

CREATE VALUE FOR PEOPLE AND SOCIETIES.



# Corporate Responsibility Report 2017

[Digest Edition]

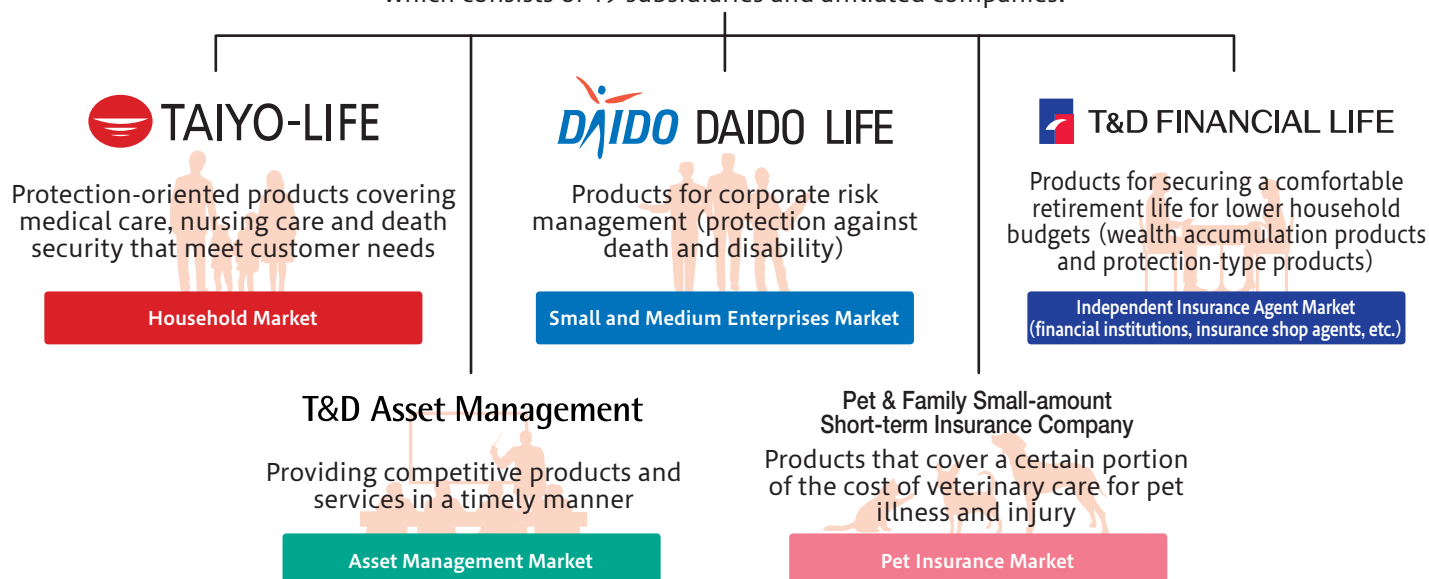
## T&amp;D Life Group

# We aim to be a group that contributes to all people and societies

The T&D Life Group has life insurance as its core business and centers on three life insurance companies, Taiyo Life, Daido Life and T&D Financial Life. Each Group company seeks to maximize their uniqueness and specialization in the household, small and medium enterprises, and independent insurance agencies markets, thereby stabilizing the Group's corporate value and improving sustainability.

## T&D Holdings, Inc.

T&D Holdings is the cornerstone of the T&D Life Group, which consists of 19 subsidiaries and affiliated companies.



### Main Group Companies Other Than Above

#### Insurance-related Businesses

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

#### 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.
- T&D Information System Ltd.
- Nihon System Shuno, Inc.
- Zenkoku Business Center Co., Ltd.
- Thuriya Ace Technology Company Limited



As of June 30, 2017



Ordinary revenues

**¥1,975.7**  
billion

Ordinary profit

**¥157.2**  
billion

Profit\*

**¥75.1**  
billion

No. of employees

**19,816**

\* Profit attributable to owners of parent

Figures for revenues and profits are from fiscal 2016 and the number of employees is as of March 31, 2017

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

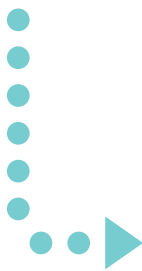
## T&D Life Group's Corporate Philosophy



## Group CSR Charter (Preamble)



## Our Priority Areas



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

The T&D Life Group will, based on its management philosophy, work together with society to achieve sustainable growth as well as fulfill the public mission of the life insurance and other businesses and its social responsibilities as a company.

01



Providing  
Better Products  
and Services

02



Respect for  
Human Rights

03



Global  
Environmental  
Protection

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



## Aiming to be a corporate group that contributes to all people and societies

The life insurance business is a business where customer relationships continue for decades. We believe our mission, the meaning of our existence, is to face social issues and contribute to the sustainable development of society so that our customers, their children and their grandchildren can live safe, secure, and comfortable lifestyles. Likewise, under our current medium-term management plan, we have stated our vision to be to contribute to solutions for social issues through the life insurance business by pursuing maximization of “satisfaction of all stakeholders,” and the T&D Life Group is working to realize that vision.



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

# Priority Areas ① Providing Better Products and Services



## Basic Concept

The T&D Life Group believes that our most basic responsibility to society is to provide products and services that respond to the needs of society and the Group's customers that are changing in a variety of ways with the acceleration of Japan's declining birthrate and aging population.

## Taiyo Life's Initiatives

### Innovative products that anticipate contemporary changes

Taiyo Life launched *Himawari Dementia Treatment Insurance*, a first for the life insurance industry and enables even customers with health concerns to enroll. We also offer the *Kaketsuke-Tai Service* through office workers with specialized knowledge who visit customers and their families at home to provide assistance with payment procedures. The *Kaketsuke-Tai Service* has realized paper-free procedures, significantly reducing the procedural burden placed on customers and accelerating the payment process even further.



### "Taiyo's GENKI Project" initiatives

Taking into account that this is an age in which it is not uncommon to live to 100, and to respond to the social issue of people's ever-increasing healthy longevity, Taiyo Life is promoting "Taiyo's GENKI Project," an initiative aimed at energizing and improving the health of employees, customers, and society. We are leading the industry in introducing a retirement age of 65 years old and in providing a continuous re-employment system up to age of 70 years old, providing customers a smartphone app that supports preventing dementia, sponsoring dementia seminars, and supporting the introduction of Kurort Health Walking, which is effective in preventing illness and promoting health.



## Daido Life's Initiatives

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

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, as well as *Kaigo Concierge*, which enables consulting with experts such as care managers. Daido Life offers total support not just for the economic burden of nursing care, but for addressing the physical and emotional burdens as well.



### Initiatives to promote Health-oriented management (Kenko Keiei)\*—DAIDO KENCO Action

Daido Life is engaged in DAIDO KENCO Action supporting Health-oriented management, a corporate strategy of practical application of employees' health management and maintenance. By supporting the practice of Health-oriented management by small- and medium-sized companies, we aim to contribute to the creation of a society where small- and medium-sized companies and people working at them can work enthusiastically, and help solve the issues faced by Japan's aging society.



\* "Kenko Keiei," the Japanese team for "Health-oriented management," is a registered trademark of the Workshop for the Management of Health on Company and Employee, a non-profit organization.

## T&D Financial Life's Initiatives

### Respond to diversifying customer needs

T&D Financial Life responds to customers' needs by offering revisions to single premium products for the *Shogai Premium Series* single premium whole life insurance series, enhancing its product lineup and enabling timely provision through financial institutions and insurance shop agents.



### Customer service enhancement initiatives

As one aspect of strengthening initiatives for senior customers, we initiated a policy inspection system to confirm that policyholders over a certain age haven't changed their contact details or forgotten to make a claim.

We also established a call center in Osaka and created a two-base system comprised of Tokyo and Osaka to respond to a growing number of customer inquiries.



## Pet & Family Small-amount Short-term Insurance's Initiatives

### Providing for an important part of the family

Nowadays, pets are being viewed as a member of the family and this has brought increased interest in issues such as medical care for pets and the associated costs. To respond to these needs regarding pet healthcare costs, we provide products enabling pet owners to have peace of mind regarding treatment that may be needed.



## T&D Asset Management's Initiatives

### 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 contributes to the formation of a sustainable society through investment in companies that are reducing their impact on the environment and aim to realize a healthy society. We actively communicate information to contribute to society through asset management.



## Topics

### Best Senior Service

Based on the social situation that the aging of society is progressing, we are carrying out Group-wide efforts to improve the convenience and satisfaction of our senior citizen customers.



#### Taiyo Life

- *Kaketsuke-Tai* Service
- Home visit service for senior customers
- Development of new products for senior customers
- Efforts to provide greater peace of mind during contract signing and renewal

#### Daido Life

- Guide to the Family Registration Program
- Periodical confirmation of customers' circumstances
- Provision of easy-to-read, easy-to-understand guidance and procedural documents

## Priority Areas ② Respect for Human Rights



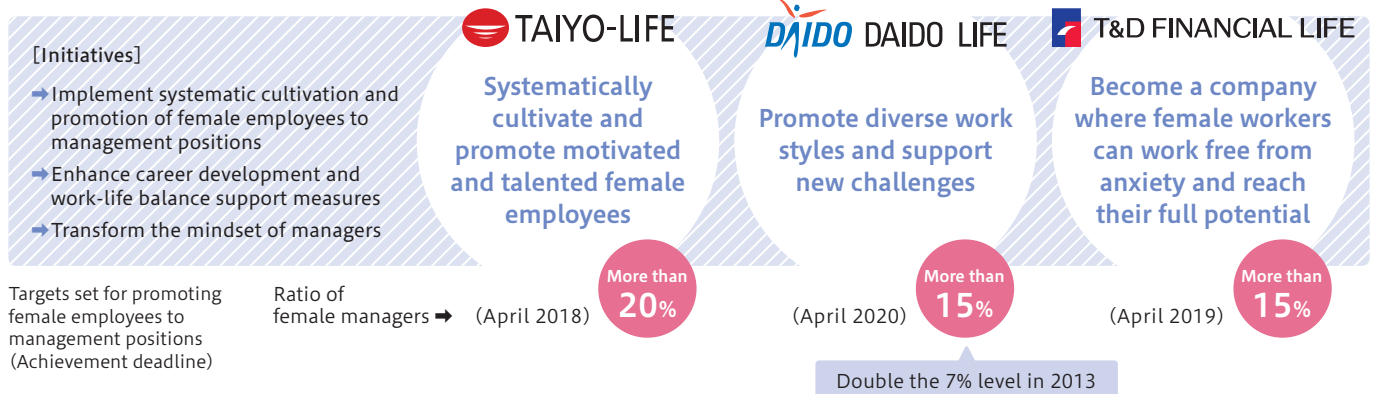
### Basic Concept

The T&D Life Group believes that supporting the protection of and showing respect for internationally declared human rights and the ongoing process of creating a comfortable work environment where employees are able to work to meet society's needs are important corporate responsibilities that lead to the growth of the Company and the vitalization of society.

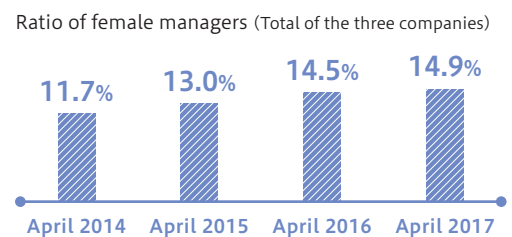
### ♥Initiatives to Support Active Roles for Female Employees

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



The T&D Life Group has promoted efforts to create a corporate culture that diverse human resources will find engaging to work in and that enables them to reach their full potential. Particularly given that women represent the majority of the Group's employees, enabling them to further reach their potential is an important driver of sustainable growth in corporate value, and the T&D Life Group recognizes that their active participation is a crucial management priority.



### ♥Human Rights Education

The T&D Life Group holds human rights education sessions for all employees on various issues, such as discrimination due to social class or disability, sexual harassment and LGBT orientation, to deepen employees' understanding of the importance of respecting human rights.



### ♥Work-life Balance Initiatives

Individual companies belonging to the T&D Life Group have been enhancing various work style reform efforts aimed at enabling employees to demonstrate their capabilities and improve their performance at work while at the same time fulfilling their responsibilities at home, such as childcare, nursing care and household responsibilities, by improving the childcare leave system and reducing total work hours. In order to promote the active participation of female employees, the Group as a whole is promoting work-life balance initiatives with an awareness of the need to create workplaces where female employees can continue working for a long time while experiencing life events such as marriage and childbirth.



## Priority Areas ③ Global Environmental Protection



### Basic Concept

The T&D Life Group formulated the T&D Life Group Environmental Policy\* to clarify the Group's stance on the environment. The T&D Life Group has announced that its basic policy is to carry out business activities with a full awareness of the importance of environmental concerns, and it will give sufficient consideration to global environmental protection. We will publicize the policy among executives and employees and have promoted various activities to reduce our environmental impact.

\* The T&D Life Group Environmental Policy is available at <http://www.td-holdings.co.jp/en/csr/csr-policy/environment.html>

### ❖Efforts for Achieving Group-wide Targets

The T&D Life Group has set Group-wide targets related to environmental protection with cooperation from Group companies, and is working to achieve these targets in the course of its daily business activities. The Group's three targets are to reduce electric power use, reduce office paper use and improve the green purchasing ratio. The T&D Life Group is promoting various initiatives to conserve resources and prevent global warming.



### ❖Forest Conservation Activities

Life insurance companies use vast amounts of paper including office paper, life insurance pamphlets, policy provisions and others in the course of their business operations. To restore forest resources and preserve greenery, Taiyo Life conducts forest preservation activities. To this end, it has established the Forests of Taiyo Life in Nasushiobara (Tochigi Prefecture) and Takashima (Shiga Prefecture).

| Name of Forest             | Forest of Taiyo Life<br>(Tochigi Prefecture) | Kutsuki Forest of Taiyo Life<br>(Shiga Prefecture) |
|----------------------------|--|--|
| Date of Establishment      | March 2006                                   | November 2007                                      |
| Area                       | Approx. 4.8 ha                               | Approx. 12.7 ha                                    |
| CO <sub>2</sub> Absorption | 19 t (Estimate by the Forestry Agency)       | 81 t (Estimate by Takashima City)                  |



### ❖Initiatives for Reducing Environmental Impacts Promoting Paperless Office Work

We have installed OA equipment in the conference rooms to enable paperless meetings by the Board of Directors, Executive Committee, and so forth. Moreover, in order to conduct meetings and suchlike in a paperless manner, the Group is promoting paperless practices, including by distributing mobile PCs, deploying wireless LANs, and installing display units on meeting desks.

[Other]

- Reduction of CO<sub>2</sub> emissions
- Power-saving initiatives
- “Lights Down” Campaign
- Green procurement activities



# Responsible Institutional Investor

## Basic Concept

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.

The three companies of Taiyo Life, Daido Life, and T&D Asset Management have become signatories of the Principles for Responsible Investment (PRI)\*, which are supported by the United Nations.

Moreover, they have incorporated the viewpoint of socially responsible investment in their investment and lending processes.

\* The Principles for Responsible Investment (PRI) are a code of conduct for the global financial industry that was proclaimed by Kofi Annan, the secretary-general of the United Nations in 2006. They have expressed the thought of incorporating E (Environmental), S (Social), G (Governance) perspectives in the institutional investor decision-making process.

## ● Comments from asset management managers from the three Group companies signing the PRI ●

(Extract from a discussion on ESG investment. Please refer to the full report for the entirety of the discussion.)



**Minoru Yoneda** Investment Planning Division, Investment Planning Department,  
Taiyo Life Insurance Company

Each year we formulate a PRI action plan and report on various PRI results. This represents a good opportunity for managers of each asset class in conducting self-evaluations on investment processes and performances. Ten years have passed since we created a system based on PRI for always considering ESG in the asset management process and I think consideration for ESG has steadily become firmly established in asset management.



**Teppei Iwamoto** Fund Manager, Fixed Income Department, Daido Life Insurance Company

In the course of managing corporate bond investments, I actively examine various themed investments such as the evaluation of investment recipients through the consideration of ESG issues, and of social bonds taking into account the viewpoint of social returns. Through securities companies and the like, I get the sense there is a high level of interest in the ESG investment performed by institutional investors like pension funds and life insurance companies. I believe that institutional investors will continue to drive the expansion of the ESG investment market going forward.



**Akane Kumagai** ESG Analyst, Responsible Investment Group, Institutional Business Department,  
T&D Asset Management Co., Ltd.

Companies will be expected to consider closely whether they should truly be engaged in the key issues and goals they themselves have decided on. Investors will have to consider how to incorporate ESG factors into investment decisions from the standpoint of raising the sustainable growth potential of the company as well as society as a whole. In the past, simply responding to ESG was perhaps sufficient, but I believe we are now at a new stage in which further improvement from a quality standpoint is expected.

Position as of July 2017

### [Examples of Key Socially Responsible Investment Initiatives]

- Investment in Green Bonds, which are issued by international financial institutions for the purpose of supplying funds to renewable energy businesses and similar projects
- Investment and lending for project finance projects related to solar power and wind power
- Investment in EYE Bonds that contribute to the support of education, the welfare of youth and the provision of employment in Central and South America, and Caribbean countries
- Investment in Social Bonds issued by the Japan International Cooperation Agency to finance infrastructure projects and employment creation in developing regions
- Investment in the Good Health Support Fund, which supports businesses that contribute to improving people's health
- Investment in funds that support the growth and development of SMEs
- Contribution to the global environment and local communities through company-owned buildings

**T&D Holdings, Inc.**

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**UD FONT**

Easy to read universal design  
fonts are used.