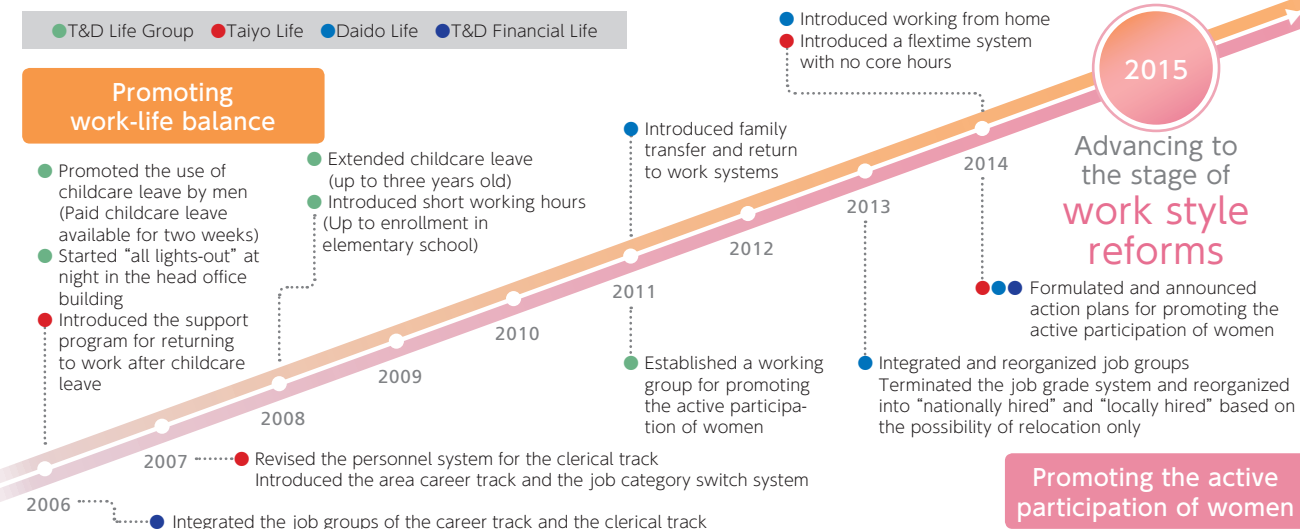


2015

**All three of the Group's life insurance companies obtained the "Platinum Kurumin" mark for being companies that support the raising of children**  
The Group's three life insurance companies received certification as companies meeting the criteria of the Act on Advancement of Measures to Support Raising Next-Generation Children.



## Key measures of the Group and the three life insurance companies



The T&D Life Group has disclosed action plans for promoting the active participation of women and targets for promoting female employees to management positions. The ratio of female managers has been steadily increasing.

### Action Plan

- [Initiatives]**
- Implement systematic cultivation and promotion of female employees to management positions
  - Enhance career development and work-life balance support measures
  - Transform the mindset of managers

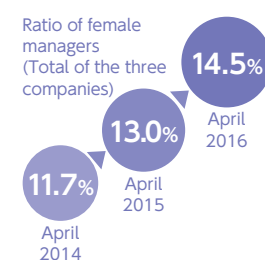
Targets set for promoting female employees to management positions (Achievement deadline)

Ratio of female managers

**TAIYO-LIFE**  
Systematically cultivate and promote motivated and talented female employees  
(April 2018) **More than 20%**

**DAIDO DAIDO LIFE**  
Promote diverse work styles and support new challenges  
(April 2020) **More than 15%**

**T&D FINANCIAL LIFE**  
Become a company where female workers can work free from anxiety and reach their full potential  
(April 2019) **More than 15%**



Double the 7% level in 2013

## For the Job Satisfaction and Growth of Every Individual

### T&D T&D Life Group

#### Expanding fields of activity through Group personnel exchanges

People grow by tackling new work. Experiencing work at other Group companies brings new awareness and fosters growth.

● Number of exchanges

	2013	2014	2015
Number of participants	17	28	39
Men	3	8	18
Women	14	20	21

### TAIYO-LIFE

#### Introducing the industry's highest levels of short- and long-term nursing care leave

Systems were revised to provide even greater support to employees supporting families.

- Key Revisions
- Expansion of leave periods:
  - Long-term nursing care leave: From one year to three years
  - Short-term nursing care leave: From five days a year (10 days when caring for two or more family members) to 30 days (April 2016)
- \* Office workers (except for work partners)

### DAIDO DAIDO LIFE

#### Use of telework to offer more flexible work styles

Today, over 200 employees use the working from home system introduced in 2014. Employees make use of it to reduce the burden of child and nursing care and to improve work efficiency.

- In recognition of this effort, Daido Life was designated one of the "Top 100 Telework Pioneers" by the Ministry of Internal Affairs and Communications. (April 2016)



## From the active participation of women to diversity—achieving work-life balance by work style reforms

We have been introducing systems to balance work and childcare, reduce total working hours and support career advancement for women. A new goal has become apparent from these ceaseless efforts: A work style where everyone in the Group can grow.

As women become more active in the workplace, now more than ever the Group is working together to reform work styles and promote diversity in pursuit of greater job satisfaction for each individual, regardless of gender, age, or position.

## Diversity and Work-Life Balance Awareness Day held to offer everyone in the workplace an opportunity to share their thoughts about how they work

The first step in reforming the way we work is to think about our own job satisfaction. What can we do to make our work easier, and whose cooperation do we need? What can we do to be more useful to those around us? Discussions were held in each workplace, and goals were established for enhancing the quality of work and private life.



## The Keyword was "Growth"—President's Discussion with Employees from the Three Life Insurance Companies



Ahead of the dialogues held in each workplace, a discussion was held between the president of T&D Holdings and employees of each Group company.

President Kida explained his belief that "for insurance companies such as our Group, growth associated with sustainability and the pursuit of sound profits are essential. Sustaining the Group's growth are the earnest efforts of employees in the workplace. Providing for the right workplace environment is an important role of the company."

Fair, reasonable use of leave systems, a balance between career advancement and childcare, efforts to reduce working hours, balancing work and nursing care—these and many other subjects were discussed, but in the end, everyone agreed on one thing. "Let's hold on to all our dreams, and then grow together to achieve them!"

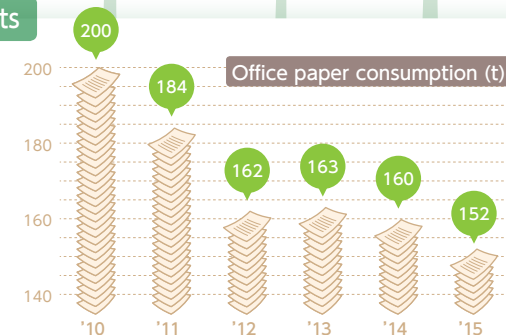


The society we live in rests upon the foundation of the global environment. To ensure we pass on a healthy, abundant society to future generations, T&D Insurance Group has established global environmental protection as one of its priority areas, and is moving forward with a variety of initiatives.

### Initiatives for Reducing Environmental Burden Based on Group-wide Targets

We have set Group-wide targets related to environmental protection, and are working to achieve these targets in the course of our daily business activities. The Group's three targets are to reduce electric power use, reduce office paper use and improve the green purchasing ratio. In regard to our target for reducing office paper use, we achieved our five-year target from fiscal 2009, and are working to achieve a new five-year target from fiscal 2014.

Scope: Total for the headquarter divisions of T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, and T&D Asset Management



#### Initiatives to reduce documentation

With the relocation of its headquarters in 2015, the Group worked alongside its Group companies to streamline operations and reduce documentation. A survey was conducted of document storage, and regulations regarding document management were reviewed, resulting in changes to a wide range of records from paper storage to electronic data storage. Progress was made in disposal of unnecessary documents, and the volume of stored documents was reduced by 70%. Converting stored documents to an electronic format also makes it possible to easily obtain and share information regardless of location, whether at one's desk or in a meeting room, which has improved efficiency.



Eiji Ida  
Manager, General Affairs Department  
T&D Holdings, Inc.

#### Initiatives to implement paperless meetings

The Group is also advancing efforts to achieve paperless meetings by installing displays in meeting rooms and deploying tablet devices. Efforts to expand this shift to paperless meetings have expanded to include meetings of the Board of Directors, management meetings and other important venues. Further, to conduct everyday meetings without paper, the Group is working to distribute mobile PCs and deploy a wireless LAN network, as well as installing displays on meeting tables in an effort to streamline operations and significantly reduce the volume of paper used.



### Forest Conservation Activities

Taiyo Life conducts afforestation projects to protect forest resources and the biodiversity of forest ecosystems. To advance these efforts, it has established the Forests of Taiyo Life in Nasushiobara, Tochigi Prefecture and Takashima, Shiga Prefecture. In the Shiga Prefecture Forest of Taiyo Life, a project is underway called "Operation Calling All Creatures!," which is working to establish a biotope\* on swamp land that used to be rice paddies. With the participation of other Group company employees, they have removed mud from ditches to secure a flow of fresh water, and have made the surrounding area accessible on foot. Freshwater crabs, frogs and newts have all made an appearance, delighting the children who have participated. Work on this project will continue toward the goal of creating a biotope teeming with all kinds of life.

\* A biotope is a habitat where a variety of creatures live together in mutual interdependency.



Scenes of activities in June 2015

I found a crab!

### Fiscal 2015 Activity Report

#### Nationwide Clean Campaign

Since 1982, Taiyo Life has carried out clean-up activities in the vicinity of its head office as part of its social contribution to local communities. Since 2004, these activities have been expanded as the Nationwide Clean Campaign, with branches across the country undertaking clean-up activities in their own local communities. Executives and employees from various T&D Life Group companies, as well as their family members, cooperated with clean-up activities in the Shiodome district\*, where the Group's head office is located. In fiscal 2015, a total of around 8,600 people took part in community clean-up activities across Japan.

\* Relocated to Tokyo's Nihonbashi area in December 2015.



#### Endowed Open Courses at Universities

Daido Life has been endowing open courses at universities every year, beginning with the company's centenary celebrations in 2002. These courses provide managers of small- to medium-sized businesses and their successors, as well as local residents, with opportunities for acquiring knowledge and skills concerning management, business and other subjects. The courses have been attended by over 12,000 people in total over the past 14 years.

In fiscal 2015, courses were held at seven universities across Japan, including Japan Women's University of which Asako Hirooka (a female industrialist in Japan's Meiji Period (1868–1912) who was one of the founders of Daido Life) was involved in the founding.



#### Supporting the Japan Down Syndrome Society

Since 2006, Taiyo Life has been involved in various support activities for the Japan Down Syndrome Society. In 2015, Taiyo Life invited participants from the Japan Down Syndrome Society's Tochigi Branch to join a forest studies class held in the Forest of Taiyo Life, where the company has been undertaking forest management activities since 2006. The invited participants spent a pleasant day in the forest surrounded by fresh greenery.



#### Supporting Sports for People with Disabilities

Daido Life has been a special sponsor of the National Sports Festival for People with Disabilities for over 20 years since the first National Sports Games for the Mentally Handicapped (Yuaipic) was held in 1992. In fiscal 2015, the Ki No Kuni Wakayama Festival, as this year's event was called, was attended by around 600 people who served as volunteers, including executives and employees of Daido Life together with members of their alliance partners and executives and employees of Taiyo Life. Since January 2015, we have been undertaking initiatives to further spread and develop sports for people with disabilities in our capacity as an official partner of the Japanese Para-Sports Association.



#### One-day Outing Volunteer Activity for People with Disabilities

Since 1994, Daido Life has held the One-day Outing Volunteer Activity, a program in which employees take volunteer leave to assist with the outings of people with disabilities who have had very little opportunity to go out on excursions. In fiscal 2015, a group of 107 people in total, including 45 people with disabilities and 33 volunteers comprising staff mainly from Daido Life and its subsidiaries, visited Abeno Q's Mall and Tennoji Zoo.



#### Support for Recovery from the Great East Japan Earthquake: Ishinomaki Marché in Shiodome (Ishinomaki Specialty Products Fair)

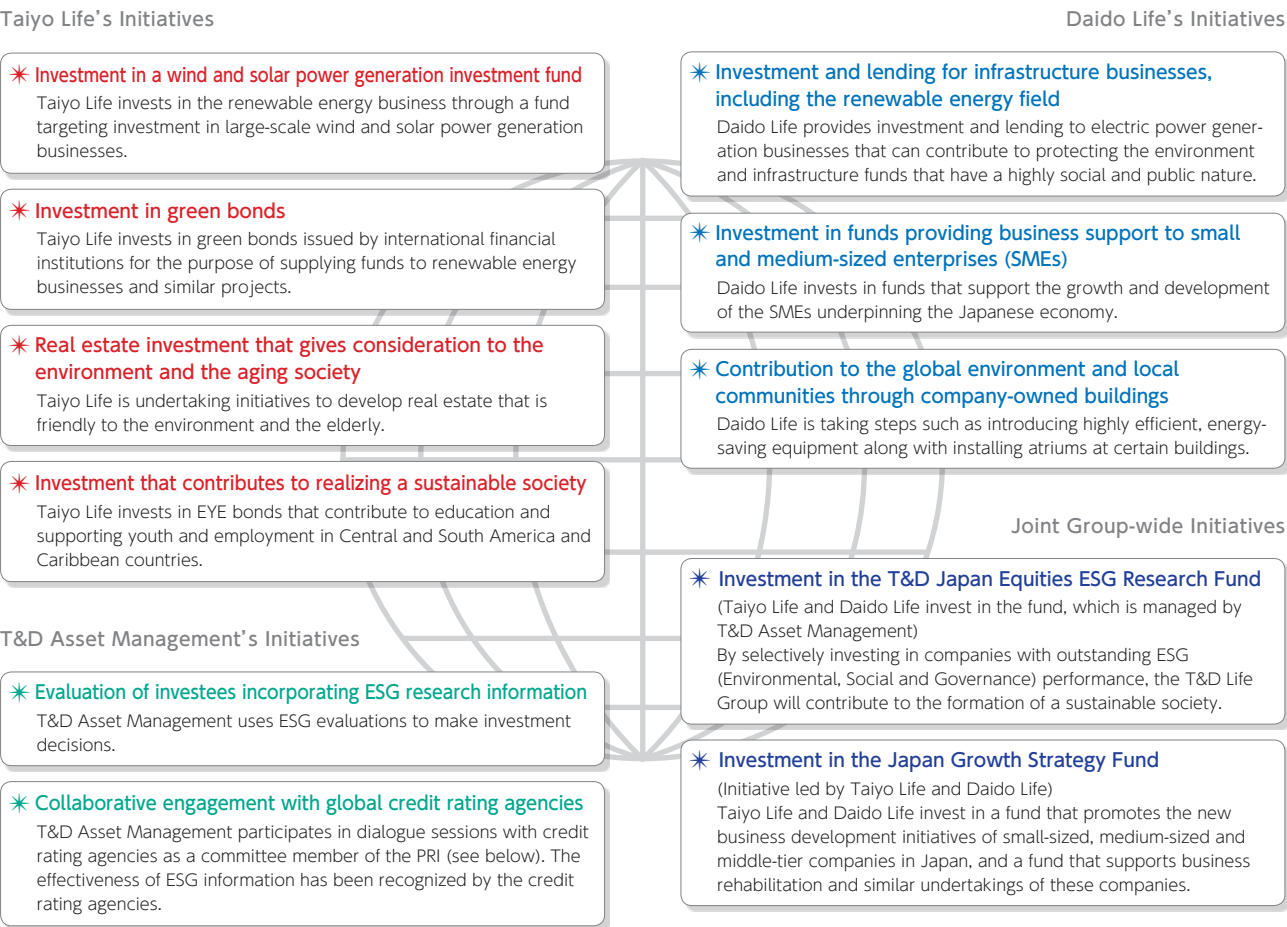
Taiyo Life held the "Ishinomaki Marché in Shiodome" by inviting the people of the Ishinomaki Genki Fukko Center and together with the neighborhood association of the Shiodome district, with a view to supporting a full-scale recovery from the Great East Japan Earthquake through specialty products from Ishinomaki. The event attracted a large number of visitors, including not only members of T&D Life Group companies, but also people from other companies in the area and members of the local community.





The T&D Life Group operates the life insurance business as its core business, which is highly social and public in nature. Accordingly, we believe that it is one of our most fundamental obligations to fulfill our social responsibilities as an institutional investor and contribute to the realization of a sustainable society through our investment and lending activities.

Initiatives as an Institutional Investor



Principles for Responsible Investment (PRI)

The Principles for Responsible Investment (PRI) is a code of conduct designed to encourage investment behavior based on Environment, Social and Governance (ESG) perspectives among global financial institutions and institutional investors.

The PRI was proclaimed by Kofi Annan, the former Secretary-General of the United Nations, in 2005. In 2007, Taiyo Life signed the PRI as the first Japanese life insurance company to do so. The company developed its asset management processes based on the PRI and has conducted asset management accordingly. In 2012, T&D Asset Management signed the PRI, and since then has been working to improve its medium- to long-term investment performance by incorporating ESG factors into its corporate evaluation.



WE SUPPORT

Participation in the UN Global Compact

The UN Global Compact is a voluntary initiative for participation in a global framework within which companies practice good corporate citizenship, and that seeks to achieve sustainable growth. The UN Global Compact proposes 10 principles related to the protection of human rights, the elimination of unfair labor practices, the protection of the environment and the prevention of corruption. T&D Holdings has signed the ten principles on behalf of the T&D Life Group, and is participating in the UN Global Compact.



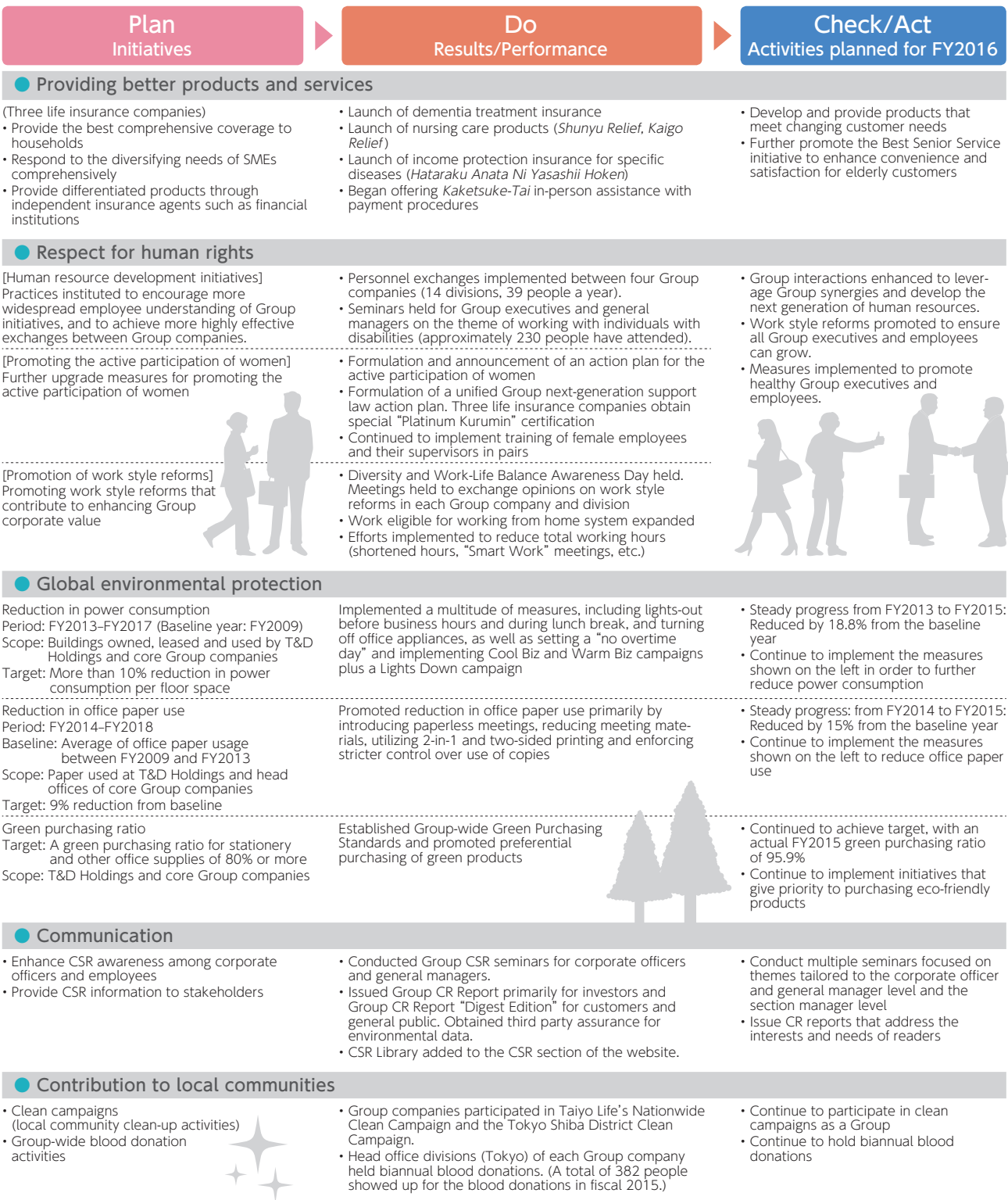
Principles for Financial Action for the 21st Century

The Principles for Financial Action for the 21st Century are guidelines for action for financial institutions seeking to fulfill their roles and responsibilities in shaping a sustainable society. T&D Holdings and its five directly owned subsidiaries have each endorsed and become signatories to these principles, and are working to achieve a sustainable society.

Participation in Initiatives

The T&D Life Group has established the Group CSR Committee, under the control of the Board of Directors, chaired by the president of T&D Holdings, and consisting mainly of directors in charge of CSR at each Group company. Under this committee, we are pushing ahead with unified Group-wide CSR activities. The Group CSR Committee serves as the cornerstone for promoting the Group's CSR activities. It formulates basic policies for the Group's CSR activities and selects important focus areas, along with drawing up annual plans and regularly confirming the implementation status of those plans.

FY2015 Group CSR Activities Progress Report (Partial Account of the Activities)





## Presence as an Institutional Investor

### Takeshi Mizuguchi

Professor, Faculty of Economics, Takasaki City University of Economics

Graduated from the College of Policy and Planning Sciences, Third Cluster of Colleges, Tsukuba University in 1984. After working at Nichimen Corporation and Eiwa Audit Corporation, he became a lecturer in the Faculty of Economics at Takasaki City University of Economics, and assumed his present position in 2008. His primary areas of research include responsible investment and the disclosure of non-financial information. He has also served as chair of the Japanese Institute of Certified Public Accountants' Technical Committee on Environmental Accounting, and as a member of the Central Environment Council's Special Committee on the Environment and Finance. At present, he serves as the joint representative director of the Japan Sustainable Investment Forum. His principal books include *Responsible Investment* (Iwanami Shoten), *Accounting and Investment for Social Change* (Iwanami Shoten), *The Environment and Financial/Investment Trends* (author/editor, Chuo Keizai-sha), and *Environmental Management and Accounting* (co-author, Yuhikaku Publishing).



As stated at the beginning of this report, this year the T&D Life Group is again committed to a policy of contributing to solutions for social issues through the life insurance business. I would like to pay tribute to the fact that the T&D Life Group is steadfast in this approach. In fact, because elderly people face various urgent risks such as dementia and osteoporosis, I keenly appreciate Taiyo Life's marketing of *Himawari Dementia Treatment Insurance*. Moreover, because the owners of small and medium-sized enterprises are also progressively aging, I consider that the two products that Daido Life has prepared for the cases when customers may need nursing care, namely, *Kaigo Relief* and *Shunyu Relief*, are important products.

In addition, since the average person rarely experiences making a claim for insurance, they often find it overwhelming. In that sense, I consider it excellent that the T&D Life Group has prepared easy-to-understand procedures and documents, which have in fact received the *Tsutawaru Design Certification* (UCDA certification), and offers a service providing in-person home-visit assistance with payment procedures.

I think it is good that we are seeing the positive results of the Group pursuing the twin initiatives of promoting a work-life balance and promoting the active participation of women in the Group. I am also glad to see the ratio of female employees in management positions is improving year by year.

At the same time, the core business of a life insurance company also includes the aspect of functioning as an institutional investor who manages the insurance premiums that have been

entrusted to it. In this respect too, I can positively evaluate the Group for a variety of initiatives ranging from the setting up of the T&D Japan Equities ESG Research Fund through to investment in green bonds.

However, the level of expectation for institutional investors as regards ESG investment has been rising dramatically in the last few years. In particular, in 2015, the United Nations adopted its sustainable development goals (SDGs) in September, and the Paris Agreement was concluded by the Conference of the Parties (COP21) at the United Nations Framework Convention on Climate Change in December. Under the Paris Agreement, it was agreed to keep the level of the rise in the average global temperature to well below 2°C. The participants declared that the goal for the second half of this century is to balance the emission and absorption of human-produced greenhouse gases. In response to this, institutional investors around the world are beginning to proactively commit to these goals through investment and engagement.

I would like to see the T&D Life Group also demonstrate a commitment to making use of its power as an institutional investor to help in the building of a sustainable society and to increase its presence. Specifically, it should examine the decarbonization of its entire portfolio and publicly express its opinions about specific ESG issues as regards human rights problems in supply chains and risks pertaining to water resources.

## Response to Third-Party Opinion

### Sonosuke Usui

Director and Executive Vice President

I would like to thank you for giving us your valuable opinions this year once again. In this year's report, we have strived to describe clearly and simply the initiatives we are taking to contribute to society through our core business activities, which is the basis of the Group's CSR. We have also provided digest reports about our activities as an institutional investor and our participation in various international initiatives. As you have pointed out, there are increasing expectations and requirements asked of institutional investors by society, and recently I feel that this happens on a wide variety of occasions. For our Group to build a long-term investment portfolio, I believe we must fully respond to these expectations and requirements and rise to the challenge of doing this through our medium- to long-term investment on an ongoing basis. Going forward, we will continue as before to strive to advance the CSR initiatives of the Group by responding step by step to the opinions that you have given us.