

Corporate Responsibility Report 2018



CREATE VALUE FOR PEOPLE AND SOCIETIES.



- I Message from the President/Organizational Profile.....1
- II CSR Management.....8
- III Priority Areas
 - (1) Providing Better Products and Services.....26
- IV Priority Areas
 - (2) Respect for Human Rights.....40
- V Priority Areas
 - (3) Global Environmental Protection.....51
- VI Social Activities58
- VII Responsible Institutional Investor 63
- VIII Governance and Internal Control69
- IX Management Control77
 - Third-party Opinion82
 - Index: GRI Standards.....83

About Corporate Responsibility Report 2018

Report Publication Information

102-50 102-51 102-52

Published in November 2018
(Previous Issue: November 2017; Next Issue: Scheduled for November 2019)

Scope of report All companies and foundations in the T&D Life Group
* Contents of this report are selected taking into account the importance of each item, and we indicate the scope of each item as necessary.

Period covered April 2017 to March 2018 (annual)
* Also includes reports on some significant activities and events having occurred in and after April 2018.

Contact Information

102-53

Group CSR Division, Group Planning Department, T&D Holdings, Inc.
7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan
E-mail: csr@td-holdings.co.jp

Regarding Third-party Opinion

As a counselor of the Japan Research Institute, Mr. Eiichiro Adachi possesses extensive knowledge about CSR and was asked to offer his opinion and advice about the contents of CR Report 2018 from the standpoint of a third party.

Editorial Policy

The T&D Life Group has prepared this report to provide a wide range of stakeholders with a picture of the Group's concepts of and approach to CSR, as well as its CSR initiatives. In fiscal 2018, the Group is disclosing information in the form of two different reports in order to let a wider range of stakeholders get to know the Group's initiatives. In addition to CR Report 2018, we are releasing a digest edition of CR Report 2018. In the digest edition, we present the Group's thinking about CSR and the main CSR initiatives taken by the Group in a clear, well-organized format.

It is an approachable, easy-to-read report with only a small number of pages and many photographs and illustrations.

CR Report 2018 conforms to the GRI standards, and reports on the wide-ranging management, social, and environmental initiatives the Group is advancing.

Overview of the Digest Edition of CR Report 2018

- Message from the President
- Profile
- How We Define CSR
- Priority Areas (1) Providing Better Products and Services
- Priority Areas (2) Respect for Human Rights
- Priority Areas (3) Global Environmental Protection

Message from the President

102-14

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



Hirohisa Uehara

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

The T&D Life Group (the Group) is mainly composed of three life insurance companies: Taiyo Life Insurance Company (Taiyo Life), Daido Life Insurance Company (Daido Life), and T&D Financial Life Insurance Company (T&D Financial Life). Their core businesses are life insurance. Since they all joined hands under the holding company T&D Holdings, Inc. in April 2004, the Group has contributed to all people and societies and achieved sustained growth by confronting changing social issues and providing insurance products and services that society requires.

The Group that contributes to all people and societies

“Contributing to all people and societies” is the fundamental philosophy of the Group, which is mainly involved in the life insurance business with a spirit of mutual assistance. We believe our primary mission is to confront social issues and to contribute to the development of a sustainable society through our business. This mission has been passed on through the DNA of the Group companies, which have a long history in the life insurance business. Under the Group’s corporate philosophy of “With our ‘Try & Discover’ motto for creating value, we aim to be a group that contributes to all people and societies,” we leverage our strengths to create both “value for society” and “value for the enterprise” to become a corporate group that contributes to all people and societies.

The Group that grows with society

We view the period of the Medium-Term Management Plan starting in April 2016 as the first stage in our vision for the next 10 years: a three-year period for expanding our growth areas. Our goal in this plan is to contribute to solutions to social issues through the life insurance business in pursuing maximization of “satisfaction of all stakeholders.” We are striving to achieve that goal.

An enterprise is a member of society. It evolves its relationship with society through interaction. The evolution of relationships between enterprises and society has resulted in a new way of evaluating corporate value. We believe that enterprises can grow sustainably if they contribute to the development of society through their business. That is, they can live up to social expectations and are needed by society, while generating reasonable profit through their business.

The Group where individuals can flourish

The Group’s corporate philosophy of “contributing to all people and societies” can be achieved through the abilities of the Group’s individual executives and employees. We think it is important that we disseminate the philosophy of “sharing the value with society” in all processes, ranging from management’s decision-making to day-to-day operations. The Group has established the Group CSR Committee, which is chaired by the President of T&D Holdings and composed of the directors and general managers in charge of CSR at Group companies. Through this committee, we disseminate the philosophy of “sharing the value with society” and assist individual Group companies and individual executives and employees of the Group in their “Try & Discover” efforts through cooperation. This committee checks and verifies the Group’s activities regularly. It also reflects the results in the following plans for business activities, to create sustainable value and develop the Group’s CSR activities.

The Group that can keep up with the world

Expected roles of enterprises for attaining “Sustainable Development Goals (SDGs)” adopted by the United Nations (UN) are significant, and their efforts for contributing to the development of a sustainable society through business activities are attracting attention. The Group endorses the philosophy of “UN Global Compact (UNGC),” a cooperative framework between the UN and enterprises to realize sustainable growth advocated by the UN, and has signed a memorandum declaring its support. In addition, Taiyo Life, Daido Life, and T&D Asset Management, which are institutional investors, have signed the Principles for Responsible Investment (PRI), which were suggested by the UN for the purpose of encouraging institutional investors to fulfill their social responsibilities.

The Group will confront social issues as a global citizen and aim to actualize a sustainable world.

April 2019 will mark the 15th anniversary of the establishment of T&D Holdings and the start of the new Medium-Term Management Plan. We will work anew to follow the Group’s corporate philosophy. Each executive and employee will join hands to perform the unwavering practice of “Try & Discover” and to be a life insurance group that shares its values with society and grows sustainably.

We would appreciate our stakeholders’ continued support and understanding.

1. Organizational Profile

1-1 Outline of the T&D Life Group's Business

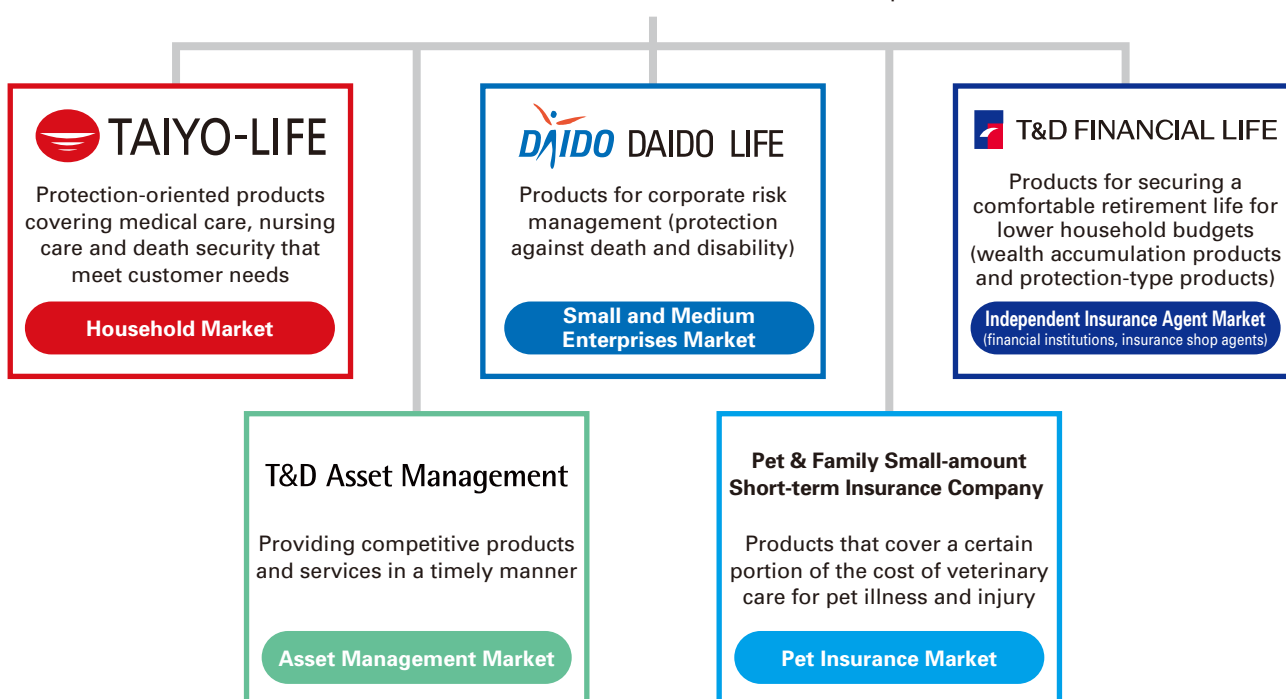
102-2

The T&D Life Group is a corporate group mainly comprising three life insurance companies (Taiyo Life, Daido Life, and T&D Financial Life) under a group holding company, T&D Holdings. The three companies of Taiyo Life, with its strength in the household market; Daido Life, with its strength in the small and medium enterprise (SME) market; and T&D Financial Life, with its strength in the independent insurance agent market (financial institutions and insurance shops) work to fully exploit the strengths and uniqueness of their respective business models, in support of their customers' lives and businesses.

• Group Structure

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, 2018

Ordinary revenues
¥1,928.3
billion

Ordinary profit
¥156.4
billion

Profit*
¥77.5
billion

No. of employees
19,757

* Profit attributable to owners of parent

Figures for revenues and profits are from fiscal 2017 and the number of employees is as of March 31, 2018

● Organizational Structure

The T&D Life Group consists of T&D Holdings, 16 consolidated subsidiaries and 3 affiliated companies that are engaged in life insurance and other businesses as described below.

(◎: Consolidated subsidiaries ◇: Equity method affiliate companies)

T&D Holdings, Inc.			http://www.td-holdings.co.jp/en/
Insurance & Insurance-related Businesses	Insurance	◎ Taiyo Life Insurance Company	http://www.taiyo-seimei.co.jp/
		◎ Daido Life Insurance Company	https://www.daido-life.co.jp/
		◎ T&D Financial Life Insurance Company	https://www.tdf-life.co.jp/
		◎ Pet and Family Small-amount Short-term Insurance Company	https://www.petfamilyins.co.jp/
	Insurance-related	◇ T&D Confirm Ltd.	
		◎ Toyo Insurance Agency Co., Ltd.	https://www.sonpo.co.jp/toyohkdaiko/
		◎ Daido Management Service Co., Ltd.	https://www.dms-hp.co.jp/
Investment-related Businesses	Investment Management and Advisory, etc.	◎ T&D Asset Management Co., Ltd.	http://www.tdasset.co.jp/en/
		Other Investment-related	
		◎ T&D Lease Co., Ltd.	http://www.td-lease.co.jp/
		◎ Taiyo Credit Guarantee Co., Ltd.	http://www.taiyo-sinyo-hosyo.co.jp/
	◇ Alternative Investment Capital, Ltd.	https://www.aicapital.co.jp/english/	
Administration-related Businesses	Administration-related	◎ T&D Customer Services Co., Ltd.	
	General Affairs and Calculation-related	◎ T&D Information System Ltd.	http://www.td-system.co.jp/
		◎ Nihon System Shuno, Inc.	https://www.nss-jp.com/
		◎ Zenkoku Business Center Co., Ltd.	http://www.zbc-jp.com/
	◇ Thuriya Ace Technology Company Limited		
Foundations	The Taiyo Life Welfare Foundation		http://www.taiyolife-zaidan.or.jp/
	Daido Life Welfare Foundation		http://www.daido-life-welfare.or.jp/
	The Daido Life Foundation		http://www.daido-life-fd.or.jp/

*1 Includes main Group companies and foundations as of June 30, 2018.

*2 Thuriya ACE Technology Company Limited is an affiliate company for designing and developing information technology systems in Myanmar.

1-3 Corporate Profile (as of March 31, 2018)

102-1

102-3

102-13

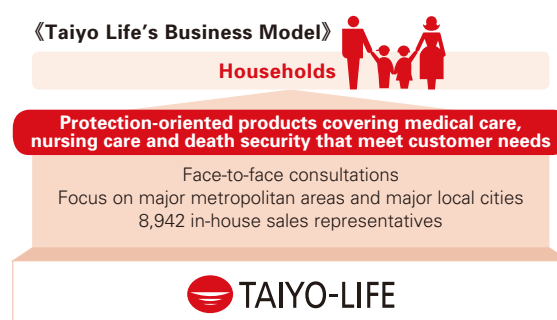
《T&D Holdings, Inc.》

Established	April 2004
Head office location	7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan
Capital stock	207.1 billion yen
No. of employees	98
independent accounting auditor	Ernst & Young ShinNihon LLC
Description of business	Insurance holding company for the T&D Life Group as well as small-amount short-term insurance holding company, conducting the following: <ul style="list-style-type: none"> • Management control of life insurance subsidiaries and affiliates under the Insurance Business Act and other laws and regulations • Other businesses associated with the above

《Taiyo Life Insurance Company》

Established	February 1948 (Founded May 1893)
Head office location	7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan
Capital stock	62.5 billion yen
No. of employees	Sales: 8,942 Administrative: 2,407 Total: 11,349

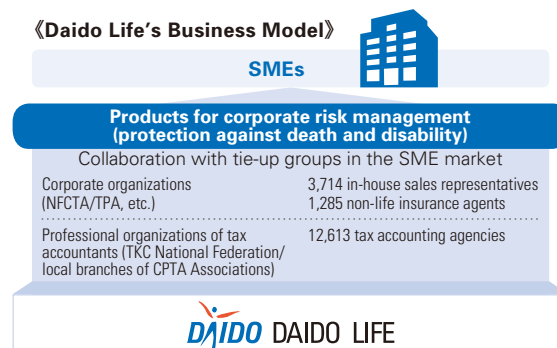
《Taiyo Life's Business Model》



《Daido Life Insurance Company》

Established	July 1947 (Founded July 1902)
Head office locations	2-1, Edobori 1-chome, Nishi-ku, Osaka 550-0002, Japan 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6031, Japan
Capital stock	110 billion yen
No. of employees	Sales: 3,714 Administrative: 3,089 Total: 6,803

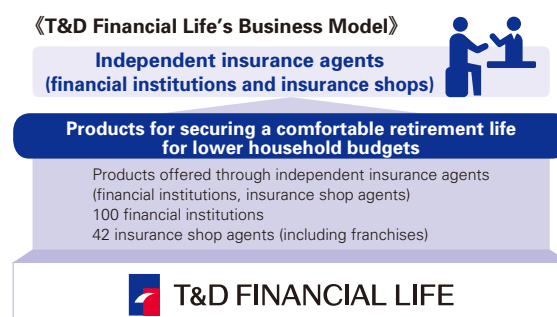
《Daido Life's Business Model》



《T&D Financial Life Insurance Company》

Established	July 1947 (Founded April 1895)
Head office location	1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-0023, Japan
Capital stock	56 billion yen
No. of employees	242

《T&D Financial Life's Business Model》



◇ Industry Association to which the Three Life Insurance Companies Belong:

The Life Insurance Association of Japan

《T&D Asset Management Co., Ltd.》

Established	December 1980
Head office location	Mita Bellju Building, 36-7, Shiba 5-chome, Minato-ku, Tokyo 108-0014, Japan
Capital stock	1.1 billion yen
No. of employees	148

《Pet & Family Small-amount Short-term Insurance Company》

Established	August 2003
Head office location	34-3, Hongo 3-chome, Bunkyo-ku, Tokyo 113-0033, Japan
Capital stock	1.5 billion yen
No. of employees	55

《T&D Asset Management's Business Model》



《Pet & Family Small-amount Short-term Insurance's Business Model》



1-4 Number of Employees

102-8

401-1

● Number of Employees (T&D Holdings, Consolidated)

Business sector	March 31, 2016		March 31, 2017		March 31, 2018	
Insurance & insurance-related businesses	18,423	(1,252)	18,573	(1,107)	18,546	(1,095)
Investment-related businesses	466	(29)	441	(25)	442	(23)
Administration-related businesses	790	(161)	802	(161)	769	(85)
Total	19,679	(1,442)	19,816	(1,293)	19,757	(1,203)

* The number of employees shows the number of employed staff excluding executive officers. The number of part-time workers is shown in parentheses as an annual average, which is not included in the number of employees.

* The figures for part-time workers differ from the Financial Report due to the rounding process.

● Number of Employees and Number of People Hired by the Group's Three Life Insurance Companies

	No. of employees			No. of employees hired		
	March 31, 2016	March 31, 2017	March 31, 2018	FY2015	FY2016	FY2017
No. of employees	18,409	18,543	18,394	3,935	3,887	3,913
Male	3,622	3,564	3,539	148	149	186
Female	14,787	14,979	14,855	3,787	3,738	3,727
Sales representatives	12,498	12,745	12,656	3,701	3,679	3,671
Male	324	313	320	37	57	70
Female	12,174	12,432	12,336	3,664	3,622	3,601
Administrative	5,911	5,798	5,738	234	208	242
Male (Managers)	3,298 (2,062)	3,251 (1,959)	3,219 (2,138)	111	92	116
Female (Managers)	2,613 (319)	2,547 (345)	2,519 (345)	123	116	126

* Managers include head office deputy division managers, assistant officers, and other officers.

* The number of administrative personnel at the end of March 2016 includes customer service staff of Taiyo Life.

For details of Group performance, solvency margin ratio, credit ratings, etc., please refer to the CSR library on our website.

WEB <http://www.td-holdings.co.jp/en/csr/library.html>

1-5 Dialogue and Consultations with Labor Unions

102-41

Each of the three life insurance companies in the T&D Life Group has an independent labor union, and on this basis and having established tie-ups with cooperative groups, the companies have proactively discussed with the unions on a wide range of issues including business management, corporate policies, wages, working hours, holidays, personnel management systems, fringe benefits and so forth. We believe that a truly meaningful cooperative relationship between companies, one that is based on the spirit of trusting each other, can be built only through straightforward discussions based on their respective viewpoints, and that kind of relationship will motivate employees and bolster the competitiveness of the companies.

● Labor Unionization of the Administrative Personnel of the Three Life Insurance Companies

	FY2015	FY2016	FY2017
Labor unionization rate (%)	81.9	79.6	80.0

2. Supply Chain

2-1 Definition of Supply Chain

102-9

T&D Holdings defines its supply chain as shown in the table below, and works toward widespread CSR through that supply chain.

Activities	Supply chain	
Sales of products and services	Media	Manufacturing of media to be used in the sales of products and services
	Sales agents	Sales agents
Contracting work	ICT systems, consulting, auditing	
Office buildings	Buildings	Construction, maintenance, administration of office buildings
	Energy consumed	Petroleum refining and distribution, electric power providers
	Waste	Waste disposal companies
Delivery	Delivery company	
Movement of employees	Business trips	Airplane, rail, bus, taxi, accommodation
	Commuting	Rail, bus
Investment	Investees	

2-2 Cooperation with Suppliers

414-1

● Management of Outsourcing of Business Operations

The T&D Life Group outsources some business operations to third parties. In order to maintain our management soundness and strengthen our management control capability, we have prepared the adequate management system for outsourcing, specifically by formulating the methodology to select outsourcing partners and supervise them.

T&D Holdings has formulated a Pre-checklist to Scrutinize Outsourcing Partners as a part of the Guidelines for Outsourcing and Detailed Rules on Risk Evaluation for Outsourcing, based on the Procedural Guidelines for Implementation and Management of Outsourcing. The Group examines the risk-related issues, and assesses the suitability of each outsourcing partner with covered in the note respect to the issues including social aspects* such as human rights, labor conditions, and environmental initiatives.

* Social aspects refer to the occurrence of human rights violation, labor problems such as forced labor, excessive work hours, and health and safety, as well as measures to prevent and mitigate environmental pollution and climate change.

After the commencement of outsourcing, the Group checks the outsourcing partner more than once a year, monitors the performance of the outsourced operations, and, if necessary, asks for improvements.

● Initiatives for Green Purchasing and Procurement

The T&D Life Group takes various initiatives to protect the global environment, based on the 'T&D Life Group CSR Charter' and the 'T&D Life Group Environmental Policy.' As one facet of these efforts, the Group has formulated its Group-wide Green Purchasing Standards to be applied when the Group procures or purchases the goods or services needed for its business operations. The Group promotes green purchasing and green procurement, giving priority to the purchase of goods or services that help reduce its environmental impact.

Green purchasing mainly targets office furniture, equipment and consumable supplies, while green procurement targets printing of product brochures and policy documents and procurement of real estate facilities and system equipment. Results of these activities are reported to the Group CSR Committee and its upper organization, the Board of Directors, every six months.

II | CSR Management

T&D Life Group CSR Philosophy

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



Providing Better Products and Services



Respect for Human Rights



Global Environmental Protection

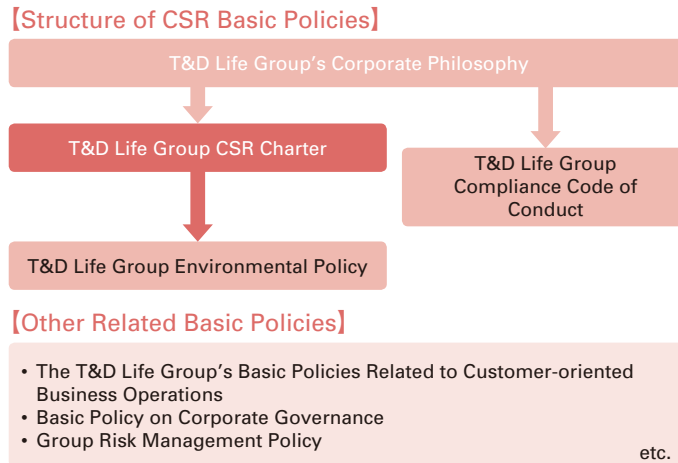
We have selected three priority areas from among those areas material to an expansive range of stakeholders and those areas material to our corporate philosophy and growth. We are implementing activities targeting each priority area.

1. CSR Basic Policy

1-1 Philosophy and Policy of the T&D Life Group

102-16

The T&D Life Group has embraced the following corporate philosophy as the starting point for the Group and the bedrock of all of its business activities: "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 is centered on the life insurance business, which attaches fundamental importance to the principle of mutual assistance. Therefore, we believe that contributing to people and society as a whole through our businesses constitutes our fundamental guiding principle as a business enterprise and the very rationale for our existence.



● 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.

● T&D Life Group CSR Charter

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.

1. Providing Better Products and Services

The T&D Life Group will offer high-quality, optimal products and services that meet customer needs, and will contribute to the sustainable growth of society and to the solution of social issues.

2. Strict Compliance

- The T&D Life Group will strictly observe laws, regulations and rules, and act with sincerity and integrity according to high ethical standards.
- The T&D Life Group will maintain and promote fair and free competition.
- The T&D Life Group will stand firmly against antisocial forces and groups that may threaten the order or safety of civil society.

3. Respect for Human Rights

- The T&D Life Group will respect the human rights of all people, and make efforts to enlighten all its employees on human rights.
- The T&D Life Group will respect the individuality and diversity of all its employees, ensure a healthy and safe work environment, and develop its human resources.
- The T&D Life Group will respect privacy, and will strictly control and protect personal information.

4. Communication

The T&D Life Group will provide proper information concerning its products and services and disclose corporate information in an appropriate and timely manner to the general public as well as to its customers and shareholders, and will actively strive to maintain a dialogue with all its stakeholders.

5. Contribution to Local Communities and Societies

The T&D Life Group will implement social activities as a good corporate citizen, and will contribute to the sound development of local communities and society.

6. Global Environmental Protection

The T&D Life Group will carry out its activities with full awareness of the importance of consideration for environmental issues, and will strive to protect the global environment.

7. Establishment of Effective Governance and Thorough Implementation

To ensure that its actions are in compliance with this charter, the T&D Life Group will develop an effective governance structure and strive to cooperate with a wide range of stakeholders, including its customers, shareholders, employees, sales agents, business partners, and local communities.

● The T&D Life Group Compliance Code of Conduct

With our “Try & Discover” motto for creating value, we aim to be a group that contributes to all people and society. Guided by this corporate philosophy, the T&D Life Group has established the T&D Life Group Compliance Code of Conduct to conduct fair and adequate business activities with integrity and sincerity for all stakeholders, including customers.

In the course of conducting business activities, the Group’s corporate officers and employees must conduct business fairly in accordance with the T&D Life Group Compliance Code of Conduct by correctly understanding laws, regulations and other rules pertaining to business activities and ensuring strict compliance with them.

Moreover, the T&D Life Group will endeavor to foster a corporate culture that respects the purpose and spirit of this code of conduct.

1. Rigorously Enforcing Compliance

(1) Ensuring Compliance

We shall adhere to not only the laws and regulations of countries around the world, but also international rules, social norms and internal rules. Moreover, we shall seek to understand the underlying spirit of those rules, and act accordingly with integrity.

(2) Maintaining and Promoting Fair and Free Competition

We shall not engage in any unfair competitive practices, including conduct that would put our customers at a disadvantage through cartels or other forms of collusion with competitors in connection with the products and services we provide, and conduct that would put our business counterparts at a disadvantage using our bargaining power.

(3) Prevention of Conflicts of Interest

We shall always consider separating our professional and private lives in the course of conducting our duties. We shall not engage in conduct that promotes our own self-interest or the interests of third parties at the expense of the Company’s interests.

(4) Prohibition of Insider Trading

As members of a publicly listed corporate group, we shall not use the non-public material information of the Company, or such information obtained in the course of performing our duties, for asset management purposes for the Company, or for personal use, nor shall we use such information for private economic gain.

(5) Protection of Intellectual Property Rights

We shall respect the copyrights, patents and other intellectual property rights of third parties, and shall not infringe upon those rights in the course of our business activities.

2. Addressing Society

(1) Responding to Antisocial Powers

We shall reject and stringently respond to any antisocial powers that threaten the order and safety of civil society.

(2) Prevention of Corruption through Restrictions on Business Entertainment and Other Activities

We shall work to prevent corruption in our relationships with business counterparts, civil servants and other parties by refraining from providing or receiving any business entertainment within reasonable bounds under normal social conventions, as well as refraining from giving or receiving gifts, in connection with our business activities worldwide.

(3) Political Activities and Funding

We shall comply with laws and regulations and maintain an impartial stance when conducting political activities.

3. Adequacy and Transparency in Management

(1) Adequate Disclosure and Explanation of Information

We shall accurately disclose and explain the details of the products and services we provide and the Group’s management information to stakeholders, including customers and shareholders and other investors.

(2) Adequate Information Management

We shall handle the information we obtain from customers, including personal information, properly in accordance with laws, regulations and other rules. Moreover, we shall adequately manage information that the Group has not published. Corporate officers and employees shall not disclose this information to others even after they retire from the Company.

4. Respect for Human Rights and Consideration for the Environment

(1) Respect for Human Rights

We shall support the protection of internationally declared human rights and show respect for those human rights. Moreover, we shall endeavor to maintain a sound workplace environment that is free of discrimination and harassment by protecting workers by upholding legal and regulatory compliance.

(2) Consideration for the Environment

We shall consider the global environment in the course of conducting business activities.

《Duties of Managers》

Recognizing their duty to implement the spirit of the T&D Life Group Compliance Code of Conduct, the T&D Life Group’s managers shall endeavor to set a good example through their own conduct, and strive to make the code of conduct known throughout the Group and provide guidance to ensure Group-wide compliance.

● **T&D Life Group Environmental Policy**

The T&D Life Group will carry out business activities with full awareness of the importance of environmental concerns and will give sufficient consideration to global environmental protection based on the T&D Life Group CSR Charter. The Group will achieve sustainable growth along with the society while fulfilling the public mission of life insurance and other businesses, and undertaking its corporate social responsibilities.

The Group established the following environmental policy and is committed to complying with it in all of its business activities.

1. Environmental Conservation Efforts through Business Activities

We will contribute to the protection of the global environment in all of our business activities.

2. Reduction in Environmental Impact

Recognizing the environmental burden of resource or energy consumption and waste emissions, we will work toward reducing environmental impact by conserving energy or resources, recycling resources, and promoting green purchasing.

3. Compliance with Environmental Laws

We will observe all environmental laws and regulations.

4. Promotion of Environmental Awareness-Raising Activities

We will raise environmental awareness among all Group members through awareness-raising activities to promote environmental protection initiatives.

5. Continuous Improvement in Environmental Initiatives

By setting environmental objectives and reviewing them regularly, we will endeavor to continuously improve our environmental performance.

All members of the T&D Life Group are notified of this environmental policy, which is also publicly disclosed.

● **Basic Policy on Corporate Governance**

T&D Holdings has committed to all the provisions of the Corporate Governance Code that has applied to listed companies since June 2015 for the purpose of ensuring the T&D Life Group's sustained growth and the enhancement of its corporate value over the medium to long term. T&D Holdings has also disclosed a Basic Policy on Corporate Governance on its website setting forth the Group's initiatives and policies as they pertain to the salient principles and rules in the Corporate Governance Code.

WEB Basic Policy on Corporate Governance

(URL: http://www.td-holdings.co.jp/en/company/governance/pdf/e_governance_policy.pdf)

WEB For reference: Information related to the Corporate Governance Code

(URL: <https://www.jpx.co.jp/english/equities/listing/cg/>) (Website of the Tokyo Stock Exchange)

1-2 Principles That the T&D Life Group Endorses and Supports

102-12

● **The UN Global Compact**

The T&D Life Group has become a participant of the United Nations (UN) Global Compact (UNGC), a cooperative framework between the UN and corporations to realize sustainable growth advocated by the UN.

The UNGC proposes ten principles applying to the four areas of the protection of human rights, the elimination of unfair labor practices, the protection of the environment and the prevention of corruption, and encourages companies to act in a responsible manner. The T&D Life Group endorses the UNGC's philosophy, and T&D Holdings, representing the Group, has signed a memorandum declaring its support for the ten principles.

WE SUPPORT



《UNGC's Ten Principles》

Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights;
	Principle 2	and make sure that they are not complicit in human rights abuses.
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	the elimination of all forms of forced and compulsory labor;
	Principle 5	the effective abolition of child labor;
	Principle 6	and the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;
	Principle 8	undertake initiatives to promote greater environmental responsibility;
	Principle 9	and encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

● Principles for Responsible Investment (PRI)

In the T&D Life Group, Taiyo Life, Daido Life and T&D Asset Management have endorsed and signed the Principles for Responsible Investment (PRI)*. PRI are guidelines that encourage global financial institutions and institutional investors to promote investment activities in consideration of Environmental, Social and Governance (ESG) issues.

Signatory of:



* The UN Principles for Responsible Investment (PRI) were formulated by the UNEP Finance Initiative and the UN Global Compact as a set of principles that would facilitate the reflection of the ESG viewpoint in the decision-making processes of financial investors.

《The Six Principles of the PRI》

Principle 1: We will incorporate ESG issues into our investment analysis and decision-making processes.
Principle 2: We will be active owners and incorporate ESG problems into our ownership policies for stocks and practices.
Principle 3: We will seek adequate disclosure on ESG problems by the entities in which we invest.
Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
Principle 6: We will each report on our activities and progress towards implementing the Principles.

● Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

T&D Holdings and its direct subsidiaries endorse the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)*, and have become signatories to this voluntary initiative organized by Japanese financial institutions.

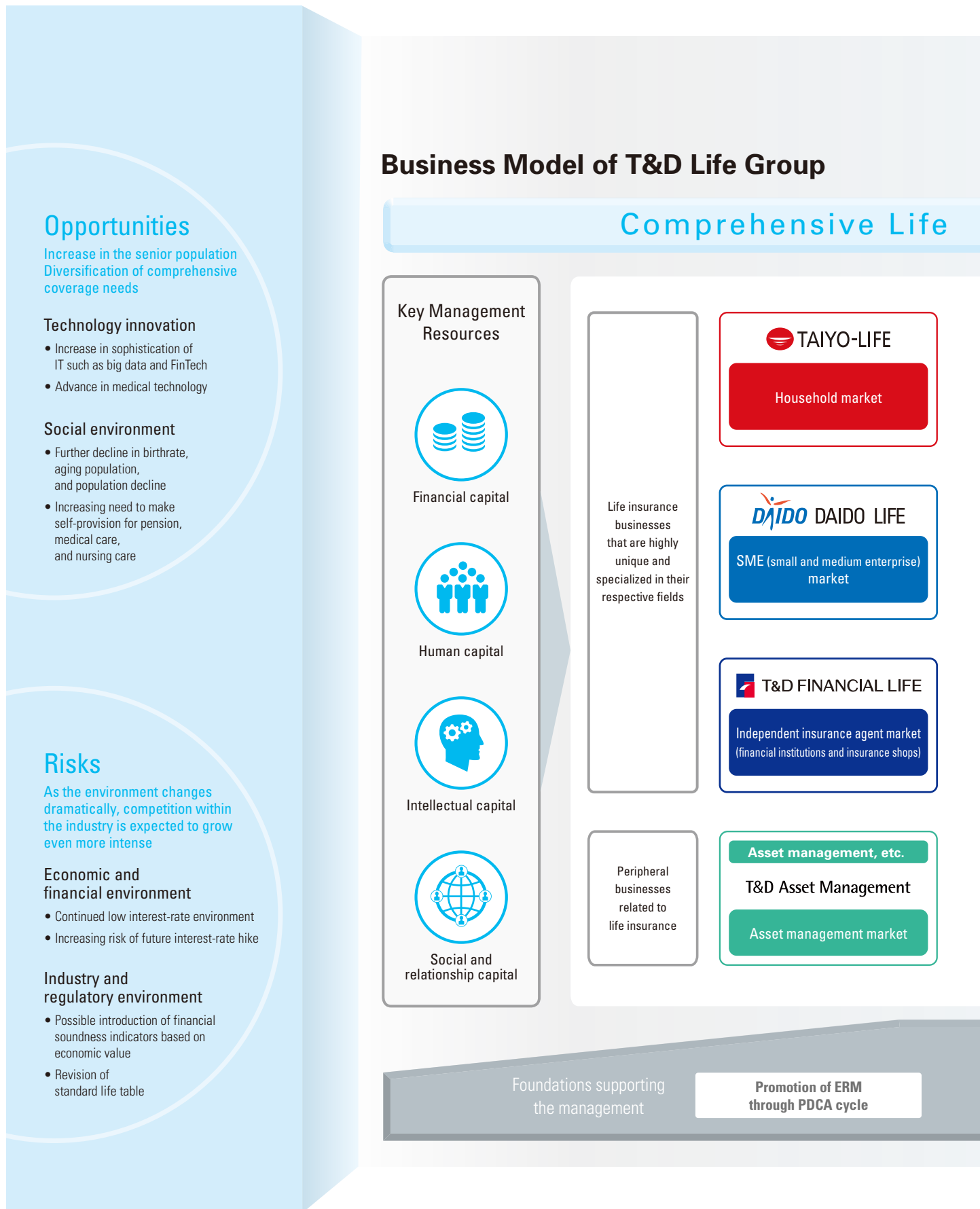
* The Principles for Financial Action for the 21st Century were formulated as guidelines for financial institutions that wish to fulfill their social responsibilities and play a role in the formation of a sustainable society. The principles were formulated by the Ministry of the Environment's Drafting Committee for Environmental Finance Principles, in which financial institutions from wide-ranging areas within the sector voluntarily participated.



《Principles for Financial Action for the 21st Century》

1. We will recognize our roles and responsibilities, taking into account the precautionary approach, and promote those actions that contribute towards shaping a sustainable society.
2. We will contribute to the formation of a sustainable global society through the development and provision of financial products and services leading to the development and increased competitiveness of “industries contributing to a sustainable society” as represented by the environmental technologies and services sector.
3. From the perspective of regional development and improvement in sustainability performance, we assist the environmental programmes of small and medium enterprises. We will also back activities that will raise environmental awareness amongst citizens and support disaster readiness and community activities.
4. In the formation of a sustainable society we will recognize the importance of cooperation with diverse stakeholders and will not only participate in its activities but will endeavor to take a proactive role.
5. We will not be limited to complying with environmental laws and regulations but will take active steps to reduce our own environmental footprint through resource and energy savings as well as encouraging our suppliers to do likewise.
6. We will recognize activities that will further profile sustainability as a business issue and will endeavor to disclose information on our activities.
7. In order to implement the above actions we will aim to raise the awareness of environmental and societal issues of our own board and support them to take an active role through their normal duties.

2. Value Creation Process (conceptual diagram)



Insurance Group

Business Activities

Insurance underwriting

Providing products and services in response to changes in society and customer needs

Asset management

Responsible investment and lending that contribute to global environmental protection and sustainable development of local communities/society

Pet insurance

Pet & Family Small-amount Short-term Insurance Company

Pet insurance market

and Other Group Companies

Effective governance structure

- Creating value through insurance products and services
- Creating value by generating employment and job satisfaction
- Creating value through global environmental protection and contribution to local communities and societies
- Sustainable increase of corporate value



Customers



Shareholders/Investors



Employees



Sales Agents



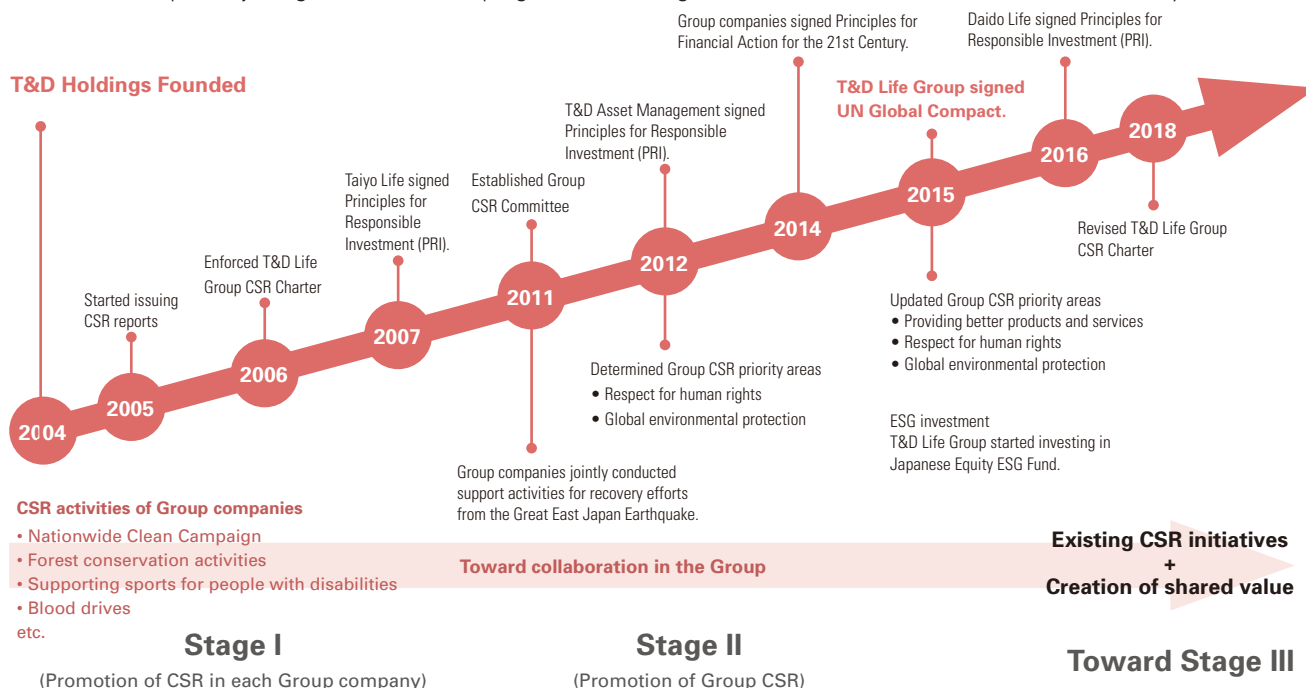
Business Partners



Local Communities/Society

3. History of Group CSR Activities

The Group companies previously engaged in CSR initiatives independently. The efforts have since evolved to become Group CSR with all the companies joining hands. We have progressed to a stage where value is created and shared with society.



External evaluation

Evaluation by SRI and ESG assessment organizations

The Group makes efforts to disclose understandable and transparent information on its initiatives for addressing CSR and ESG issues. The Group is included in major SRI and ESG indexes after being highly evaluated by assessment organizations in and outside Japan.

* SRI (socially responsible investment) and ESG (environmental, social, and governance) investment is an approach to select targets not only on the basis of financial data, but also on initiatives for environmental and social issues, governance, and other considerations.

International	Japan
<p>FTSE4Good</p> <p>2018 Constituent MSCI ESG Leaders Indexes</p>	<p>FTSE Blossom Japan</p> <p>2018 Constituent MSCI Japan ESG Select Leaders Index</p> <p>2018 Constituent MSCI Japan Empowering Women Index (WIN)</p> <p>Morningstar Socially Responsible Investment Index</p>

MSCI ESG Research logo disclaimer: (as of July 1, 2018)
 THE INCLUSION OF T&D Holdings, IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF T&D Holdings, Inc. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

[Major awards, commendations (FY2017)]

The Group's efforts for addressing CSR and ESG issues have been highly evaluated by society, and the Group has received various awards and commendations.

Award/Commendation (host/sponsor)		
Ministry of Health, Labour and Welfare Good Career Company Awards 2017: Grand Prix	Ministry of Internal Affairs and Communications Telework Pioneer 100: Minister for Internal Affairs and Communications Award	Ministry of Health, Labour and Welfare Smart Life Project Awards (Let's extend healthy life expectancy!): Director-General of Health Service Bureau Excellence Award
Ministry of Education, Culture, Sports, Science and Technology Commendation for Lifelong Learning Support Activities for the Disabled by the Minister of Education, Culture, Sports, Science and Technology	Ministry of Economy, Trade and Industry Certified Health and Productivity Management Organization White 500	Ministry of Health, Labour and Welfare Commendation for Enterprises and Workplaces with Pleasant Working Environments and High Productivity: Award for Splendid Efforts

4. CSR Promotion Framework

103-2

103-3

4-1 Promotion Framework of CSR

The T&D Life Group has established the Group CSR Committee consisting mainly of directors in charge of CSR at each Group company. The CSR promotion system has been reinforced to facilitate coordinated efforts by way of deliberation by the Group CSR Committee of Group-wide CSR policies and initiatives, while still allowing for independent activities at each Group company.

● Group CSR Committee

To further strengthen Group cooperation in CSR activities, the Group CSR Committee was established directly under the Board of Directors with the goal of advancing efforts across the Group as a whole. The 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. The Group CSR Committee is chaired by the president of T&D Holdings (representative director and chairperson of the Board of Directors) and vice-chaired by the executive officer in charge of group planning units. In fiscal 2016, the committee met four times. All the information shared and the issues deliberated and discussed are reported to the Board of Directors.

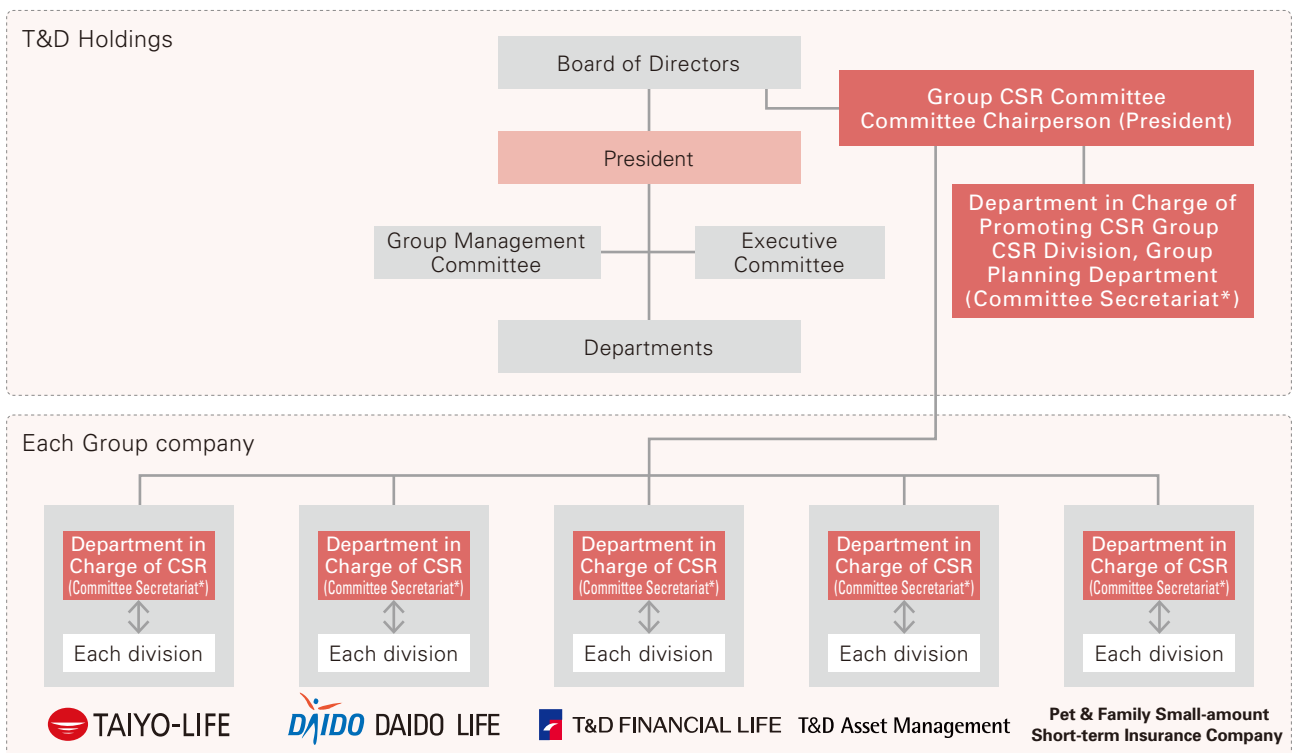
Moreover, the Group CSR Committee Secretariat comprises the CSR departments of T&D Holdings and the Group companies. The secretariat promotes CSR activities by sharing information on the CSR activities of each Company, in conjunction with assisting with the management and activities of the Group CSR Committee.

- **Director in Charge of CSR at T&D Holdings** Hirohisa Uehara, Representative Director and Executive Vice President (fiscal 2017)
(From fiscal 2018, Director and Senior Managing Executive Officer Mitsuhiro Nagata)
100% attendance at Board of Directors in fiscal 2017
100% attendance at Group CSR Committee in fiscal 2017

- **Department in Charge of CSR at T&D Holdings** Group CSR Division, Group Planning Department

- **Departments in Charge of CSR at Group Companies** Established departments in charge of CSR at Group companies (planning departments, public relations departments)

《CSR Promotion System in the T&D Life Group (as of July, 2018)》



* Committee Secretariat = Group CSR Committee Secretariat

4-2 Management Approach

T&D Holdings is promoting activities for each of the core subjects and themes of ISO 26000, through the meeting structure shown in the table below.

Core Subjects and Themes of ISO 26000		Meeting Structure (Chairperson)
Organizational governance	Organizational governance	Executive Committee (President of T&D Holdings) Group Management Committee (President of T&D Holdings)
Human rights	Due diligence, human rights risk situations, avoidance of complicity, discrimination and vulnerable groups	Group Compliance Committee (President of T&D Holdings)
Labor practices	Employment and employment relationships, conditions of work and social protection, social dialogue, health and safety at work, human development and training in the workplace	Human Resources Strategy Council (Executive officer in charge of personnel at T&D Holdings)
The environment	Prevention of pollution, sustainable resource use, climate change mitigation and adaptation, protection of the environment, biodiversity and restoration of natural habitats	Group CSR Committee (President of T&D Holdings)
Fair operating practices	Anti-corruption, responsible political involvement, fair competition, respect for property rights	Group Compliance Committee (President of T&D Holdings)
	Social responsibility in the value chain	Group Risk Management Committee (Executive officer in charge of risk management at T&D Holdings)
Consumer issues	Consumer service, support, and complaint and dispute resolution, education and awareness	Customer service department and product development department of each major group company
	Consumer data protection and privacy	Group Risk Management Committee (Executive officer in charge of risk management at T&D Holdings)
Community involvement and development	Community involvement	Group CSR Committee (President of T&D Holdings)

The activities of the core subjects and themes of ISO 26000, other than Group CSR committees, are described below.

● Executive Committee and Group Management Committee

T&D Holdings has established an Executive Committee and a Group Management Committee. The Executive Committee is composed of president, executive vice president and executive officers, and primarily discusses important business and management issues related to T&D Holdings and the Group. The Group Management Committee consists of the president, executive officers in charge of the business planning units and business management units, and the presidents of the Group's three life insurance companies, who are also members of the Group's Board of Directors. The Group Management Committee discusses the Group's strategy and important matters associated with it.

● Group Compliance Committee

This committee was established under the Board of Directors to strengthen the Group's compliance structure. Its chairperson is the president. The vice chairperson is the executive officer in charge of the Risk Management Department (responsible for compliance). In addition to promoting, monitoring and improving the Group's compliance structure, the committee investigates, plans, and discusses fair business performance, human rights violations, and other such issues. The committee verifies the compliance status of the T&D Life Group Compliance Code of Conduct and the effectiveness of the compliance structure through periodic monitoring of the Group's compliance practices and deliberations on them. The committee held four meetings in fiscal 2017 and reported issues covered and information shared to the Board of Directors.

● Human Resources Strategy Council

T&D Holdings and the three life insurance companies share information about labor-related matters regarding the administrative personnel employed by the Group. The Group has established the Human Resources Strategy Committee in order to cooperate in conducting surveys, formulating plans and holding consultations regarding important matters of policy to which the Group should respond.

The chairperson of the committee is the T&D Holdings executive officer responsible for human resources, and the committee members are the heads of the human resource departments of the three life insurance companies. The committee meets every month. The Human Resources Strategy Council is promoting 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. The council does this by conducting surveys, formulating plans and holding consultations regarding policies and management methods concerned with the Group's labor-related matters. These include promoting the active participation of women and other forms of diversity, developing human resources, promoting a good work-life balance, and ensuring the health and protecting the safety of employees.

● Group Risk Management Committee

Positioned directly under the Executive Committee, the Group Risk Management Committee manages and controls risks that the T&D Life Group is exposed to and ensures thorough risk management. The committee chairperson is the executive officer in charge of the Risk Management Department. The committee also engages in conducting surveys, formulating plans and holding consultations as regards risks associated with third-party service provider business operations.

In fiscal 2017, the committee held 16 meetings and reported the results of deliberations to the Executive Committee and the Board of Directors.

5. CSR Priority Areas

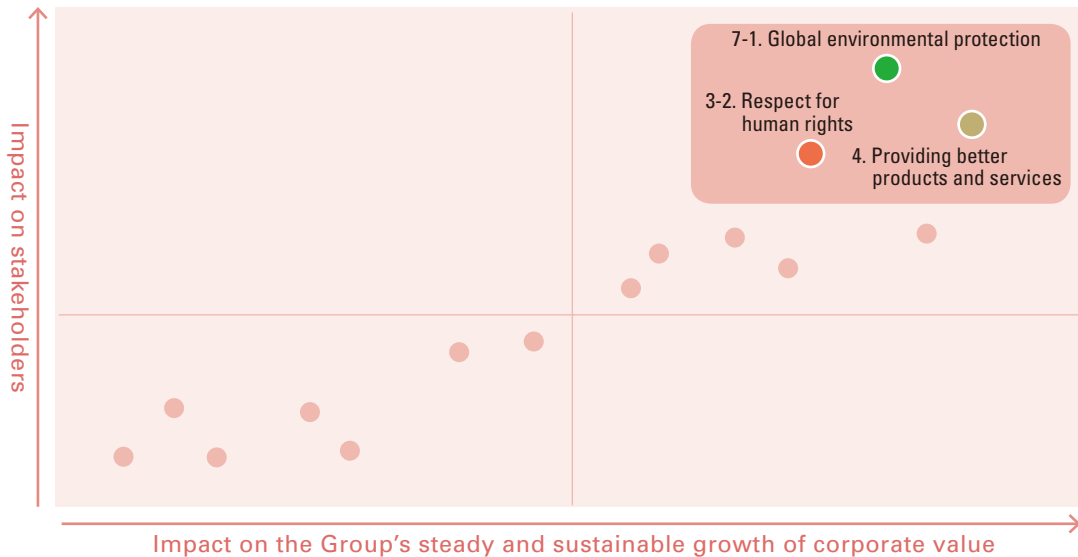
5-1 CSR Priority Areas (FY2016 to FY2018)

102-46

102-47

103-1

The T&D Life Group has identified CSR priority areas that have a large impact on stakeholders and that the T&D Life Group should prioritize in order to enhance its corporate value in a steady and sustainable manner. The CSR priority areas are selected from among various fields of CSR activity related to the Group's business activities, as outlined below. In fiscal 2018, as in fiscal 2017, the Group selected "Providing Better Products and Services," "Respect for Human Rights" and "Global Environmental Protection" as its priority areas, and is conducting Group-wide CSR activities with a special emphasis on them.



Priority Areas

Providing Better Products and Services	Respect for Human Rights	Global Environmental Protection

● Process for Selecting Priority Areas

《Categorize Fields of Activity》

Referencing the ISO 26000 standard and the GRI standards, the Group has categorized its CSR activities into 15 areas (page 20).

《Prioritizing Each Field》

The three fields were selected as priorities based on a quantitative assessment of both their impact on stakeholders*1 and their impact on the T&D Life Group's steady and sustainable growth of corporate value*2.

*1 Assessed based on findings from stakeholder dialogues, criteria of SRI assessment organizations, and the status of other companies' CSR efforts.

*2 Assessed based on relevance to T&D Life Group's corporate philosophy, management vision and Group CSR Charter, and the nature of the Group's CSR activities.

《Evaluate and Select Priority Areas》

The three areas were also assessed qualitatively, in terms of public interest and strength of demand in each area, in terms of the Group's corporate philosophy, management vision, and achievement of the Group CSR Charter, and in terms of contribution to SDGs, before being selected as priority areas.

《Verifying the Adequacy of Priority Areas》

- After answering questions from a third-party organization regarding the priority area selection process and receiving a verification check of the evidence, the Group received a report on the results of that review.
- The Group CSR Committee (chaired by the president of T&D Holdings) then deliberated on and approved the selection of priority areas, which were reported to the Board of Directors.

● Progress Management and Verification of Initiatives

- The Group CSR Committee formulates an annual plan for priority area activities, and regularly checks progress with its implementation. Those developments are regularly reported to the Board of Directors.

● Categorize Fields of Activity

Category of priority aspects	ISO 26000 core subjects	Materiality of GRI standards	Impact
1. Economy (allocation of value)	Organizational governance	—	T&D Life Group
	—	Economic performance	T&D Life Group
2-1. Compliance	Fair operating practices	Anti-corruption	T&D Life Group
		Anti-competitive behavior Compliance	
2-2. Compliance	Human rights	Human Rights Assessment	T&D Life Group and supply chain
2-3. Compliance	Consumer issues	Customer Privacy	T&D Life Group and customers
3-1. Human rights	Human rights	Human Rights Assessment	T&D Life Group and supply chain
3-2. Respect for human rights	Labor practices	Employment	T&D Life Group
		Occupational health and Safety	
		Training and Education	
		Diversity and Equal Opportunity	
4. Better products and services	Consumer issues	Providing Better Products and Services*	T&D Life Group and customers
5. CSR procurement	Fair operating practices	Supplier social assessment	Supply chain
6. Contribution to local communities and societies	Community involvement and development	Local communities	Local communities
6-1. Contribution to health	Community involvement and development	Health promotion of community and employees*	Local communities
	Labor practices		T&D Life Group
7-1. Protection of the global environment	The Environment	Raw materials	T&D Life Group and the global environment
		Energy	
		Water	
		Atmospheric emissions	
		Wastewater and waste	
7-2. Protection of the global environment	The Environment	Biodiversity	Global environment
8. Financial: Environmental investing and lending: ownership	CSR in financial products	Responsibility as institutional investors*	Recipients of investment and lending
9. Measures against demographic change and aging	Labor practices	Measures against demographic change and aging*	T&D Life Group
	Community involvement and development		Customers and local communities
10. Not applicable due to nature of industry	Other	Other items (topics)	—

* Materiality item identified by the T&D Life Group which is thought to have no correlation with any GRI standard.

5-2 Contribution to SDGs

At the United Nations Sustainable Development Summit 2015, “Transforming Our World: the 2030 Agenda for Sustainable Development” was adopted unanimously. The agenda sets forth Sustainable Development Goals (SDGs), consisting of 17 goals and 169 targets, for the realization of sustainable development at the global level through the cooperation of the global community, including national governments, ordinary citizens and private-sector corporations.

The SDGs are aimed at realizing a sustainable world through initiatives that address issues in a wide range of fields. They are in line with the Group’s corporate philosophy of “aiming to be a group that contributes to all people and societies.” The Group will incorporate contributions to SDGs into the process for selecting Group CSR priority areas and make efforts to contribute to achieving SDGs through Group CSR initiatives, taking advantage of the features and strengths of the business.

The Group’s CSR Priority Areas and Contribution to SDGs

Sustainable Development Goals (SDGs)	Corresponding CSR Priority Areas of the Group	The Group’s Strategies, Policies, and Initiatives
3. Good health and well-being	<ul style="list-style-type: none"> Providing better products and services 	Providing products and services that address various social issues associated with Japan’s declining birthrate and aging population; Promoting health and productivity management
5. Gender equality	<ul style="list-style-type: none"> Respect for human rights 	Encouraging women to take active roles; Improving work-life balance
7. Affordable and clean energy	<ul style="list-style-type: none"> Global environmental protection 	Energy and resource saving initiatives; Investing and lending to renewable energy
8. Decent work and economic growth	<ul style="list-style-type: none"> Providing better products and services Respect for human rights 	Providing products and services that respond to society’s needs
10. Reduced inequalities	<ul style="list-style-type: none"> Providing better products and services Respect for human rights 	Providing services designed for the elderly; Creating a work environment where people can work irrespective of age, gender, or disability
13. Climate action	<ul style="list-style-type: none"> Global environmental protection 	Implementing social activities and conducting investment and lending that leads to the protection of the global environment
15. Life on land	<ul style="list-style-type: none"> Global environmental protection 	Implementing forest conservation activities and other activities to maintain biodiversity



The following shows how the areas of the T&D Life Group CSR Charter, under which the Group as a whole carries out initiatives, and the initiative items of the T&D Life Group Medium-Term Management Plan (FY2016–18) are connected to the 17 Sustainable Development Goals.

17 Sustainable Development Goals	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	No poverty	Zero hunger	Good health and well-being	Quality education	Gender equality	Clean water and sanitation	Affordable and clean energy	Decent work and economic growth	Industry, innovation and infrastructure	Reduced inequalities	Sustainable cities and communities	Responsible consumption and production	Climate action	Life below water	Life on land	Peace, justice and strong institutions	Partnerships for the goals

Connection between SDGs and the T&D Life Group CSR Charter																	
T&D Life Group CSR Charter																	
1 Providing Better Products and Services (Priority Areas)	The T&D Life Group will offer high-quality, optimal products and services that meet customer needs, and will contribute to the sustainable growth of society and to the solution of social issues.			●							●	●	●				
2 Strict Compliance	The T&D Life Group will strictly observe laws, regulations and rules, and act with sincerity and integrity according to high ethical standards.																●
	The T&D Life Group will maintain and promote fair and free competition.										●						
3 Respect for Human Rights (Priority Areas)	The T&D Life Group will stand firmly against antisocial forces and groups that may threaten the order or safety of civil society.																●
	The T&D Life Group will respect human rights, and proactively make efforts to enlighten all its employees on human rights.	●	●	●	●	●							●				
	The T&D Life Group will respect the individuality and diversity of all its employees, ensure a healthy and safe work environment, and develop its human resources.					●					●						
4 Communication	The T&D Life Group will respect privacy, and will strictly control and protect personal information.																
	The T&D Life Group will provide proper information concerning its products and services and disclose corporate information in an appropriate and timely manner to the general public as well as to its customers and shareholders, and will actively strive to maintain a dialogue with all its stakeholders.																●
5. Contribution to Local Communities and Societies	The T&D Life Group will implement social action programs as a good corporate citizen, and will make contributions to the sound development of local communities.	●		●	●						●	●	●				
6 Global Environmental Protection (Priority Areas)	The T&D Life Group will carry out its activities with full awareness of the importance of consideration for environmental issues, and will strive to protect the global environment.									●				●	●	●	●
7. Establishment of Effective Governance and Thorough Implementation	To ensure that its actions are in compliance with this charter, the T&D Life Group will develop an effective governance structure and strive to cooperate with a wide range of stakeholders, including its customers, shareholders, employees, sales agents, business partners, and local communities.																

Connection between SDGs and the T&D Life Group Medium-Term Management Plan																		
T&D Life Group Medium-Term Management Plan (FY2016–18)																		
Internal growth	Strategy for domestic life insurance business	[Marketing strategy] Aim to expand growth areas and promote the following initiatives as common initiatives for the Group ① Strengthen initiatives for the senior market ② Work together as a group to strategically strengthen T&D Financial Life			●													
		[Asset management strategy] By strategically utilizing ERM, increase the sophistication of asset management such as diversifying revenue sources while implementing ALM in principle				●			●	●	●		●	●	●		●	
	[IT strategy] Enhance competitiveness by pursuing Group synergies								●									
External growth	Strategy for domestic peripheral businesses	Asset management business, pet insurance business			●				●	●			●	●	●		●	
		Investment, M&As, alliances, etc. ● Domestic life insurance business ● Domestic peripheral businesses ● Overseas investment, etc.			●						●							

6. Progress of CSR Activities

103-2

103-3

6-1 FY2017 Group CSR Activities Progress Report

The T&D Life Group has established the Group CSR Committee, 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. Also in fiscal 2017, we promoted the Group's CSR activities in the three priority areas, namely, providing better products and services, respect for human rights, and global environmental protection.

FY2017 Group CSR Activities Progress Report (Partial Account of the Activities)

Plan Initiatives	Do FY2017 results/performance	Check/Act Activities planned for FY2018
● Providing Better Products and Services		
<p>The Group fulfills its responsibility to society through its life insurance business, by contributing to solutions to social issues and developing and offering high-quality, optimal products and services that meet customer needs.</p>	<ul style="list-style-type: none"> Over 370,000 subscribers of <i>Himawari Dementia Treatment Insurance</i> Launch of <i>Centurion Pensions</i> Introduction of a paperless benefit claim procedure Implementation of Taiyo's GENKI Project DAIDO KENCO ACTION (KENCO SUPPORT PROGRAM) Launch of HAL Plus Rider Launch of non-participating nursing-care term insurance Launch of <i>Fivetenworld</i> 	<ul style="list-style-type: none"> Continuing to contribute to solutions to social issues and developing and offering high-quality, optimal insurance products and services that meet customer needs
● Respect for Human Rights		
<p>[Human resource development initiatives]</p> <ul style="list-style-type: none"> Leveraged Group synergies and developed the next generation of human resources by expanding personnel exchanges 	<ul style="list-style-type: none"> Promoted intra-Group personnel exchange Supported employees' career development by conducting in-house open recruitment of employees seeking specific positions, MBAs, or being dispatched to companies outside of the Group 	<ul style="list-style-type: none"> Continue to leverage Group synergies and develop the next generation of human resources by expanding personnel exchanges
<p>[Diversity Promotion Initiatives]</p> <ul style="list-style-type: none"> Creating a work environment where diverse people can play active roles Establishing a safe and worker-friendly work environment Creating an organization where everyone is respected and accepted and everyone can comfortably exert his or her ability 	<ul style="list-style-type: none"> The number of employees with disabilities was 367 (accounting for 2.42% of the total workforce). Workplace tours were held before and after recruitment. The employees with disabilities were provided with specialized computers after they were hired. Special arrangements were also made for their commuting needs. Held human rights education sessions for all employees more than twice a year on various human rights issues, such as discrimination due to social class or disability, harassment, and LGBT orientation The Group began treating same-sex partners as spouses in its vacation/welfare systems to create a comfortable environment for LGBT employees and others with diverse values. 	<ul style="list-style-type: none"> Continue to promote work style reforms to ensure all Group executives and employees can grow
<p>[Health promotion initiatives]</p> <ul style="list-style-type: none"> Conducted health promotion measures for executives and employees 	<ul style="list-style-type: none"> Conducted joint Group stress checks By promoting "Taiyo's GENKI Project" at Taiyo Life and the "DAIDO Koko-Kara" program at Daido Life, the two companies are implementing various initiatives for promoting employee health 	<ul style="list-style-type: none"> Promote health and productivity management
● Global Environmental Protection		
<p>Reduction in power consumption</p> <p>Period: FY2013–FY2017 (Baseline year: FY2009)</p> <p>Scope: Buildings owned, leased and used by T&D Holdings and core Group companies</p> <p>Target: More than 10% reduction in power consumption per floor space</p>	<ul style="list-style-type: none"> Implemented a multitude of measures, including lights-out before business hours and during lunch breaks, and turning off office appliances, as well as setting a "no overtime day" and implementing Cool Biz and Warm Biz campaigns, plus continuing to implement the "Lights Down" Campaign Achieved a reduction significantly exceeding the target of 10%, by attaining a five-year average of 80.9% from FY2013 to FY2017 compared to baseline 	<ul style="list-style-type: none"> Set a target in 10 years from FY2018 to promote further reduction in power consumption
<p>Reduction in office paper use</p> <p>Period: FY2014–FY2018</p> <p>Baseline: Average of office paper usage between FY2009 and FY2013</p> <p>Scope: Paper used at T&D Holdings and head offices of core Group companies</p> <p>Target: 9% reduction from baseline</p>	<ul style="list-style-type: none"> Promoted reduction in office paper use primarily by introducing paperless meetings, reducing meeting materials, utilizing 2-in-1 and two-sided printing and enforcing stricter control over use of copies Made a steady progress by achieving 76.6% of the baseline year on average of 4 years from FY2014 to FY2017 	<ul style="list-style-type: none"> Continue to implement the measures shown on the left to reduce office paper use
<p>Green purchasing ratio</p> <p>Target: A green purchasing ratio for stationery and other office supplies of 80% or more</p> <p>Scope: T&D Holdings and core Group companies</p>	<ul style="list-style-type: none"> Established Group-wide Green Purchasing Standards and promoted preferential purchasing of green products 	<ul style="list-style-type: none"> Continued to achieve target in FY2017: Green purchasing ratio of 95.7%. Continue to implement initiatives that give priority to purchasing eco-friendly products.
● Communication		
<ul style="list-style-type: none"> Communicated Group CSR-related information Raised CSR awareness within the Group 	<ul style="list-style-type: none"> Issued the CR Report and enhanced disclosure on website Distributed CSR information to all executives and employees through Group newsletters (issued four times per year) 	<ul style="list-style-type: none"> Expand disclosure of information in the CR Report, and enhance communication of Group CSR-related information, including initiatives and results Continue initiatives to raise CSR awareness in the Group through education and training (seminars, e-learning, etc.) on CSR information
● Contribution to Local Communities and Societies		
<ul style="list-style-type: none"> Clean-up campaigns (local community clean-up activities) Group-wide blood drives 	<ul style="list-style-type: none"> Taiyo Life implemented the "Nationwide Clean Campaign" Head office divisions (Tokyo) of each Group company held biannual blood drives (A total of 314 people showed up to make blood donations in fiscal 2017) 	<ul style="list-style-type: none"> Continue to participate in clean campaigns as a Group Continue to hold biannual Group-wide blood drives

7. Stakeholder Engagement

102-40

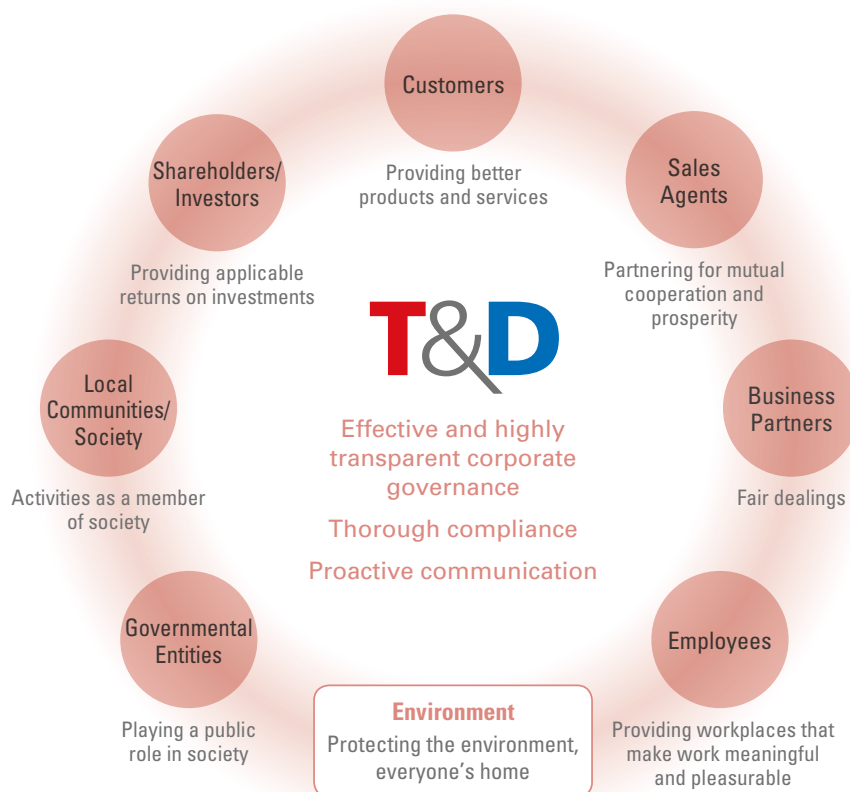
102-42

102-43

102-44

7-1 Communication

● The T&D Life Group and Its Stakeholders



● Management Reflecting Stakeholders' Opinions

The T&D Life Group proactively engages in dialogue with stakeholders as set out in the T&D Life Group CSR Charter (see "4. Communication"). By taking every possible opportunity to interact, the Group's three life insurance companies collect the opinions of policyholders, sales agents and other stakeholders and reflect them in their respective business management.

● Proactive Information Disclosure

The T&D Life Group pursues proactive communication activities and works to make comprehensible information disclosures to customers, shareholders, investors, and all other stakeholders. To maintain and even heighten our trustworthiness in the eyes of society, T&D Holdings and the Group's three life insurance companies have formulated Disclosure Rules*. In keeping with these rules, we are striving to secure the transparency of management and to practice Group-wide and well-managed information disclosure in a timely, fair and accurate manner especially in the event of an emergency.

* Based on its Disclosure Rules, T&D Holdings has prepared and makes available its Disclosure Policy.

《Dialogues with Main Stakeholders》

Shareholders and investors	<p>Shareholders' meetings, financial results briefings, in-person visits to shareholders and institutional investors, publication of shareholder newsletters, etc.</p> <p>In addition to shareholders' meetings, we hold information meetings, teleconferences, and in-person visits for institutional investors. T&D Holdings informs its shareholders, numbering 229,448 as of March 31, 2018, of the status of Group operations and other matters twice a year, in June and December, through shareholder newsletters.</p>
Customers	<p>Customer feedback, customer surveys, Fureai Club (policyholder meetings), business reporting meetings, Service Quality Improvement Committee, Service Supervision Committee, etc.</p> <p>The Group has set up many points of contact with its customers, including sales representatives, agents, call centers and the Internet, as well as a new policy procedures survey that focuses on the attitudes of sales representatives and the understandability of application forms and other documents and customer satisfaction surveys, giving the Group access to a wide range of customer feedback. A committee has also been established to improve customer satisfaction, and the Group incorporates the opinions of outside committee members, including attorneys and experts in consumer issues, in its management.</p>
Employees	<p>Education and training, human rights training, employee awareness surveys, dialogues and consultations with labor unions, an internal reporting system, etc.</p> <p>Education and training are provided through on-the-job training and group training, and through support for self-education efforts. The Group also conducts human rights awareness training that addresses discrimination, harassment and other issues as a way of deepening employees' understanding of the importance of respecting human rights. Awareness surveys are conducted to collect information on employee opinions and requests regarding job satisfaction and enhancing motivation. Through dialogues with its labor unions, the Group has an opportunity to discuss a wide range of subjects, including Group management and policies, wages, working hours, leave, human resource systems and benefits.</p>
Protecting the environment and contributing to local communities	<p>Participation in the UN Global Compact, the Principles for Financial Action for the 21st Century, and the Japan Association for the United Nations Environment Programme (UNEP), support for the Japan Down Syndrome Society, working with the Japan Philanthropic Association, implementing Forests of Taiyo Life activities</p> <p>The Group participates in the UN Global Compact, the Principles for Financial Action for the 21st Century, and other initiatives. It also exchanges views in a wide range of areas through study groups and dialogues with the participating companies. Furthermore, the Group has opportunities to understand stakeholders' expectations toward enterprises and to explore possibilities of the Group's contribution through support of and participation in the activities of NPOs active in each field.</p>

III Priority Areas (1) Providing Better Products and Services

1. Basic Concept

1-1 Basic Concept

The T&D Life Group has positioned “Providing Better Products and Services” as the first principle of the T&D Life Group CSR Charter. The Group clearly states its commitment to fulfilling its responsibilities to society through the life insurance business by offering well-suited, high-quality products and services that meet customer needs.

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 birth-rate and aging population.

2. Offering Products and Services That Address Social Needs

103-2

103-3

2-1 Initiatives by Taiyo Life

《Product Development which Preempts the Changes of the Times》

Japan’s rapidly aging society, the so-called “era of the 100-year life” is about to get fully underway. Taiyo Life is striving to provide high-quality products and services so that customers in the senior market can enjoy greater peace of mind.

Staying ahead of the curve, the company launched *Himawari Dementia Treatment Insurance* in March 2016. The product garnered support of numerous customers in the second year of release, on the back of growing public interest in dementia. The number of insurance policies sold exceeded 370,000.*

Himawari Dementia Treatment Insurance covers prescribed conditions due to dementia. It is the first product in the life insurance industry that can be available to anyone, including those with health concerns.

In October 2017, the company released a new product, *Centurion Pensions*, which leads to healthy lives in the era of the centenarian age. Pension benefits and nursing-care benefits can be combined. In addition to lifelong pension benefits, if an insured person requires long-term care, he or she can receive bigger pensions.

* Total policies sold for *Himawari Dementia Treatment Insurance* and *Dementia Treatment Insurance* (as of the end of June 2018)

《To Deliver Peace of Mind to Families》

Taiyo Life offers *Kaketsuke-Tai Service*. Administrative personnel with specialized knowledge make personal visits to customers and their families. They provide support with relevant procedures so that the customers, especially seniors, can complete procedures for receiving benefits at ease and conveniently. *Kaketsuke-Tai Service* realizes a paperless system for requesting benefits. Customers can complete the procedure only by confirming the content of relevant claims inputted by the administrative personnel and signing on dedicated mobile terminals. After the service was made available in April 2016, it was used over 45,000 times as of the end of March 2018.

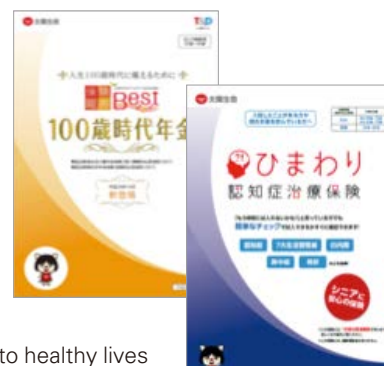
Furthermore, the company proactively recommends the family members of a senior customer to be present when he or she concludes a contract to prevent misunderstanding. In addition, the Family Registration Program has been adopted in case it is impossible to contact a customer due to various reasons, such as dementia and hospitalization. The system encourages prior registration of contact information of customers’ family members.

《Initiatives in Taiyo’s GENKI Project》

Looking ahead to era of the 100-year life, Taiyo Life has engaged in Taiyo’s GENKI Project, which is an effort that began in June 2016 to make employees, customers, and society healthy. The aim is to address the social issue of longer healthy life spans, that is, living a long healthy life.

As for specific approaches, the company has provided a smartphone app supportive of preventing dementia for customers. It also worked to learn “Universal Manners” so that its employees are more capable of offering assistance by taking the circumstances of each customer into account.

These activities have earned a fine reputation from outside assessment organizations. The company has been awarded numerous prizes for these efforts, including the “Award for Consumer-Oriented Activities” granted at the 3rd ACAP Commendation for Consumer-Oriented Activities hosted by the Association of Consumer Affairs Professionals (ACAP) in fiscal 2017.



太陽の元氣 project

2-2 Initiatives by Daido Life

《Initiatives to Disseminate Health-oriented Management*—DAIDO KENCO ACTION》

Daido Life assists SMEs in implementing health-oriented management. The aims are to contribute to creating a society where SMEs and their employees can actively perform and to solving issues faced by Japan's rapidly aging society.

The company will endeavor to establish a system through which health-oriented management can become prevalent and take root in as many SMEs as possible all across Japan. For that, it will widen the circle of collaboration with companies and organizations that provide support in practice of health-oriented management.



* Health-oriented management means that companies consider health management of employees from a business-management perspective and strategically practice management and the establishment of employees' health. Health-oriented management is a registered trademark of the Workshop for the Management of Health on Company and Employee, a specified non-profit organization.

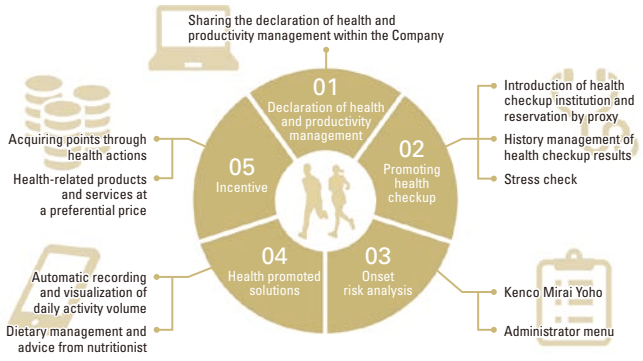
—Collaboration with Companies and Organizations Promoting the Dissemination of Health-oriented Management—

The company will endeavor to establish a system through which health-oriented management can become prevalent and take root in as many SMEs as possible all across Japan. For that, it will widen the circle of collaboration with companies and organizations that assist SMEs in implementing health-oriented management.

—Providing the Daido Life KENCO SUPPORT PROGRAM, a Tool for Implementing Health-oriented Management—

The company has developed the Daido Life KENCO SUPPORT PROGRAM in cooperation with a multitude of companies, in particular Value HR Co., Ltd., that possess specialized technology and know-how.

The Daido Life KENCO SUPPORT PROGRAM is comprehensive and targeted at SMEs. This program consistently supports implementation of the PDCA cycle necessary for health-oriented management. This includes assistance in encouraging employees to go through medical examinations for companies, risk analysis of development of lifestyle disease, etc. for individual SME owners and employees, and provision of health promotion solutions and incentives that promote continuous health improvement efforts.



《Launch of "HAL Plus Rider"》

Daido Life launched "HAL Plus Rider" for covering treatment of certain intractable diseases with the robot suit, Lower-Limb Model HAL for Medical Use ("HAL for Medical Use"), developed and supplied by CYBERDYNE, INC. in July 2017.

This rider can be added to the Daido Life's *M-type product* (a non-participating comprehensive medical insurance). It has gained an excellent reputation from many customers for its advanced industry-first* coverage. The number of contracts concluded for adding the rider exceeded 260,000 (as of the end of March 2018). The company will contribute to creating a society where people are healthy and affluent by promoting the dissemination and penetration of treatment for intractable disease using HAL for Medical Use.



* According to research by Daito Life

《Launch of Non-Participating Nursing-Care Term Insurance》

The needs of company owners for nursing-care benefits are increasing following a growing trend in the number of people requiring long-term care in the public long-term care insurance system. Furthermore, there are increasing needs these days in the corporate market for wealth accumulation through use of life insurance for various purposes, such as business funds and retirement allowances. To satisfy these needs, the company released non-participating nursing-care term insurance in October 2017. This is an insurance product designed for corporations and has both nursing-care and death benefits and wealth accumulation functions.



《Comprehensive Support of Nursing-Care Burden》

There are growing needs for nursing-care benefits as people age. In an attempt to meet the needs, the company has sold *Shunyu Relief*, an insurance policy to protect against loss of income when long-term care is required by SME owners and individual business owners, and *Kaigo Relief*, an insurance policy to prepare for nursing-care costs.

The company has also introduced *Kaigo Concierge*, a comprehensive support service for nursing care. This includes offering consultation on general nursing-care issues, and referrals to nursing-care facilities by professional workers specializing in nursing care, such as care managers.

By offering *Shunyu Relief*, *Kaigo Relief* and *Kaigo Concierge* integrally, the company comprehensively offers assistance in lifting not only financial burdens but also physical and psychological burdens imposed upon customers by nursing care. In addition, the company started providing *Dementia Plus* in April 2017. This is a service that meets a wide range of requests, such as nursing care for patients with dementia and prevention of dementia.



2-3 Initiatives by T&D Financial Life

《Products Responding to the Diversifying Needs of Customers》

To respond to diversifying customer needs, T&D Financial Life enriches its product lineup and provides products in a timely manner through banks and other financial institutions as well as insurance shops. For senior customers, it provides 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, it offers protection-oriented products at an affordable price.

In May 2017, the company released single-premium whole life insurances, *Shogai Premium World 4* and *Shogai Premium Japan 4*. Both products inherit the feature of existing products which allows customers to simultaneously put in place both the funds they will use in their lifetimes and the funds they will leave behind, while expanding the eligible age range, offering a broader response to customer needs.

Furthermore, the company released *Fivetenworld*, a single-premium individual annuity, in December 2017. This is a foreign currency-liked annuity product with the duration of the policy being set at 5 years or 10 years. The product satisfies the needs for increasing funds through the function that settles the amount of profit when the target value set in advance is reached. In addition, the needs for transferring and leaving behind and preparing funds can be fulfilled by adding the riders that cover advancement, and yen-based death benefits and nursing-care benefits.

Moreover, in April 2018, the company revised *Kakei Ni Yasashii Shunyuho*, a level-premium income protection insurance. Through the revision, it has further enriched benefits related to specified diseases.

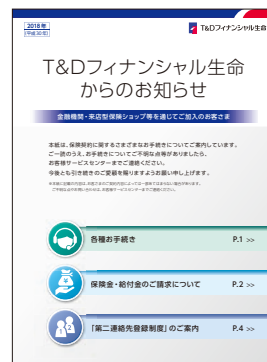
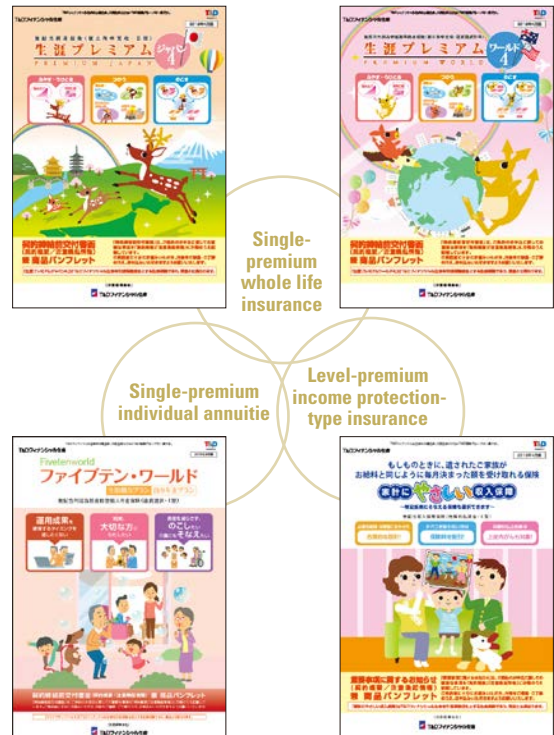
《Initiatives for Improving Customer Service Quality》

T&D Financial Life is discussing and pushing ahead with a variety of efforts to further improve services for senior customers and customers with disabilities. The company redesigned its website in April 2017 to make it easier to read and use. Since September 2017, the company has accepted the signature of parties other than an insured person's family members (such as home caregivers, facility committee members, and district welfare commissioners) on behalf of the insured if there is no specifiable family member at the time of signing. In addition, employees have been allowed to sign on behalf of a relevant insured person. Furthermore, the company has placed a call button for hard-of-hearing customers and an ear mark that indicates the availability of written conversation at the general reception desk of its headquarters building. At the reception desks of each shop, the staff strive to have easy-to-understand communication with customers with disabilities using written-conversation boards and communication boards.

《Initiatives for Improvement in Response to Customer Feedback》

In response to feedback from customers, particularly elderly ones, T&D Financial Life in October 2017 expanded the scope of death-benefits beneficiaries of single-premium products from relatives by blood within the third degree to relatives within the third degree. Furthermore, the company has created a new guidebook for conveying information on its services and various systems to elderly customers in an easily understandable manner. This includes the introduction of the Secondary Contact Information Registration System, a system of registering the contact information of the family members of a customer in advance, in case it becomes difficult to have contact with the customer due to a natural disaster, etc. The guidebook is sent to customers along with the Notification of Policy Details.

Through these activities, the company is aiming to constantly improve its services.



2-4 Initiatives by T&D Asset Management

《Products that Contribute to the Formation of a Sustainable Society》

T&D Asset Management manages the T&D Japanese Equity ESG Research Fund. The fund selectively invests in companies with an outstanding ESG (Environmental, Social and Governance) performance based on ESG research which seeks to generate investment returns that outperform the medium- to long-term market average while contributing to the formation of a sustainable society by investing in companies which contribute to the reduction of environmental impact and the achievement of a sound society. In fiscal 2017, the company made contributions to the solutions for social issues by investing in companies that are proactively devoted to solving problems toward the realization of a healthy society. Besides, it started pursuing a strategy of health-related social contribution stocks that aims to acquire high investment income in the long term.



2-5 Initiatives with Pet & Family Small-amount Short-term Insurance

《Insurance Protection for Precious Family Members》

As more pet owners recognize their pets as family members, interest in pet healthcare and its associated costs is increasing. This is attributable to social issues, such as the advancement in the declining birthrate and aging population and the increase in one-person households.

Pet & Family Small-amount Short-term Insurance took these circumstances into consideration and has made efforts to address the needs for pet healthcare costs. Thus, the company provides *Genki Number One* and *Genki Number One Slim*, products that compensate for a portion of the costs of treatments for pets at veterinary clinics due to illness or injury. These products help to ensure that pet owners can obtain veterinary treatment for their pets with peace of mind.

《Providing Information on Pets' Lives》

Since July 2017, Pet & Family Small-amount Short-term Insurance has posted on its website information for enriching pets' lives. The website also features special contents titled "Pet News Storage" that introduce questions closely related to pets' lives in an easily understandable fashion. It is regularly conveying information on various subjects related to pets in an attempt to deepen understanding of pets, which are precious family members.



2-6 Best Senior Service

103-2

103-3

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 elderly customers. At Taiyo Life and Daido Life, this initiative was named the Best Senior Service, and through this initiative, we are developing a variety of service improvements.

《Main Initiatives of Taiyo Life》

① Home Visit Service

The company launched the *Senior Anshin Support Activities* in July 2014 as a visiting service activity designed for customers who are seniors. Its staff visit them at least once a year. Confirmation of insurance contract coverage, and examination of whether claims have been fully submitted, are carried out in a careful and easily understandable manner. This service enables each of the senior customers to enjoy peace of mind.

② Development of New Products for Senior Customers

In March 2016, Taiyo Life launched Himawari Dementia Treatment Insurance, the life insurance industry's first product to offer coverage for predetermined states caused by dementia, available for seniors with health concerns. In addition to dementia, the product provides coverage for the diseases and illnesses to which seniors are particularly vulnerable, making it popular among elderly customers. The cumulative number of policies sold exceeded 370,000 as of June 2018.

③ Initiatives for Securing Peace of Mind at the Time of Contract Conclusion and Renewal

The company proactively recommends the family members of a senior customer to be present when he or she enters into a contract. In addition, the person in charge at the headquarters reconfirms the intention of the contract and declaration (for some products) by using the videophone function of the terminal that each sales representative carries.

Furthermore, the company has adopted the Family Registration Program in the event contact with policyholders become impossible when large-scale disasters occur. The system is to register the contact information of the family members of customers in advance, and registration is recommended. The family members whose contact information has been registered are entitled to inquire about coverage and the procedure for putting in claims on behalf of the policyholder.

④ **Kaketsuke-Tai Service**

The *Kaketsuke-Tai* Service is provided by Taiyo Life's administrative personnel with specialized knowledge. They personally visit customers and their families to lighten the burdens of dealing with benefits claims and to provide meticulous support unique to administrative personnel. This service is very popular among many customers including senior customers. More than 45,000 customers had utilized this service (as of the end of March 2018) since its launch in April 2016. In addition, the company introduced a paperless procedure to claim benefits, making it possible for customers to check the content of their claims and complete the procedure by merely signing on the dedicated mobile terminal.

《Major Initiatives by Daido Life》

① **Initiatives for Enhancing Sense of Ease during and after Enrollment**

<Recommendation on Presence of Family Members>

The company recommends that family members of customers 70 years of age or older be present during the enrollment process. This is to ensure a full understanding of the content of insurance policies that customers are going to enroll in with a sense of ease. The company explains the content of the insurance coverage and important items that need extra attention in detail both to the customers and their families. It also carries forward the procedures by ensuring that the content is in line with the customers' intentions.

<Designated Proxy Application Rider>

The Designated Proxy Application Rider is introduced to customers for insurance policies in which the insured is the beneficiary of insurance claims, etc. In cases where it becomes difficult for the insured to file an insurance claim due to sickness, accidents, or other reasons, a representative who is designated in advance (a preregistered proxy) can file a claim.

Furthermore, the company expanded the range of the Designated Proxy Application Option in April 2018 so that non-relatives can file claims.

<Family Registration Program>

We propose that our individual customers register their family members in the Family Registration Program, under which a family member registered in advance may make an inquiry about policy details or request dispatch of claim forms when the policyholder is unable to do so. Furthermore, we also send out a copy of the Daido Life Guide sent to policyholders to their families as well if the policyholders request it.

② **Initiatives for Receiving Insurance Claims, etc. Reliably and Promptly**

The company regularly checks if there are no unclaimed insurance claims, etc. for individual customers who are over a certain age so they can receive insurance claims reliably and promptly.

③ **Improvement of Treatment of Customers and Hospitality**

In order to provide courteous and careful service in response to customers' situations, we formulated and use a service manual taking into account the general characteristics of our senior customers, such as changes in physical abilities and psychological aspects, as well as visual aides. Through these means, we are striving to provide an environment in which our customers can complete necessary procedures with peace of mind.

《Major Initiatives by T&D Financial Life》

① **Measures at the Time of Enrollment**

When concluding a contract with customers who are 70 years of age or older, the company takes measures to confirm they have the intention of buying the insurance policy. These measures include recommending the customers' family members be present at the time of signing and setting a period for customers to fully examine the policy. Also, when developing information materials, the company pays attention to their font size and color so they are easy to see, read, and understand. In addition, it encloses a confirmation letter at the time of sending out insurance certificates and asks customers to reconfirm whether there are any mistakes in the contract's content and description in the certificate.

② **Measures during Enrollment**

The company recommends the registration of the Secondary Contact to deal with cases where information concerning various procedure does not reach a contractor or where it becomes difficult to communicate with policyholders due to disasters, etc. The contract can thus reach policyholders promptly by contacting registered family members. In addition, the company implements the policy inspection system via telephone for policyholders of a certain age and older so that the company will not miss change-of-contact information, claims for insurance, etc.

Furthermore, the company does not use automatic voice guidance at the call center, which is the point of contact with customers. Instead, customers are directly connected to the operators. This way, they can contact us with peace of mind.

③ **Measures during Procedures**

The company is working to improve convenience for customers to enable them to easily go through the procedures. It revises claim documents and uses colors for them as well as omitting the submission of an insurance certificate and a seal registration certificate.

3. Providing Wholehearted Reassurance

102-43

103-2

103-3

3-1 Fairness in Offering Insurance Products to the Broader Public

Life insurance is a mutual aid system in which insurance premiums collected from a large number of policyholders are used to fund insurance payments and benefits in the event of someone's death or hospitalization. Life insurance companies use the law of large numbers to calculate fair premiums based on statistical data such as mortality rates and insurance accident rates presented in life insurance tables, which are calculated separately for each age and gender. Life insurance companies maintain the fairness of the life insurance system by adding some conditions such as additional premiums, or in the worst cases by not offering coverage, for those who do not meet the companies' predetermined standards due to health conditions or other factors. The Group's three life insurance companies and other Group members respect customers' human rights, and develop and offer many unique insurance products which meet a wide variety of customer needs, health conditions, gender, enrollment age and other specific circumstances at a fair premium.

3-2 Establishment of Solicitation Policies

The Group's three life insurance companies and other Group members have established individual solicitation policies for offering life insurance and other products. Under these policies, each Group company strives to develop and offer applicable products that meet customers' needs and circumstances.

《Solicitation Policy (In the Case of Taiyo Life)》

The following are Taiyo Life's basic solicitation policies for offering financial products, including life insurance, to customers. We always endeavor to develop and offer products in a proper and appropriate manner in due consideration of customers' desires, circumstances and privacy in order to provide customers with proper services through consultation.

- | | |
|---|---|
| <ul style="list-style-type: none"> • We will comply with the applicable laws, rules and regulations in solicitation activities. • We will endeavor to carry out adequate solicitation activities in consideration of the customer's circumstances. • We will give due consideration to the time and the place for solicitation activities. • We will explain the important issues properly. | <ul style="list-style-type: none"> • We will make efforts to enhance employee education and our training program. • We will safeguard customer information strictly in confidence. • We will make continuous efforts to establish an internal structure ensuring adequate solicitation activities. |
|---|---|

3-3 Efforts to Offer Customer-oriented Services

From contract procedures and after-sales service to payment of insurance claims and benefits, the three life insurance companies endeavor to provide services with an emphasis on understandability as an approach to earn trust from customers.

● Awards for Customer Service

《Taiyo Life》

《Received the 2017 UCDA “Supreme Excellence” Award》

The company's “Filing for Insurance Benefits and Insurance Claims/Procedure Guidebook” was highly recognized by the UCDA 2017 for its user-friendly style that includes the steps of filing a claim and specific examples of insurance benefits and insurance claims. The company received the 2017 UCDA “Supreme Excellence” Award for its attitude of adequately, promptly and fully paying insurance claims and insurance benefits.

《Obtained the UCDA “Easy-to-read Design” Certification》

The company revised the design of the documents of benefits claims by simplifying the description of how to fill in the form and expanding the entry column to make it easier for customers to complete the paper work. This effort of making user-friendly documents for insurance claims and insurance benefits without imposing any burdens has been recognized, as we obtained the UCDA Easy-to-read Design” certification.

《Obtained Universal Manners Award 2017’s “Universal Manners Award” and “Jury Prize”》

The Universal Manners Award 2017 recognizes companies and organizations that promote pleasant experiences to diverse group of people including the elderly and people with disabilities. The company received the “Universal Manners Award (Innovation Division)” as a firm that promotes new perspectives and unique and innovative initiatives as the rapidly aging society takes shape. Furthermore, among the 19 organizations that won the award, the company received the “Jury Prize,” which was given to three organizations selected by the judges from their perspectives as outstanding examples.

《Daido Life》

《Received the UCDA Award 2017’s “Award for Easy-to-Understand Information”》

The company's Notice of Premium Account Transfer, Guidance on Premium Payment, and Guidance on Insurance Benefit Procedure received the “Award for Easy-to-Understand Information,” which is one of the merit prizes at the UCDA Award 2017. This was highly appreciated since the information necessary for customers is arranged in an easy-to-understand manner.

《Obtained the “Tsutawaru Design” certification from the UCDA》

Daido Life has obtained the “Tsutawaru Design” certification from the UCDA for its main forms and screens. For non-paper media, namely for its terminal-based new policy application procedure screen, Daido Life received this certification in 2015 for the first time in the life insurance industry.

(UCDA Certified Documents)

Specification [policy overview], new policy application procedure screen, notification of policy details, premium account transfer notification, premium payment information, benefits payment claim documents, claim leaflet, and pension payment claim form

《Universal Manners Award 2017: Received Universal Manners Award and Web Voting Grand Prix》

In the Universal Manners Award 2017 which recognizes the companies and groups in an endeavor to promote initiatives friendly to diversified people including the elderly and the handicapped, the company received the Universal Manners Award in the Inclusion Sector. The award is given to the company with effective approaches toward reflecting the voices of customers such as the elderly and the handicapped from the planning phase. In addition, the company received the Web Voting Grand Prix. The award is given to the company which has earned recognition from the public through internet voting for universal manners initiatives.

● Initiatives by the Three Life Insurance Companies

《At the Time of Making a Contract》

Major Documents

- Clearly worded "Product Pamphlet"
- "Insurance Specification Documents" (contract summary) describing insurance plans tailored to individual needs of customers
- "Notifications of Important Matters," as a reminder, and "Warning Information," for calling the customer's attention to particularly important points
- "Policy Leaflet and Policy Provisions" describing the various procedures when making a contract, and the structure of the product
- "Confirmation of Intent" as a final step to ensure that the customer's needs are met by the insurance product offered
- "Overview Materials," which provides a concise overview of the product as well as information about fees, etc.

《After-sales Services》

We work to ensure customer satisfaction by providing various kinds of information after contracts.

We also work to enhance our services so that the policyholders can make insurance and benefit claims more easily.

[Major Information Provision Services]

- Notification of policy details (from the three life insurance companies)
- Distribution of service guidebooks (Taiyo Life) (T&D Financial Life)
- Distribution of Security Guide (Taiyo Life)
- Notification of account transfer payment (from the three life insurance companies)
- Accounting method guidance service for corporate clients (Daido Life)
- Confirming policy details by visiting customers (Taiyo Life) (Daido Life)

[Examples of Measures to Facilitate Making Insurance and Benefit Claims]

- Handling of Direct Payment Service to Medical Institutions of advanced medical care benefits (Daido Life) (T&D Financial Life)
 - * Through this service, the company pays insurance benefits directly to medical institutions for expensive and advanced medical treatment such as proton-beam therapy and heavy-particle radiotherapy to ease the temporary burden on its customers. These benefits help customers receive treatment with ease of mind.
- Distribution of booklets and leaflets that comprehensively describe insurance and benefit claims procedures as well as payable case examples (Taiyo Life) (Daido Life)
- Reimbursement of expenses for obtaining a medical certificate in the event that the related insurance claim is completely rejected despite that insurance and benefit claims (from the three life insurance companies)
- If a claim satisfies certain requirements, submission of medical certificate can be omitted or a copy of a medical certificate can be accepted (from the three life insurance companies)
- Improvement of explanation and advice at Customer Service Center (call center) and branch offices (from the three life insurance companies)
- Introduction of designated proxy application option to allow the pre-registered proxy to file insurance claims in the event that the policyholder is unable to file the claim for a certain reason (from the three life insurance companies)
- Periodic follow-up of customers who take a long time to submit claim documents despite having declared an intention to make insurance claims (from the three life insurance companies)
- Services include confirmation of senior customer intent to file a claim, after which office staff may fill out claim forms on behalf of the customer, as well as obtaining medical certificates needed for benefit claims (Taiyo Life)
- Made it possible to designate a signing proxy other than a family member in the event that a customer has physical difficulty in signing, filling out or affixing their seal to claim forms due to illness or suchlike (Daido Life) (T&D Financial Life)

3-4 Working toward Better After-sales Service

The Group's three life insurance companies have each set up various systems aiming at providing quality after-sales services. At Customer Service Centers, professionally trained staff handles inquiries and insurance claims from customers nationwide over the telephone in a considerate, polite, prompt, and accurate manner. Also, all our branch office staff and sales representatives, fully aware of the importance of post-contract support, attend to individual customers, offering the best possible service to each of them. At Taiyo Life, employees visit homes of senior customers at least once a year and check the coverage and missing claims. Some senior customers are difficult for sales representatives to visit regularly due to geographical factors such as a lack of local branches and sales locations. In this case, the company conducts confirmation activities that combine outbound calls with face-to-face distribution of brochures created for the purpose of checking unclaimed cases by a delivery person. Daido Life is conducting activities to confirm policy details where sales representatives and insurance agents visit customers to confirm the current policy details and necessary amount of benefits. In addition, the company is making efforts to provide detailed services such as suggesting customers to also take measures against a range of risks (risk management).

3-5 Other Services

As shown below, the Group's three life insurance companies offer diverse services to meet the requests of customers.

● T&D Club Off

T&D Club Off offers a range of services for daily lives and enhancing off-time activities to the policyholders of the three life insurance companies and Pet & Family Small-amount Short-term Insurance. T&D Club Off members can use over 200,000 facilities and services such as hotels inside and outside Japan, leisure facilities, sports clubs, medical check-ups, and car rental at special discount rates.

《Example》

- Domestic hotels, Japanese inns, and overseas hotels: about 20,000 locations
- Amusement and theme parks/ About 700 locations
- Housework services, pet sitting, and phone consultations on pensions and legal issue

* For more details about these services, please visit each company's website.

● Other Services

We offer a wide range of services. Our private nursing-home referral service (from Taiyo Life) introduces over 300 facilities nationwide in collaboration with other industries. The "best doctors service" (from Taiyo Life) introduces good and reliable doctors and hospitals for when policyholders have serious illnesses. The adult guardianship system introduction service (from Taiyo Life) introduces experts in the adult guardianship system that supports people whose judgment has deteriorated.

● Customer Service Center Open for Inquiries on Saturdays and Sundays

In order to provide services to customers who are busy on weekdays, Taiyo Life's Customer Service Center, or call center, is open and handles inquiries on Saturdays and Sundays from 9:00 to 17:00 as well.

● Services Useful for SMEs

Daido Life provides various services to help policyholders with business support and health support.

《Examples of Services》

[Business Support]

- Services that comprehensively support the practice of health-oriented management at SMEs
- Support for a stress check system, from initial preparation to post-deployment follow-up
- Specialist support for use of M&A by SMEs
- Providing reports on management strategy, industry trends, and other useful business information
- Providing a standard form of company regulations
- Complimentary assessment for receiving public subsidies
- Complimentary assessment of employment regulation
- Providing information on public support

[Health Support]

- Nursing care professionals provide one-stop support in resolving a variety of concerns and problems regarding nursing care
- Health counseling and second opinion service
- Health screening referral service

* For more details, please contact the Customer Service Center of Daido Life.

● **Service on the Internet**

The Group firms, including the three life insurance companies provide various kinds of information on their websites. As part of our efforts to improve customers' convenience, we also offer online services for payment procedures, inquiries and change of registered information. At Pet & Family Small-amount Short-term Insurance, customers can also purchase pet insurance on the company's website.

《**Examples of Internet Services**》

<p>Taiyo Life</p> <ul style="list-style-type: none"> • Change of information related to contract, such as change of address, request for adding designated proxy application option, change of password • Request for application forms for change of account, change of first/family name, loan repayment • Used for making loans to policyholders or for the withdrawal of accumulated dividends or various types of deferred funds • Reissue of insurance certificates, annuity payment certificates, deferred fund payment certificates and life insurance premium payment certificates • Inquiries about insurance policy details <p>Daido Life</p> <ul style="list-style-type: none"> • Change in contract and insurance claim such as change of address, account, etc. • Web-ATM for making loans to policyholders, withdrawal of accumulated dividends, etc. • Inquiries about insurance policy details, inquiries about accounts for automatic withdrawal of insurance premiums, various inquiries about guidance (guidance on insurance premiums accounting method, etc.) <p>T&D Financial Life</p> <ul style="list-style-type: none"> • Inquiries about summary and details of policies such as coverage details and change in accumulated funds • Transfer of accumulated funds, set up transfer ratio in case of contracts with periodic increase of amount • Requests for various forms for procedures (change of address, reissue of certificates for life insurance premium payment, etc.)
--

* For more details, please contact the respective Customer Service Centers of the Group's three life insurance companies.

3-6 In Order to Provide Better Services

The Group's three life insurance companies are working to enhance the skills of their customer service staff based on a basic knowledge of life insurance, specialist knowledge and compliance essential to increase customer satisfaction. The three life insurance companies have diverse staff members such as sales representatives, customer service staff, agents and wholesalers who are engaged in duties to provide the most suitable services to customers depending upon each individual business model. We have developed human capital training programs for such diverse staff, and always work to provide them with the best educational and training opportunities.

《**Education Program for New Employees (Taiyo Life)**》

Taiyo Life has a system in place to train sales representatives to develop their capabilities to design and offer optimal insurance plans that meet each customer's needs depending on a variety of factors, including family structure, occupation, income, plan for children's education, insurance already purchased and so on, aiming to increase each customer's satisfaction. Our sales personnel undertake internal training programs and work to obtain external qualifications to gain specialist knowledge on insurance products as well as tax affairs and financial planning expertise.

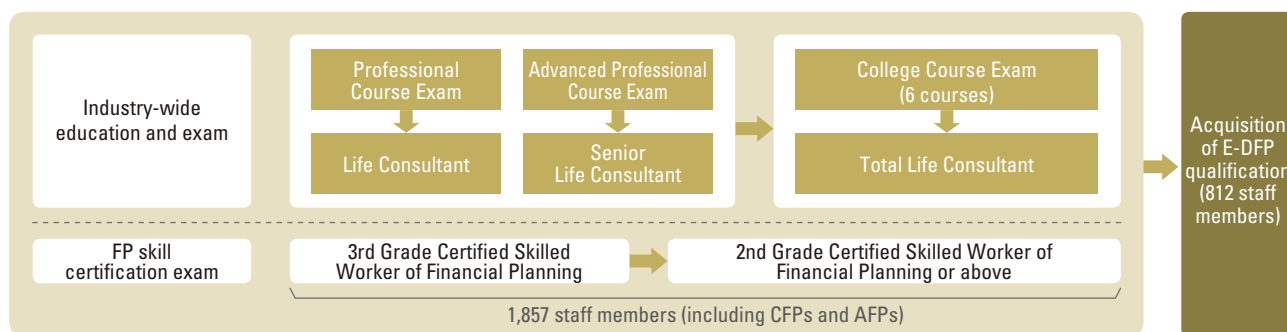
《**Education Programs for New Sales Representatives (New-employee Education Programs and Financial Planner Education Programs)**》



[E-DFP Program (Daido Life)]

Sales representatives must get a firm grasp of customer needs, which are diversifying and becoming more sophisticated, and practice high-quality, consulting-oriented sales. For this reason, Daido Life has set up its own E-DFP (Executive Daido Financial Planner) program with the purpose of enabling its sales representatives to obtain a wide range of professional knowledge including taxation, finance, and financial products. The E-DFP qualification is awarded to those who have passed all six life insurance college course examinations and are ranked as a 2nd Grade Certified Skilled Worker of Financial Planning or above, including AFPs and CFPs.

《E-DFP Program (As of March 2018)》



3-7 Cooperation with Sales Agents and Cooperating Organizations

[Sales Agent Training Program]

At Daido Life, the head office and branches work together closely to provide high-quality support for sales agents by assisting them in responding to customers’ diversified needs. As a part of these efforts, the company develops programs to offer practical training, using its own e-learning materials and practical guides to help sales agents acquire broad knowledge on the compliance and insurance business.

[Business Partner Meetings]

Daido Life has entered into partnerships with SME industry associations as well as the professional organizations of tax accountants and others, and has built a sales structure aimed at offering applicable life insurance products tailored to the needs of various member companies, members who are tax accountants, and others. Because these partner organizations and agents are key stakeholders of Daido Life, the Company holds regular meetings with its partners to report the latest business developments and to hear their views on Daido Life’s business operations.

[Wholesaler Activities]

T&D Financial Life carries out elaborate support activities for its sales agents, such as financial institutions, through its staff (wholesalers) assigned to assist sales agents in order to enable them to make the best proposals to customers. In addition, to win the trust of customers and sales agents, the company provides practical training to wholesalers, to deepen knowledge about insurance and other financial products and enhance sales skills, overall asset management, related laws and regulations as well as improve presentation skills for accurately explaining features of our products to customers and sales agents.

4. Improving Customer Satisfaction

102-44

103-2

103-3

4-1 Initiatives to Respond to Customer Feedback

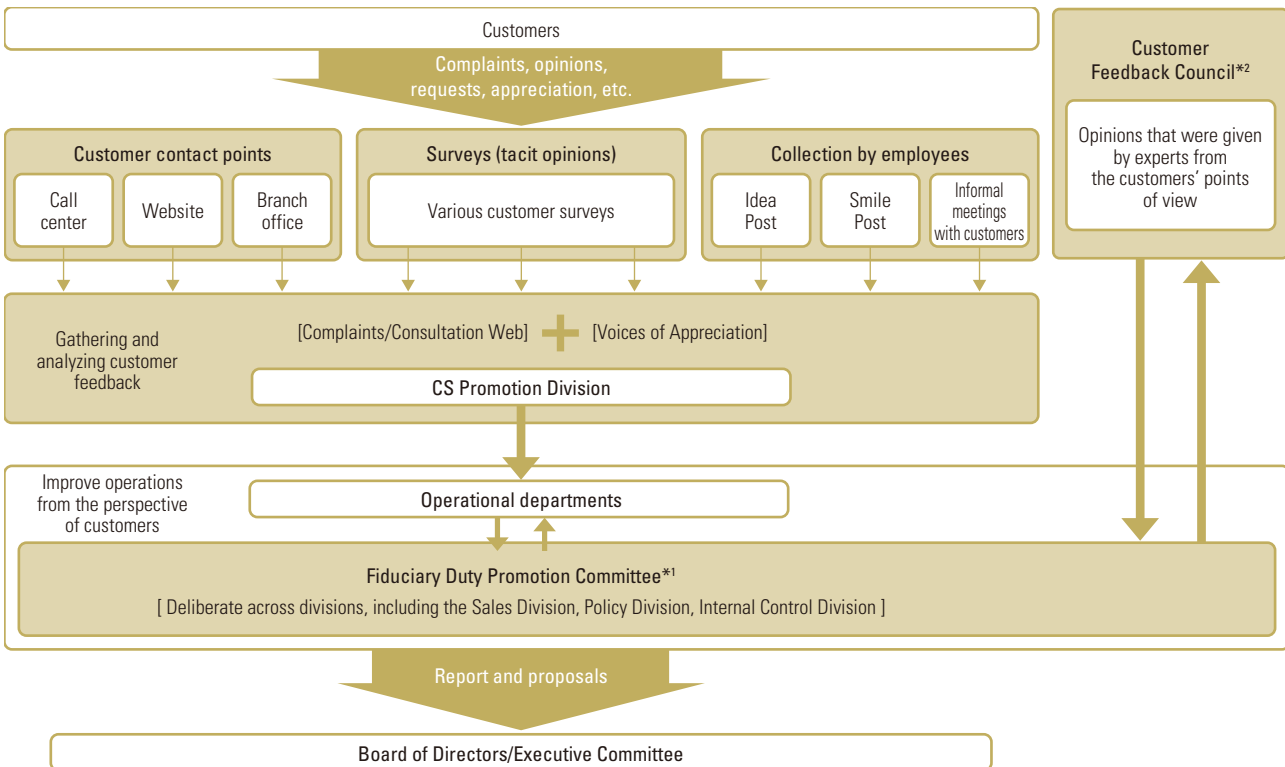
● Customer Feedback Collected from Daily Sales Activities

The three life insurance companies collect a variety of customer feedback through daily sales activities to respond to the changing needs of society through the provision of better products and services. We have set up a number of points of contact with customers, such as sales representatives, sales agents, call centers (customer service centers), and the Internet to collect as much customer feedback as possible. In addition, we are implementing initiatives to more proactively check customer satisfaction, such as conducting regular and irregular questionnaires.

● System to Reflect Customer Feedback in Operations

The Group's three life insurance companies have set up dedicated departments and committees with external members in charge of customer satisfaction management. We developed a total system ensuring customer satisfaction at all stages of interaction with customers, from making contracts to payment of insurance claims and benefits, based upon a clearly stated policy for customer satisfaction and specific guidelines for the handling of customer complaints. All the feedback collected from customers is input into a centrally managed database and shared by the relevant units for the development and quality improvement of products and services, as well as for the improvement of business practices.

● System for Reflecting Customer Feedback in Operations (Illustration is an example from Daido Life)



*1 Fiduciary Duty Promotion Committee

We established the Fiduciary Duty Promotion Committee to further promote customer-centric corporate activities raised in the basics of the corporation. In addition to continuously reviewing all processes from insurance solicitation to payments from the perspective of customers, the Fiduciary Duty Promotion Committee makes reports and proposals for improvements to the Board of Directors and the Executive Committee.

*2 Customer Feedback Council

The company has established the "Customer Feedback Council" in order to utilize of the insights of outside experts in sound business operations from the perspective of customers. The Customer Feedback Council monitors the situation with business operations related to improving customer service and reviews the adequacy and effectiveness of the content of deliberations by the Fiduciary Duty Promotion Committee.

《Examples of Reflecting Customer Feedback in Operations》

[Taiyo Life]

● Customer Information Meetings

Taiyo Life holds regular meetings with policyholders called the "Customer Information Meetings" in order to help them gain a deeper understanding about Taiyo Life and life insurance, as well as to ask them for their opinions and requests regarding our products and services. In fiscal 2017, meetings were held at 132 venues in September. 1,325 customers attended, and Taiyo Life made presentations on its management policy, results for fiscal 2016, "Taiyo's GENKI Project," *Kaketsuke-Tai Service*, and new products. 592 opinions were received from the participants concerning a broad range of its business operations. The feedback from policyholders was shared within the Group as valuable information and utilized to achieve improvements in various business practices.

● Acquiring a Third-party Opinion on ISO 10002 Compliance

In March 2008, Taiyo Life declared the introduction of ISO 10002, an international standard for handling complaints as regards quality management, customer satisfaction and guidelines for complaints handling in organizations, and since then has been committed to continually enhancing customer-oriented service and operations by utilizing customer feedback (including complaints). In March 2018, following on from March 2017, we obtained a third-party opinion on ISO 10002 compliance that recognized our complaint management system as complying with ISO 10002 and functioning effectively. We have been working to improve our business processes based on ISO 10002 and educate employees through training programs.

● Customer Complaints by Type

(Units: no. of complaints received; proportion: %)

Type of feedback	FY2014		FY2015		FY2016		FY2017	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	2,637	34.3	1,918	31.1	1,784	28.2	1,448	30.6
Payment of premiums	473	6.1	395	6.4	436	6.9	312	6.6
Conservation work	1,202	15.6	920	14.9	988	15.6	906	19.1
Insurance claims and benefits	1,681	21.9	1,258	20.4	1,641	25.9	950	20.1
Others	1,673	21.8	1,658	26.9	1,469	23.2	1,104	23.3
Total	7,666	100.0	6,149	100.0	6,318	100.0	4,720	100.0

* "Complaint" refers to an expression of dissatisfaction by customers.

[Daido Life]

● Customer Surveys

Conducting surveys is useful in identifying hidden issues related to Daido Life's business that are difficult to uncover by passively receiving customer opinions and requests.

Major examples include the new policy procedures survey filled out by new policyholders after the completion of the contract procedures, with a focus on the attitudes of sales representatives and the understandability of application forms and other documents, as well as customer satisfaction surveys filled out by business owners/managers that inquire about the level of satisfaction provided by our products, services and after-sale services.

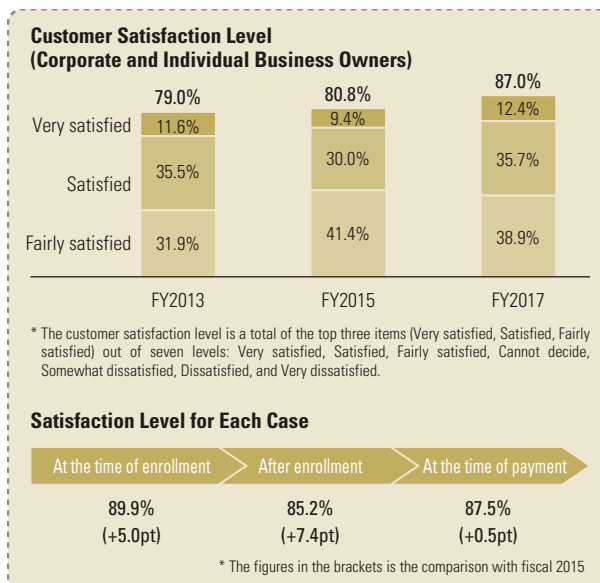
● Response to Customer Complaints

We define "complaint" as an expression of dissatisfaction by a customer regarding the company's operations. Upon receiving complaints, we immediately respond in a sincere manner, setting out to resolve such issues. At the same time we take these complaints as valuable information to be used for improving our business processes.

● Customer Complaints by Type

(Units: no. of complaints received; proportion: %)

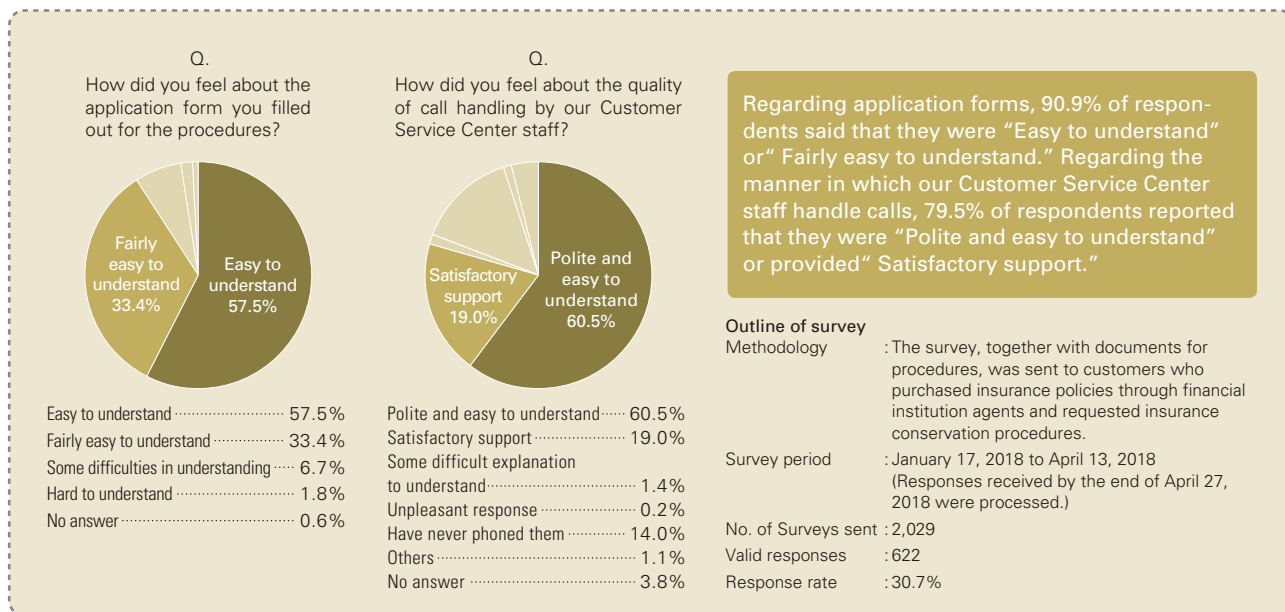
Type of feedback	FY2014		FY2015		FY2016		FY2017	
	No. received	%	No. received	%	No. received	%	No. received	%
Purchase of life insurance policy	1,698	14.1	1,539	13.2	1,414	12.9	1,382	13.0
Payment of premiums	1,036	8.6	838	7.2	856	7.8	846	8.0
Procedures after making a contract	4,803	39.8	4,754	40.7	4,100	37.3	4,020	37.9
Payment of insurance claims and benefits	2,134	17.7	2,030	17.4	2,644	24.0	2,255	21.3
Other	2,412	20.0	2,517	21.6	1,985	18.0	2,094	19.8
Total	12,083	100.0	11,678	100.0	10,999	100.0	10,597	100.0



[T&D Financial Life]

● Customer Survey

T&D Financial Life conducts a customer satisfaction survey to proactively reflect customer feedback in customer service and operational quality improvements. This survey includes questions about the quality of call handling by the Customer Service Center staff and understandability of application forms and documents involved in various procedures. Results of customer surveys are available on our website.



● Provision of Information on the Internet

T&D Financial Life discloses a summary of information regarding customer feedback, such as frequently made complaints, comments and requests, on its website.

● Customer Complaints by Type

(Units: no. of complaints received; proportion: %)

Type of feedback	FY2014		FY2015		FY2016		FY2017	
	No. received	%	No. received	%	No. received	%	No. received	%
New contracts	243	16.0	220	19.0	152	11.5	159	13.0
Payment of premiums	65	4.3	50	4.3	61	4.6	75	6.2
Procedures after making a contract	534	35.2	385	33.3	441	33.4	481	39.5
Insurance claims and benefits	412	27.1	305	26.4	426	32.2	275	22.6
Others	264	17.4	197	17.0	242	18.3	229	18.8
Total	1,518	100.0	1,157	100.0	1,322	100.0	1,219	100.0

* "Complaints" refers to customers' complaints and dissatisfaction about products and services, and expressions of dissatisfaction.

IV Priority Areas (2) Respect for Human Rights

1. Basic Concept

418-1

1-1 Basic Concept

In "3. Respect for Human Rights," in the T&D Life Group CSR Charter, the Group clearly sets out its commitment to:

- respect the human rights of all people, and make efforts to enlighten all its employees on human rights;
- respect the individuality and diversity of all its employees, ensure a healthy and safe work environment, and develop its human resources; and,
- respect privacy, and strictly control and protect personal information.

We believe that supporting and showing respect for the protection of internationally declared human rights, and promoting the creation of a comfortable working environment where employees are able to respond to the needs of society will lead to the growth of the company and the vitalization of society, and are important corporate responsibilities which the Company must fulfill.

2. Utilization and Development of Human Resources

103-2

103-3

404-2

2-1 Human Resources Development Policy

Since its foundation, the T&D Life Group has been promoting the nurturing of a corporate culture where diverse human resources can feel job satisfaction and reach their potential. Under our Group policy, in which each affiliate aims to improve its corporate value by leveraging the uniqueness and specialization of its respective business strategy, each of the Group's affiliates formulates its own education and training plan and strives to develop and enhance the skills of its employees.

2-2 Initiatives to Provide Opportunities for Growth

The three life insurance companies conduct education and training, primarily through OJT (on-the-job training), group training, and support for personal development. These companies encourage autonomous career development by each employee, by actively helping them to acquire qualifications and offering a diverse curriculum, including correspondence education and e-learning.

In addition, systematic rotation is implemented to provide employees with a variety of business experience, allowing them to be more capable of carrying out work from a broad, company-wide perspective. Young employees are assigned to different parts of the organization and different job areas for a certain period after joining the company. By moving between the head office and branches, as well as sales and administration, these employees work to acquire basic knowledge and hone their skills. Similarly, with regard to management staff, employees who have experience as head office division managers are put in to positions such as branch general managers, while branch managerial staff are assigned to the head office, with the aim of improving their managerial capabilities.

Taiyo Life, Daido Life, T&D Financial Life

The three life insurance companies support employee career formation, by providing opportunities to actively pursue skill development.

● In-house Recruiting

Under this system, employees can take up various challenges, such as application for dispatch to companies outside of the Group, positions of their choice and MBA programs.

● Personnel Exchange within the Group

Personnel exchange is promoted among Group companies for facilitating the sharing of the well-developed skills and useful knowhow possessed by each Group company.

Phase I (2008–2012): Temporary transfer or transfer to other Group company for 1 to 2 years

- Number of participants 50 employees (47 men, 3 women)

Phase II (2013–): Short-term training program for a maximum period of 1 month was introduced

- Number of participants in fiscal 2013 (including long-term transfer programs) 17 employees (3 men, 14 women)
- Number of participants in fiscal 2014 28 employees (8 men, 20 women)
- Number of participants in fiscal 2015 39 employees (18 men, 21 women)
- Number of participants in fiscal 2016 (including long-term) 41 employees (21 men, 20 women)
- Number of participants in fiscal 2017 (including long-term) 42 employees (15 men, 27 women)

● Working Group Comprising Young and Mid-Career Employees from Group Companies

In fiscal 2011, we started the Working Group for the Active Participation of Women, an initiative to plan and propose group-wide measures to promote active participation of women. In fiscal 2016, this initiative was renamed the Working Group on Work Style Reform, and comprises both men and women. In fiscal 2017, the group conducted surveys and research on the theme of Balancing Childcare and Career, and proposed various childcare support measures. One of these proposals was to expand the system for short working hours (eligible scope of children's age has been raised to grade 6). The proposal was put into practice in fiscal 2018, and the system is already being used by a number of employees.

● Overseas Job Assignments and Overseas MBA

Taiyo Life

Taiyo Life looking ahead to future overseas business strategies, we are dispatching young employees to a number of companies for approximately three months in order to develop personnel capable of successfully working on a global level. In addition, it dispatches a number of employees to the operational companies overseas to acquire high-level asset management knowledge.

Daido Life

In order to nurture global talent through diverse experiences, Daido Life offers all employees the opportunity to build their careers as the Career Challenge System through internships at overseas companies and MBA studies overseas.

● Challenge Navi

Daido Life

Challenge Navi is Daido Life's in-house human resources development web-site. The past experience, strengths and special skills of employees are available through the website's My Profile function on a company-wide basis. In addition to offering a detailed picture of individual careers, this website has launched a system (D-Career) that enables employees to consult senior staff in other divisions regarding their jobs.

The company has also introduced a talent management system, which identifies the various strengths, characteristics and career consciousness of employees through individual interviews with all employees conducted by managers of the human resource department. This information is centrally aggregated and analyzed, and used in personnel assignments and training in order to provide opportunities where all employees can make the most of the individual capabilities.



● Awards

Daido Life

[Received the Grand Prize (Minister of Health, Labour and Welfare Award) at the 2017 Good Career Company Awards]

Daido Life received the award in recognition of its efforts to support employees' career formation; which include the visualization of individual careers through Challenge Navi as mentioned above, the scheme which enables employees to consult with senior staff in other divisions, and the detailed collection of various career information through individual interviews which is used in personnel assignment and training.

2-3 Promoting the Active Participation of the Elderly 103-2 103-3

The Group's three life insurance companies have introduced a reemployment system for employees who are reaching the mandatory retirement age. Also, in order to promote work style reform, we are working to give older people the opportunity to actively participate, and each Group company has introduced various systems according to its particular situation.

Also, Taiyo Life and Daido Life hold life planning seminars for employees before they reach the mandatory retirement age, to give them an opportunity to think about the way they want to work and live in the future.

Taiyo Life

In response to changes in lifestyles, on April 1, 2017, the company introduced a mandatory retirement age of 65 for administrative personnel, as well as a continuing employment system that allows persons to keep working up to the age of 70. At the same time, the company abolished the mandatory retirement at the age of 57 for managerial personnel. It also introduced a system that allows for the promotion of employees up to the age of 65 to the position of manager, subject to company approval. Through such efforts, the company is developing an environment where people can approach work with a competitive and high ambitious spirit regardless of age.

Daido Life

Effective April 1, 2017, the system was revised to employ all applicants up to a maximum age 65. To put in place a work environment in which employees can more easily achieve their life plans, Daido Life has introduced a Home Base system for personnel employed on a nationwide basis who are 55 or older that encourages assignment to positions at offices in the same location as their homes.

3. Diversity Promotion Initiatives

103-2

103-3

3-1 Employment of Persons with Disabilities

As of the end of March 2018, a total of 367 employees with disabilities, including 53 new recruits for fiscal 2017, worked at the three life insurance companies, which account for 2.42% of the total number of employees.

We have put in place several measures designed to create a comfortable workplace for employees with disabilities. As a pre-hire initiative, we encourage the attendance of a placement support worker at job interviews, so that job candidates can go through the screening process without worry. We also hold workplace tours for candidates to prevent assignment mismatches. After hiring, we strive to provide company-wide support, through measures such as preparing a comfortable working environment by introducing specialized computers and other equipment, and taking commuting routes into consideration. In addition, job coaches who specialize in support for employees with disabilities are dispatched to the company, and a placement support worker holds interviews together with the employee and his or her supervisor, and offers advice.

We will continue working to create a workplace environment that encourages and supports persons with disabilities in working comfortably, and to expand employment opportunities for persons with various disabilities.

● Employment of People with Disabilities at the Three Life Insurance Companies

	FY2015	FY2016	FY2017
Employment rate of people with disabilities (%)	2.27	2.22	2.42

Daido Life

In line with efforts to create a workplace where diverse human resources can play active roles, the company continues to prepare a safe and comfortable working environment for persons with disabilities. In addition to employing persons with disabilities at the head office and branches, in February 2018, the company established the ACT* administrative team which is composed of mentally and intellectually challenged employees.

Dedicated managers who have received advance training on basic knowledge regarding disabilities, as well as the necessary considerations and methods of guidance, are assigned to ACT, which is mainly responsible for data entry and other operations entrusted by other divisions. Before assuming their positions, these dedicated managers receive training on knowledge regarding various disabilities and methods of management and guidance, in order to ensure a comfortable working environment for employees with disabilities.

* ACT is both an acronym for Advance Challenged Team, and a reference to persons with disabilities acting, or taking part, in society.

3-2 Human Rights Education

412-2

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

Taiyo Life

With the aim of deepening an understanding of human rights issues and cultivating a spirit of respect for human rights, the company has created a Human Rights Education Program, which holds courses for all employees on the topic of human rights.

In fiscal 2017, the company held in-house study sessions for administrative personnel on various human rights issues, such as international human rights standards and harassment. Worksite study sessions for branch employees were conducted by outside instructors and branch office managers.

Training was also held for persons in management positions on the themes such as cultivation of a harassment-free workplace.



Daido Life

The company holds workplace training on human rights awareness twice per year for all employees, with the aim of enhancing awareness of human rights.

In fiscal 2017, training was held on the topics of Preventing Verbal Sexual Harassment and Comfortable Working Environments for Persons with Disabilities. Each worksite assembled to consider human rights in both the workplace and daily life, and engaged in a vigorous exchange of opinions.

In addition, in order to take measures against harassment, the company also held e-learning training, group training via tele-conference, and DVD training for all managers, branch sales managers, and newly appointed managers.

T&D Financial Life

The company holds human rights training to allow all employees to deepen their knowledge and understanding of human rights, and to proactively confront human rights issues. This training also seeks to assist each and every employee in maintaining mental health, and to cultivate a healthy, harassment-free workplace environment by providing employees with a better understanding of mental health and harassment (sexual harassment and power harassment).

In fiscal 2017, the company held human rights training for all employees on topics such as responding to LGBT issues in the workplace and harassment. Training on cultivating a harassment-free workplace environment was also conducted for all personnel promoted to management positions, as part of the training for newly appointed managers.

3-3 Initiatives to Support Active Participation of Women

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. With this in mind, the Group's three life insurance companies are working to revise their respective personnel and compensation systems, as well as introducing various support systems to enhance the work-life balance.

By fostering Group-wide collaboration to reduce total working hours and encourage male employees to take childcare leave, we are promoting the creation of workplace environments where everybody is motivated to play an active role.

To steadily advance these measures to promote the active participation of female employees, the Group's three life insurance companies formulated their action plans based on their respective business models.

Action Plan: Promote Active Roles for Women at 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.

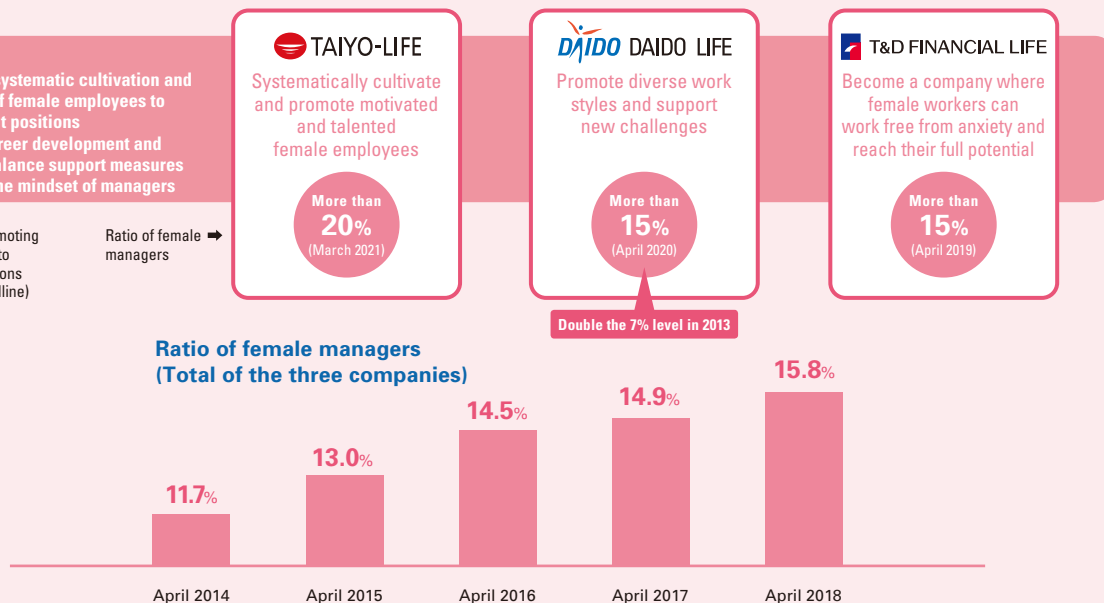
Action Plan

[[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

- **Appointment of A Female Director**

The company's first female executive officer appointed in April 2017 has been appointed as a director in June 2018.

- **Education for Managers**

Management training is conducted when employees are promoted to management positions, as well as regularly thereafter, so that managers will be able to smoothly carry out their duties.

- **Nurturing Candidates for Management Positions**

The company systematically nurtures potential management personnel by providing group training in management skills for outstanding mid-career employees across the country, regardless of job category or gender. Employees can also acquire a variety of work experience, through opportunities such as exchanges between Group companies.

- **Preparing an Environment to Enable Flexible Work Styles**

In June 2017, the company expanded its flextime system to include employees on short working hours. It is working to create an environment where employees whose time is limited by childcare or nursing care can choose more flexible work styles and develop their careers.

Daido Life

- **Expansion of Active Opportunities**

Daido Life strives to support career formation of female staff and to raise awareness among management, including the expansion of opportunities to promote active roles through challenging new roles or more important roles. Daido Life newly appointed a female executive officer in April 2018.

- **Career Challenge System and Training to Nurture Female Managers**

In addition to various training programs to nurture female managers, the company provides opportunities for growth by enabling employees to gain a wide range of business experience, beyond the work they have previously engaged. These include in-house internships that allow locally based employees who have few transfer opportunities to leave their workplace for short periods to try a different job, free-agent style applications for in-house jobs, and work assignments at outside companies.

- **The "Challenge Women's Workshop"**

Daido Life created a four-month workshop attended only by female employees. Under the guidance of an outside instructor, participants worked on boosting their business skills (logical thinking and communication abilities), then used those skills in group study and research into efforts to promote the active participation of women.

T&D Financial Life

- **Training to Support Women's Active Participation**

Group training is held regularly on topics such as Communicating with the People around You, Demonstrating Leadership, and Guiding and Nurturing Subordinates and Juniors, with the aim of allowing female employees to envision the type of leader they should become, and to acquire the skills necessary to do so.

[Ranked 8th in the Nikkei DUAL Survey of Companies that Facilitate Childcare by Working Couples in 2017]

Daido Life was ranked 8th out of 7,800 companies in the Survey of Companies that Facilitate Childcare by Working Couples in 2017 conducted by the Nikkei DUAL website, which provides useful information for working mothers and fathers. This high ranking recognizes the company's efforts to promote work-life balance, including various support systems such as a childcare leave system that exceeds legal requirements, introduction of a home-based work system, and encouragement to use paid leave.

3-4 LGBT-friendly

[Welcomed by the Group]

The T&D Life Group’s CSR Charter calls for “Respect for Human Rights,” and the Group is striving to develop a workplace environment where each employee can fully demonstrate their abilities. Regarding the LGBT community (a sexual minority) from the perspective of diversity, Group companies are advancing initiatives such as implementing training and establishing consultation desks. In addition, from December 2016 to January 2017, the Group held seminars regarding LGBT issues for executives, department general managers, and managerial staff. Approximately 1,700 people attended a lecture on the topic of LGBT compliance in companies by an outside lecturer, and attendees became more aware of the importance of engaging in LGBT initiatives as a company. In addition, working-level training sessions primarily targeting Group company human resources division managers and other human resources staff were held.

Daido Life

In April 2018, Daido Life began treating same-sex partners as spouses under the company’s leave and benefit program.

<Major Applicable Systems>

- Leave, short working hours • Recreation facilities • Family transfer system • Company housing/transfer allowance
- Daido Life Mutual Aid Fund (congratulations and condolence allowance system)

[Customer-oriented]

The T&D Life Group’s three life insurance companies have also started to allow policyholders to designate same-sex partners as beneficiaries of insurance benefits, just like for a spouse, by submitting documents showing that the two people are in a partnership, such as a partnership certificate issued by a local government.

Example of Daido Life

Daido Life is expanding the areas in which same-sex partners living together are accorded the same treatment as spouses, including procedures for new policies, payments, and policy changes.

Response	Date
Possible to designate as beneficiary for death benefits	November 2015
Possible to designate as registered family in the Family Registration Program	
Possible to sign on behalf of a partner for procedures such as new policies, payments when the partner is unable to do so for him/herself	December 2016
Possible to designate as a preregistered proxy	April 2018

4. Worker-friendly Work Environment

103-2

103-3

4-1 Work-Life Balance Initiatives

401-1

401-3

405-1

The T&D Life Group companies are strengthening various initiatives, including enhancement of childcare leave and other systems, as well as reduction of total working hours. Accordingly, employees can make full use of their skills and increase their performance at work, while fulfilling their responsibilities at home, such as housework, childcare, and nursing care. Furthermore, we believe that in order to promote the active participation of women, it is essential to create a workplace where women can continue working long term, while experiencing life events such as marriage and childbirth. As part of these efforts, the Group as a whole is striving to realize work-life balance by encouraging men to participate in childrearing, and the percentage of male employees taking childcare leave has reached 100% at Taiyo Life and Daido Life.

Taiyo Life

The company is continuing its efforts to reduce total working hours and encourage the use of paid leave. At the same time, it is making a flexible work system available. This allows employees to take half days for child care giving or nursing-care leave, and expands eligibility for the flextime system to include employees on short working hours. In addition, because the number of employees who face the necessity of taking nursing-care leave is expected to increase along with the progress of demographic aging, the company has developed a nursing-care support system which includes the care leave of up to 3 years that exceeds laws and ordinances.

Daido Life

Efforts are being made that are aimed at reducing working hours, such as "Challenge 19," (setting a target of 7 pm for leaving the office, with the implementation of automatic computer shut down). In addition, the company is promoting work styles that allow employees to balance their job and life at home, such as a campaign to slim down work. In 2017, the company received the Minister for Internal Affairs and Communications Award as one of the Top 100 Telework Pioneers for initiatives such as its home-based work system.

T&D Financial Life

The company continues to implement measures to reduce overtime work hours, such as introducing a short working hour system, encouraging use of the flextime system, establishing a "No Overtime Day" and a "Go Home Early Day," and automatically shutting down computers. Though these efforts, the company seeks to create a workplace where employees can achieve work-life balance, with the aim of fostering a corporate culture where employees feel job satisfaction.

● Acquisition of Maternity and Childcare Leave

	FY2014	FY2015	FY2016	FY2017
No. of employees taking maternity leave	234	290	328	333
Number of employees eligible to take childcare leave	410	432	462	455
Men	176	142	134	122
Women	234	290	328	333
No. of employees taking childcare leave	366	406	450	444
Men	153	140	133	121
Women	213	266	317	323

*The acquisition of maternity and childcare leave at the three life insurance companies.

*The number of administrative personnel at the three life insurance companies who have returned to work after taking childcare leave is as follows.

Fiscal 2014 220 (97.8%) (Men 143 (100%), Women 77 (93.9%))

Fiscal 2015 230 (97.5%) (Men 142 (99.3%), Women 88 (94.6%))

Fiscal 2016 221 (98.7%) (Men 129 (100%), Women 92 (96.8%))

Fiscal 2017 196 (98.0%) (Men 126 (100%), Women 70 (94.6%))

● Acquisition of Nursing-Care Leave

	FY2014	FY2015	FY2016	FY2017
No. of employees taking nursing care leave	6	8	12	20
Men	0	0	0	1
Women	6	8	12	19

● Number of Administrative Personnel Taking Paid Leave

	FY2014	FY2015	FY2016	FY2017
Average number of paid leave days taken	11.0	11.8	12.4	13.2

* Number of administrative personnel of the three life insurance companies taking paid leave

● Number of Employees Hired/Number of Employee Turnover

Number of administrative personnel hired /turnover	Number hired						Number Turnover						
	Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2015		Fiscal 2016		Fiscal 2017		
	Number of persons	Percentage compared to number of employees at fiscal year end	Number of persons	Percentage compared to number of employees at fiscal year end	Number of persons	Percentage compared to number of employees at fiscal year end	Number of persons	Turnover rate	Number of persons	Turnover rate	Number of persons	Turnover rate	
Total (men and women)	Total	234	4.10%	242	4.17%	242	4.22%	334	5.85%	371	6.40%	271	4.72%
	Under 30	170	2.98%	185	3.19%	186	3.24%	54	6.86%	69	9.73%	67	9.82%
	30-50	30	0.53%	22	0.38%	36	0.63%	116	3.10%	88	2.39%	72	2.01%
	Over 50	34	0.60%	35	0.60%	20	0.35%	164	13.96%	214	15.21%	132	8.97%
Men	Total	111	1.94%	119	2.05%	116	2.02%	194	5.88%	154	4.74%	125	3.88%
	Under 30	79	1.38%	83	1.43%	84	1.46%	20	5.46%	25	7.44%	20	6.08%
	30-50	6	0.11%	8	0.14%	17	0.30%	43	1.98%	40	1.89%	32	1.56%
Women	Total	123	2.15%	123	2.12%	126	2.20%	140	5.81%	217	8.52%	146	5.80%
	Under 30	91	1.59%	102	1.76%	102	1.78%	34	8.08%	44	11.80%	47	13.31%
	30-50	24	0.42%	14	0.24%	19	0.33%	73	4.63%	48	3.06%	40	2.60%
	Over 50	8	0.14%	7	0.12%	5	0.09%	33	8.01%	125	20.66%	59	9.41%

* The number of administrative personnel hired and leaving employment at the three life insurance companies. All percentages are based on the number of employees at the end of fiscal 2017.

* The number of persons leaving employment includes those who have reached mandatory retirement age, those who have left to assume posts as officers, and those who have died.

* Over 50 includes Fixed-term contract (shokutaku) employees.

* Customer service staff has been included in the number of administrative personnel since fiscal 2016, thus the total number hired has increased by 34 people.

● Measures to Support Raising the Next Generation

Since the enforcement of the Act on Advancement of Measures to Support Raising Next-Generation Children in April 2005, the Group has formulated a unified action plan every two years to enhance the childcare support system and promote work-life balance. Regarding support for the development of young people, the Group's three life insurance companies received certification as meeting the criteria of the Act on Advancement of Measures to Support Raising Next-Generation Children (Kurumin certification) for five consecutive biennial periods starting from the first period from April 1, 2005 to March 31, 2007. T&D Asset Management has obtained the Kurumin certification for two consecutive biennial periods starting from the fourth period from April 1, 2011 to March 31, 2013. Additionally, in April 2008, T&D Information System became the first company with 300 or fewer employees in the information services sector in Saitama Prefecture to acquire the same certification. The company received certification under the same initiative for four consecutive periods. Moreover, the Platinum Kurumin System was initiated on April 1, 2015. This certification is awarded only to Kurumin-certified companies that have satisfied certain requirements by undertaking even more advanced activities. All three of the Group's life insurance companies obtained the "Platinum Kurumin" mark in recognition of their proactive initiatives as enterprises that support child raising activities. T&D Information System also obtained the "Platinum Kurumin" in August 2018.

T&D Life Group companies have been certified as being companies that support the raising of children



● Workforce Composition

[Information Regarding Employees and Other Workers]

Category		Social insurance	Welfare system	Paid leave	Salary
Employment type/ contract					
Full-time, indefinite-term	Administrative personnel	○	○	○	Fixed
	In-house sales representatives	○	△	○	Fixed + proportionate
	Contract employees	○	△	○	Fixed
Full-time, fixed-term	Fixed-term contract	○	△	○	Fixed
Part-time, fixed-term	Part-time	○	△	○	Fixed

* Exceptions are marked with a △.

[Employee Composition by Age Group]

Number of employees		Number of employees		
		March 31, 2016	March 31, 2017	March 31, 2018
Total (men and women)	Total	18,409	18,543	18,394
	Under 30	2,214	2,322	2,442
	30-50	9,162	9,087	8,871
	Over 50	7,033	7,134	7,081
Men	Total	3,622	3,564	3,539
	Under 30	382	353	347
	30-50	2,272	2,209	2,146
	Over 50	968	1,002	1,046
Women	Total	14,787	14,979	14,855
	Under 30	1,832	1,969	2,095
	30-50	6,890	6,878	6,725
	Over 50	6,065	6,132	6,035

* Number of employees at the three life insurance companies (including in-house sales representatives)

[Officer Composition by Age Group] (as of July , 2018)

		Under 30	30-50	Over 50	Total
Men		0	3	68	71
	Outside officers	0	2	12	14
Women		0	0	4	4
	Outside officers	0	0	2	2

* Outside officers refers to outside Audit & Supervisory Board members and outside directors

* Number of officers including executive officers at T&D Holdings and the three life insurance companies

4-2 Initiatives Reflecting Employee Feedback

The Group's three life insurance companies conduct employee awareness surveys addressing issues like job satisfaction, working conditions and the personnel evaluation system, and have implemented various measures based on the survey results. We obtain views from employees as reference information for management, which include opinions about the current personnel system and its operation, as well as employee satisfaction, a critical element leading to greater customer satisfaction.

[Employee Awareness Surveys]

Daido Life

The company regularly conducts an employee awareness surveys to clarify conditions and problems regarding jobs, workplaces, supervisors, the company, and other matters, with the aim of utilizing the results in future human resources strategies for creating a positive cycle of improving employee satisfaction and enhancing corporate competitiveness.

This survey, which originally included only administrative personnel, was expanded in fiscal 2017 to include contract employees and re-employed personnel, with a view toward becoming a company where diverse human resources can play even more active roles.

4-3 CSR Questionnaires for Employees

T&D Holdings attaches importance to communication within the Group, and seeks to grow together with every employee, each of whom it sees as an important stakeholder, in the course of fulfilling the Group’s public mission and social responsibilities. Within the Group, the T&D Life Group’s CR Report serves as a mirror that reflects the Group’s situation. Therefore, the report is put to good use in improving our awareness about CSR. In addition, a questionnaire of Group executives and employees was conducted after they had read the report, with the aim of enhancing the Group’s CSR initiatives.

【Questionnaire respondents】

T&D Life Group corporate officers and employees

* Questionnaires are completed anonymously.

● About the Entire Report

《Commendable sections》

- ① Providing Better Products and Services.....39.0%
- ② Global Environmental Protection..... 15.7%
- ③ Respect for Human Rights.....9.7%
- ④ Organizational Profile9.4%
- ⑤ T&D Life Group CSR Philosophy..... 7.4%
- ⑥ Responsible Institutional Investor.....3.1%
- ⑦ Others 12.5%



《Comments and requests received》

The report was roughly the same as that of the previous year, in terms of comprehensibility and amount of information. Understanding of the Group’s CSR initiatives has improved further. Group executives and employees would like to see more complete reporting on matters such as overall Group management (business overview and future vision of Group companies), soundness of Group management (compliance, risk management), economic aspects (e.g., financial results, ratings, explanation of business strategies), and environmental initiatives (e.g., forest conservation, purchase of environmentally friendly products). We will consider enhancing content in these areas.

《How we responded to their opinions and requests》

To further enhance CSR awareness among corporate officers and employees, CR Report 2018 has been created to make the Group’s approach to CSR and its initiatives easier to understand, with key editorial policies including “present CSR in the report so that it feels like a more familiar, everyday activity” and “make the report easier to read.”

5. Health Promotion for Employees

103-2 | 103-3

5-1 Health and Productivity Management Initiatives (1)

T&D Life Group companies aim to realize workplaces where all employees can work enthusiastically with a sound mind and body under the principles of health and productivity management.

Taiyo Life and Daido Life were among the “White 500” organizations recognized under the Ministry of Economy, Trade and Industry’s Certified Health and Productivity Management Organization Recognition Program for the second consecutive year. This is established by the Ministry with the aim of disseminating Health and Productivity Management that encourages organizations to engage in initiatives to promote the health of their employees.

Taiyo Life

The company promotes Taiyo’s GENKI Project, an initiative aimed at energizing and promoting the health of employees, customers and society. This project provides various forms of support to encourage employees to be healthy, with the aim of preventing lifestyle diseases. In addition to conducting in-house anti-smoking campaigns, the company also cooperates with Kaminoyama City in Yamagata Prefecture to offer Kurort Health Walking and Smart Life Stay, accommodation packages that incorporate the government’s specified health guidance, through the Kaminoyama Onsen Kurort (health resorts) Program. The company’s health and productivity management initiatives have also included an increase in the subsidy for cancer screening since 2017, and MCI screening is performed along with regular health checkups to diagnose the risk of future dementia.

Daido Life

The company introduced the KENCO SUPPORT PROGRAM for executives and employees in an effort to promote employee health and improve health literacy. The program provides wearable devices that measure personal status during everyday activities, such as heart rate and number of steps taken, and organizes talks on the company-wide non-smoking policy and other health topics. The company is strengthening its existing efforts to reduce working hours, prevent disease, and promote mental health. In addition, by expanding these initiatives on a company-wide basis, under the title, "DAIDO KOKO-KARA," the company fosters a corporate culture as a company that practices health and productivity management.

T&D Financial Life

T&D Financial Life has implemented an in-house non-smoking policy and subsidizes the costs of engaging in sports through in-house club and other activities. The aim is to promote employee health. The company carries out a variety of initiatives to improve employee health, including subsidizing the cost of physical examinations for executives and employees aged 30 and over as a disease-prevention measure.

[Certified Health and Productivity Management Organization – White 500]

Both Taiyo Life and Daido Life were recognized, for a second consecutive year, as Certified Health and Productivity Management Organizations (White 500) in the large enterprise category under the Ministry of Economy, Trade and Industry's (METI) Certified Health and Productivity Management Organization Recognition Program, which METI established with the aim of honoring organizations that engage in initiatives to improve the health of their employees.

The two initiatives of "Taiyo's GENKI Project" at Taiyo Life and "DAIDO KOKO-KARA" at Daido Life are being carried out to improve the health of employees, and both aim to realize workplaces where all employees can be both physically and mentally healthy and work in a spirited manner.



5-2 Health and Productivity Management Initiatives (2)

● Initiatives by the Human Resources Department

The T&D Life Group has a clinic at its head office, and promotes the health of its employees through periodic health committee meetings at each branch office in collaboration with industry physicians and the labor union. The Group companies also take care of the mental health of their employees and, by contracting external physicians, provide a system for consultation and medical service that employees can utilize free from anxiety.

● Stress Check Program

All employees at T&D Life Group companies were invited to undergo a stress check as part of the program's goal of preventing mental health disorders. The Group encourages self-care among its employees, and has also put in place a system for employees under particularly high stress to receive in-person advice from a physician, and when necessary, to introduce such employees to specialists the Group has contracted with on a part-time basis. Each company also conducts group analysis, which is beneficial in improving the workplace environment.

● In-House Non-Smoking Initiatives

In the interests of strengthening measures to prevent second-hand smoke and promoting mental and physical health, in July 2018, the T&D Life Group implemented an in-house non-smoking policy (eliminating smoking areas on company premises and prohibiting smoking during work hours) at all Group companies.

● Health Insurance Association

The three life insurance companies have their own independent health insurance association, which work to prevent lifestyle diseases and otherwise promote the health of association members. In addition to covering medical costs, such as due to illness or injury in members and their dependents, the societies conduct campaigns to raise awareness regarding the use of health insurance, subsidize the cost of health check-ups including annual physical examinations, and promote cancer screening. Since fiscal 2008, the societies have also carried out specified medical check-ups and healthcare guidance aimed at preventing lifestyle diseases. In fiscal 2015, the health insurance societies began activities such as providing health guidance to insured members as part of their Data Health Plans. A Data Health Plan is an efficient and effective approach to health maintenance based on the PDCA cycle and analysis of data such as medical information (receipts for health insurance claims) and information about health examination results.

V Priority Areas (3) Global Environmental Protection

1. Basic Concept

103-2

103-3

1-1 Basic Concept

The T&D Life Group formulated the T&D Life Group Environmental Policy* to clarify the Group's stance on the environment and to publicize the policy among executives and employees and has promoted various activities to reduce our environmental impacts based on the policy. The T&D Life Group has announced that its policy is to carry out business activities with full awareness of the importance of environmental concerns and will give sufficient consideration to global environmental protection. In addition, based on the above environmental policy, the Group has set out its Green Purchasing Standards and Detailed Rules and gives priority to the purchase of products and services that help reduce its environmental impact in procuring a diverse group of goods ranging from office furniture, equipment and consumable supplies to real estate facilities and system equipment as well as in printing product brochures and policy documents.

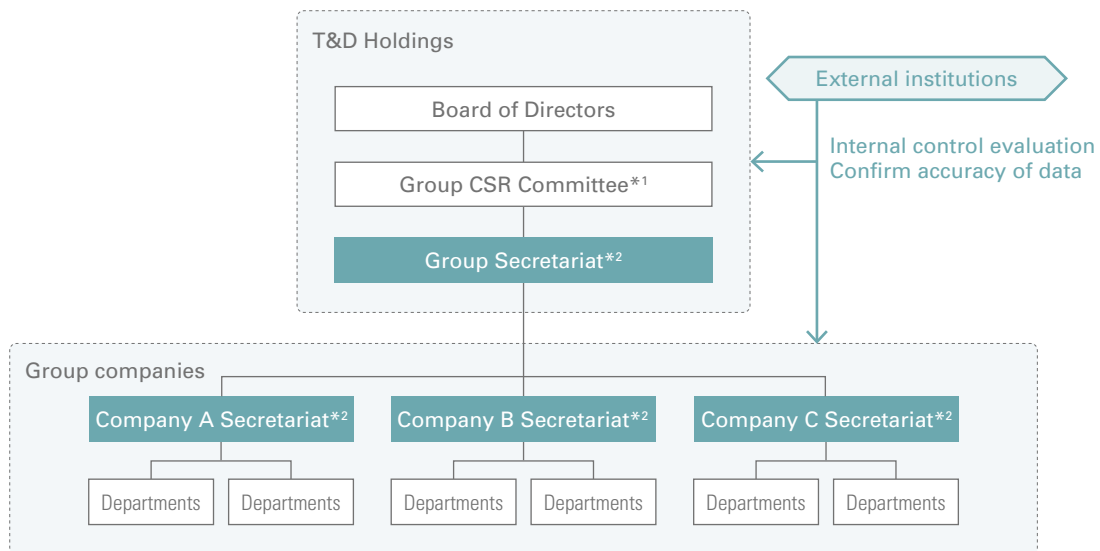
* The T&D Life Group Environmental Policy is available at <http://www.td-holdings.co.jp/en/csr/csr-policy/environment.html>

2. Promotion Framework

103-2

103-3

2-1 Promotion Framework (Environmental Management)



*1 The Group CSR Committee is chaired by the Representative Director and President, and vice-chaired by the Director and Senior Managing Executive Officer (Executive Officer in charge of CSR)

*2 Secretariat = Group CSR Committee Secretariat

3. Environmental Impact-reduction Initiatives

301-1

302-1

302-3

303-1

303-3

305-1

305-2

305-3

306-2

3-1 Environmental Initiatives

● Reduction of CO₂ Emissions

As more than 90% of the CO₂ emissions derive from electricity use at the T&D Life Group, we have set targets for electricity use and are taking actions to cut our energy consumption.

● Power-saving Efforts

Each year the T&D Life Group participates in a "Cool Biz" campaign from May to September (setting thermostats of air conditioners at 28°C) and a "Warm Biz" campaign from November to March (setting a room temperature at 20°C). In addition, as a power-saving measure to prevent global warming, the Group turns off or reduces the lighting in offices, meeting rooms, hallways and other areas when they are not in use.

● “Lights Down” Campaign

As an initiative to raise the environmental awareness of each of the Group’s executives and employees, the T&D Life Group has been conducting a campaign in which it calls for a simultaneous switch-off of all the lights in offices twice a year. In fiscal 2017, this initiative was conducted in July and December. This initiative is being implemented in support of the “Reduce CO₂: ‘Lights Down’ Campaign” initiated by the Ministry of the Environment to address for lit up facilities and individual homes to turn off lights in order to help combat global warming.

● Efforts for Achieving Group-wide Targets

The T&D Life Group has set Group-wide targets related to environmental protection, and is working to achieve these targets in the course of its daily business activities.

The Group’s three targets are to reduce electricity consumption, reduce office paper consumption and improve the green purchasing ratio.

《Electricity Consumption》 Targets and Results ▶ Page 54

In addition to the power-saving activities, we implement a multitude of measures to reduce electricity consumption. These efforts range from introducing a power demand monitoring system for controlling peaktime use in each building and setting a no over-time day, encouraging employees to put their computers into standby mode when they are away from their desk and turn off printers and multifunction machines when leaving offices.

《Office Paper Consumption》 Targets and Results ▶ Page 54

We are striving to reduce the paper consumption in offices by promoting paperless meetings, two-sided and 2-in-1 printing, test printing and confirmations before printing a large quantity and rigorously insisting on printing only after confirming printing settings.

《Green Purchasing Ratio》 Targets and Results ▶ Page 54

When procuring office supplies and stationery, we promote green purchasing by giving priority to products that are compliant with the Act on Promoting Green Purchasing and to Eco Mark products. In addition to establishing Green Purchasing Standards and working to prioritize purchasing of products that meet those standards, initiatives include setting up a system that requires approval when ordering office supplies online that are not environmentally compliant.

● Promotion of Paperless Operations

At the T&D Holdings headquarters in Nihombashi, Tokyo, the conference room has been fitted with OA equipment to allow paperless meetings of the Board of Directors and the Executive Committee. The Company is working to promote a shift to a paperless format for other meetings as well, by distributing mobile computers, installing wireless LANs, and providing displays on meeting room tables.

● Green Procurement Initiatives (Total Costs and Quantities of Procurement Intended for Environmental Protection)

In addition to green purchasing initiatives, which mainly target office supplies and other consumables, Green Procurement Standards that reduce environmental impact have been established for the printing of product brochures, policy documents and riders; procurement of lighting, air conditioning and other equipment for real estate; and for system equipment and office automation equipment. The Group gives priority to procurement of items that meet these standards. The results of these efforts to promote environmentally friendly procurement are not only collated in terms of amounts spent and quantities, but specific measures are also studied, shared among the Group companies and used to benefit environmental protection initiatives.

《Green Procurement Results》

	Portion known to apply/ not apply to standard, in figures				Portion for which applicability/ non-applicability is unknown		Total	
	Standard applicable		Standard non-applicable		Quantity or number of orders	Amount (million yen)	Total number	Total amount (million yen)
	Number	Amount (million yen)	Number	Amount (million yen)				
Printing of product brochures, riders								
FY2015	236	320	621	103	483	0.2	1,340	424
FY2016	220	242	542	94	490	0.4	1,252	336
FY2017	271	314	550	89	337	0.6	1,158	404
System equipment and office automation equipment								
FY2015	5,373	476	18,797	699	228	266	24,398	1,441
FY2016	4,623	345	16,354	359	13	10	20,990	714
FY2017	3,125	116	9,433	283	31	0.9	12,589	401
Real estate equipment								
FY2015	12	986	0	0	5,271	5,097	5,283	6,082
FY2016	29	1,696	0	0	4,500	4,419	4,529	6,115
FY2017	36	1,265	0	0	5,146	2,876	5,182	4,142

The total of T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, and T&D Asset Management.

3-2 Environmental Performance Data

The T&D Life Group discloses its measurements of CO₂ emissions, electricity consumption, water consumption, and waste generated and recycling rate. (The applicable scope and calculation methods of this data are described on page 55 in “3-4 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results.”)

● CO₂ Emissions

★ indicates limited verification has been carried out by a third party. (page 56 “3-5 Independent Assurance Report”)

	FY2014	FY2015	FY2016	FY2017★
Scope 1 (Direct emissions)	2,358 t	2,315 t	1,997 t	1,893 t
Scope 2 (Indirect emissions)	55,677 t	55,344 t	49,393 t*	48,453 t
Scope 3 (Others)	6,357 t	6,412 t	6,461 t	6,477 t
Category 3 (Fuel- and energy-related activities)	3,751 t	3,772 t	3,836 t	3,853 t
Category 5 (Waste generated by business activities)	82 t	82 t	49 t	56 t
Category 6 (Business trips)	2,524 t	2,558 t	2,576 t	2,568 t
Total	64,392 t	64,071 t	57,851 t*	56,823 t

Data coverage: fraction of Group employees included in the target employee set (98.05%)

* Taiyo Life Insurance Company, our directly owned subsidiary, changed its electric power provider and amended its CO₂ coefficient. Accordingly, the indirect emissions (Scope2) have been decreased to 6,138t in fiscal 2016.

● Electricity Consumption

★ indicates limited verification has been carried out by a third party. (page 56 “3-5 Independent Assurance Report”)

	FY2014	FY2015	FY2016	FY2017
Electricity consumption	95,866 MWh	96,348 MWh	97,705 MWh	96,486 MWh★
Total floor space (including portion for tenant use) (m ²)	867,125	845,490	875,271	878,751

Data coverage: fraction of Group employees included in the target employee set (98.05%)

● Water Consumption

★ indicates limited verification has been carried out by a third party. (page 56 “3-5 Independent Assurance Report”)

	FY2014	FY2015	FY2016	FY2017★
Water consumption (Utility + reclaimed water)	71,100 m ³	64,300 m ³	35,000 m ³	31,800 m ³
Reclaimed water usage rate	23.7%	18.2%	2.4%	2.5%

Data coverage: fraction of Group employees included in the target employee set (45.80%)

● Waste Generated & Recycling Rate

★ indicates limited verification has been carried out by a third party. (page 56 “3-5 Independent Assurance Report”)

① Paper waste	FY2014	FY2015	FY2016	FY2017★
Total amount	549 t	554 t	369 t	421 t
Recycling rate	78.2%	85.4%	79.0%	80.7%
② Non-paper waste	FY2014	FY2015	FY2016	FY2017★
Total amount	193 t	183 t	137 t	102 t
Recycling rate	66.7%	68.2%	70.9%	64.5%

Data coverage: fraction of Group employees included in the target employee set (45.80%)

3-3 Group-wide Targets and Results

The T&D Life Group has set Group-wide targets for electricity consumption, office paper consumption, and the green purchasing ratio, and is working to mitigate its environmental impact. (The applicable scope and calculation methods of this data are described on page 55 in “3-4 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results.”)

● Electricity Consumption

Baseline: FY2009 value (Electricity consumption per unit of floor space) (119 kWh/m²)

Target: Five-year average of FY2013 to FY2017 at least 10% below baseline value.

★ indicates limited verification has been carried out by a third party. (page 56 “3-5 Independent Assurance Report”)

	Baseline	FY2013	FY2014	FY2015	FY2016*	FY2017*	Progress made (Average value of FY2013–FY2017)
Electricity consumption	72,163,000 kWh	57,873,000 kWh	56,340,000 kWh	56,573,000 kWh	58,508,000 kWh	58,733,000 kWh★	57,605,000 kWh
Total floor space	606,000 m ²	583,000 m ²	578,000 m ²	605,000 m ²	589,000 m ²	610,000 m ²	593,000 m ²
Per unit of floor space	119 kWh/m ²	99 kWh/m ²	97 kWh/m ²	93 kWh/m ²	99 kWh/m ²	96 kWh/m ²	97 kWh/m ²
Compared to baseline	—	83.3%	81.9%	78.5%	83.4%	80.9%	81.6% (18.4% reduction from the baseline value)

The average floor space of the fiscal year shall be used in cases where the total floor space changes during the year.

* Some figures for the previous year adjusted to reflect additional values.

Data coverage: fraction of Group employees included in the target employee set (98.05%)

New target of electricity consumption (FY2018 to FY2027)

Baseline: FY2016 value (electricity consumption per unit of floor space)

Target: At least 10% below baseline value in FY2027

Coverage: Buildings rented or used by the Group companies. Tenant usage volume is included for the owned buildings and excluded for the rented buildings.

* The reduction target is based on the premise that the CO₂ reduction target (emissions coefficient) of the Federation of Electric Power Companies of Japan is achieved. It is equivalent to the reduction target (services/commercial buildings sectors) based on the scientific ground, combined with the relevant portion.

● Office Paper Consumption

Baseline: Five-year average from FY2009 to FY2013 (183.6 t)

Target: Cut five-year average from FY2014 to FY2018 by 9% compared to the baseline value.

★ indicates limited verification has been carried out by a third party. (page 56 “3-5 Independent Assurance Report”)

FY2013	FY2014	FY2015	FY2016	FY2017★	Progress made (Average value of FY2014–FY2017)
163.2 t	160.2 t	151.8 t	123.1 t	127.2 t	76.6% (23.4% reduction from the baseline value)

Total amount of office paper purchased.

Data coverage: fraction of Group employees included in the target employee set (85.75%)

● Green Purchasing Ratio

Target: Keep the green purchasing ratio for office stationery and supplies at a minimum of 80%.

FY2015	FY2016	FY2017
95.9%	96.0%	95.7% (Target exceeded by 15.9%)

Applies to purchases through online purchasing systems.

Data coverage: fraction of Group employees included in the target employee set (85.75%)

3–4 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results

● Scope of Environmental Performance Data and Group-wide Targets and Results

Category	Environmental performance data		Group-wide targets and results
	CO ₂ emissions Electricity consumption	Electricity consumption Green purchasing ratio	Office paper consumption
T&D Holdings	Each business site	Each business site	Each business site
Taiyo Life	Each business site + own building (tenant lease)	Each business site	Each business site (excluding sales offices and branch offices)
Daido Life	Each business site + own building (tenant lease)	Each business site*	Each business site (excluding sales offices and branch offices)
T&D Financial Life	Each business site	Each business site	Each business site
T&D Asset Management	Each business site	Each business site	Each business site
T&D Information Systems	Each business site	—	—

Each business site: Refers to the head office, administrative centers, branches and sales offices (including sites occupied as tenants).

* From fiscal 2015, scope for calculating electricity usage was expanded from each site in owned buildings to owned buildings and buildings occupied as tenants.

Category	Environmental performance data
	Water consumption/Waste generated & recycling rate
Tokyo Nihombashi Tower	Water consumption and waste generation by the T&D Life Group
Daido Life Osaka Head Office Building	Water consumption and waste generation by the T&D Life Group
Taiyo Life Urawa Building	Water consumption and waste generation by the T&D Life Group
Hamamatsucho Building	Water consumption and waste generation by the T&D Life Group
Mita Bellju Building	Water consumption and waste generation by the T&D Life Group

Note: The data for 2013–2015 includes the data for the Shiodome Shiba-Rikyu Building (formerly the head office).

● Calculation Methods of Environmental Performance Data and Group-wide Targets and Results

Disclosure item		Calculation method	
Environmental performance data			
CO ₂ emissions	Scope 1 (Direct emissions)	The figures were calculated by multiplying the measured energy input by the pre-determined coefficient in accordance with the Greenhouse Gas Emission Volume Calculation, Reporting, and Disclosing System. (The measured energy input comprises the measured gas, heavy oil, and kerosene.)	
	Scope 2 (Indirect emissions)	As above. (The measured energy input comprises the measured electric power, steam, and hot and cold water.)	
	Group-wide		Basic Guidelines Ver. 2.2 regarding the measurement of greenhouse gas emissions generated by the supply chain. They are measured on the basis of directives from the Ministry of the Environment and the Ministry of Economy, Trade and Industry.
		Category 3 (Fuel- and energy-related activities)	The figures were calculated by multiplying the measured input of electric power, steam, and hot and cold water by the predetermined coefficient.
		Category 5 (Waste generated by business activities)	Calculated by multiplying the waste generated by the predetermined coefficient.
	Category 6 (Business trips)	Calculated by multiplying the number of Group personnel at the end of the fiscal year by the predetermined coefficient.	
Total		The total emissions from the sum of Scope 1 (Direct emissions), Scope 2 (Indirect emissions), and Scope 3 (Others).	
Electricity consumption		The annual amount of office-use electricity purchased from each energy-supplying company is calculated in accordance with the law on the rationalization of energy consumption.	
Water consumption		The reportable item according to the environmental reporting guidelines of the Ministry of the Environment comprises the amount used on the invoices received from the water supply authorities.	
Waste generated & recycling rate	Group-wide	Measured based on the Waste Disposal & Public Cleansing Law and other laws concerned with waste disposal and cleaning.	
	Waste generated	Calculated according to the invoices received from waste disposal companies.	
	Recycling rate	The recycled amount is calculated according to the invoices received from waste disposal companies, and the recycling rate is calculated by dividing the recycled amount by the waste generated.	
Group-wide targets and results			
Electricity consumption		The calculation excludes the amount used by tenants of the Group's buildings, and is calculated using the annual amount of office-use electricity purchased in accordance with the relevant energy-saving laws.	
Office paper use		A reportable item according to the environmental reporting guidelines of the Ministry of the Environment, and is calculated from the purchasing system data.	

The T&D Life Group obtained third-party assurance from Ernst & Young ShinNihon LLC for fiscal 2017 data presented in section "3-2 Environmental Performance Data" on page 53 and section "3-3 Group-wide Targets and Results" on page 54 in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and 3410 (International Auditing and Assurance Standards Board).



Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

September 7, 2018

Independent Assurance Report

TO:
Mr. Hirohisa Uehara
Representative Director and President
T&D Holdings, Inc.

Kenji Sawami
Engagement Partner
Ernst & Young ShinNihon LLC Tokyo, Japan

We, Ernst & Young ShinNihon LLC, have been commissioned by T&D Holdings, Inc. (hereafter the "Company") and have carried out a limited assurance engagement on the Key Environmental Performance Indicators (hereafter the "Indicators") of the Company and its major subsidiaries for the year ended March 31, 2018 as included in the Environmental Performance Data and Group-wide Targets and Results of the Company's Corporate Responsibility Report 2018 (hereafter the "Report"). The scope of our assurance procedures was limited to the Indicators marked with the symbol "★" in the Report.

1. The Company's Responsibilities

The Company is responsible for preparing the Indicators in accordance with the Company's own criteria, that it determined with consideration of Japanese environmental regulations as presented in the Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results of the Report. Greenhouse gas (GHG) emissions are estimated using emissions factors, which are subject to scientific and estimation uncertainties, given different instruments for measuring GHG emissions may vary in characteristics, in terms of functions and assumed parameters.

2. Our Independence and Quality Control

We have met the independence requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants in January 2017, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior. In addition, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board in April 2009.

3. Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the *International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000") (Revised), issued by the International Auditing and Assurance Standards Board in December 2013, *Practical Guidelines for the Assurance of Sustainability Information*, revised in December 2014 by the Japanese Association of Assurance Organizations for Sustainability Information and, with respect of GHG emissions, *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board in June 2012. The procedures, which we have performed according to our professional judgment, include inquiries, document inspection, analytical procedures, reconciliation between source documents and Indicators in the Report, as well as the following:

- Making inquiries regarding the Company's own criteria that it determined with consideration of Japanese environmental regulations, and evaluating the appropriateness thereof;
- Inspecting relevant documents with regard to the design of the Company's internal controls related to the Indicators, and inquiring of personnel responsible thereof at the Company and one major subsidiary visited;
- Performing analytical procedures concerning the Indicators at the Company and one major subsidiary visited; and
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the Company and one major subsidiary visited.

The procedures performed in a limited assurance engagement are more limited in nature, timing and extent than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower than would have been obtained if we had performed a reasonable assurance engagement.

4. Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators included in the Report have not been measured and reported in accordance with the Company's own criteria that it determined with consideration of Japanese environmental regulations.

4. Forest Conservation Activities

4-1 Forest Conservation Activities Taiyo Life

● 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 its business operations. To restore forest resources and preserve greenery, Taiyo Life conducts afforestation projects. It has established “*Taiyo Seimei no Mori*” (the Forests of Taiyo Life) in Nasushiobara (Tochigi Prefecture) and Takashima (Shiga Prefecture). “*Taiyo Seimei no Mori*” (the Forests of Taiyo Life) was established in March 2006 in Nasushiobara as a project under the Forestry Agency’s “Corporate Forest” program. In cooperation with the Enna District Forest Office and others, we conducted forest improvement activities including forest thinning and the maintenance of walking trails in July and November 2017. In addition, in May, we invited members of the Japan Down Syndrome Society and their families to take part in a forest studies class experience (total number of participants for the year: approx. 168). Our second corporate forest “*Taiyo Seimei Kutsuki no Mori*” (Kutsuki Forest of Taiyo Life) was established in Takashima, Shiga Prefecture in November 2007. For this forest, we collaborated with the Asosatoyama Center, a local NPO, in conducting forest improvement activities, including the improvement of forest roads and the clearing out of fallen leaves in red pine forests, in September and December 2017. We also conducted Kurort Health Walking using the Kutsuki Forest course in September 2017, and hosted the “*Dongri Project*” (Acorn Project) in December 2017, whereby local elementary students grew broad-leaf seedlings from acorns and then planted them in the forest at the time of graduation (total number of participants for the year: approximately 230).



Name of Forest	“ <i>Taiyo Seimei no Mori</i> ” (the Forests of Taiyo Life) (Tochigi Prefecture)	“ <i>Taiyo Seimei Kutsuki no Mori</i> ” (Kutsuki Forest of Taiyo Life) (Shiga Prefecture)
Date of Establishment	March 2006	November 2007
Area	Approx. 4.8 ha	Approx. 12.7 ha
CO ₂ Absorption	19 t (Estimate by the Forestry Agency)	81 t (Estimate by Takashima City)

● Forest Conservation Initiative: Use of Timber from Forest Thinning

As an initiative for reducing waste of resources while promoting sustainable forest conservation, Taiyo Life is conducting the following activities to achieve the “use it wisely” component of the “plant it, raise it, harvest it, use it wisely” cycle for forests.

“Chopsticks Project” launched to promote the use of disposable chopsticks made from domestic timber derived from forest thinning and wood scraps

Our employees and executives made use of 470,185 pairs of chopsticks in aggregate from September 2006 to March 2018. To promote forest development by encouraging use of timber from forest thinning, Taiyo Life has created its own disposable chopsticks from Yoshino Japanese cedar derived from forest thinning. The chopsticks are distributed for a charge to those who request them, and efforts are made to use them at meals during internal meetings and so on.

Active Use of “3.9 Paper”*

Another initiative designed to promote use of timber from forest thinning is the use of “3.9 Paper” in paper wrappers for “Wood Thoughtfulness Chopsticks.”

* “3.9 Paper” is a project launched to promote the use of domestic timber from forest thinning. Under this project, the costs of the transportation of timber from the forest to the wood chip mill are borne by the users of the paper in printing.

5. Environmental Communications and Educational Activities

5-1 Environmental Communications and Educational Activities

T&D Holdings endorses the activities of the Japan UNEP Association which produces the Japanese edition of *OurPlanet*, published by the United Nations Environment Programme (UNEP). This publication is distributed to all companies in the T&D Life Group as well as to local elementary and junior and senior high schools, public libraries, and other parties to raise awareness of environmental issues.



1. Basic Concept

1-1 Basic Concept

As a Group engaged in the life insurance business with its highly public and social nature, the T&D Life Group implements a variety of initiatives for social activities and conserving the environment. In addition, the Group supports the volunteer activities of its employees and gets involved in social programs by partnering with the foundations. As a life insurance group, our ultimate aim is to achieve sustained growth in step with society in view of our commitment to fulfilling our public mission and meeting our social responsibilities. To that end, our efforts focus primarily on “improving health, medical care and welfare,” “developing a sound society” and “protecting the global environment.”

* The protection of the global environment is described in “VII. Priority Areas (3) Global Environmental Protection” on page 51.

2. Improving Health and Welfare (Health, Medical Care, Welfare, etc.)

2-1 Blood Drives

The T&D Life Group cooperates with blood drives hosted by the Japanese Red Cross Tokyo Metropolitan Blood Center. The head office divisions (Tokyo) of each company held biannual blood drives in the summer and the winter, and executives and employees are encouraged to donate blood. In fiscal 2017, a total of 326 people in the Group donated blood during the drive.



2-2 Friends of Taiyo Life Goodwill Circles

The Friends of Taiyo Life Goodwill Circles (“Friends”), which was established in December 2005 and is composed of executives and employees from Taiyo Life and its affiliates, has 8,342 members as of March 31, 2018. In order to support social contribution activities on a monthly basis, the members contribute from their take-home salary. At present, the Friends mainly provides supports for local community-based social contribution activities driven by branches nationwide and head office departments, environmental conservation activities in cooperation with NPOs and the like, and educational support. Details of the activities are posted in Taiyo Life’s in-house journal, through which the company is calling for broader participation by executives and employees in the activities.

《Major Activities in FY2017》

- Donated to and sponsored Japan Congress of Down Syndrome 2017 of the Japan Down syndrome Society
- Collected and donated plastic bottle caps, used postage stamps, and other items

2-3 Daido Life Employees’ Community Contribution Club

The Daido Life Employees’ Community Contribution Club, which was established in 1992 as an independent organization for corporate citizenship activities and is composed of Daido Life’s executives and employees, works to promote and support fund-raising activities and volunteer activities. In addition, since 1994, the club has been implementing the One-day Outing Volunteer Activity for the Physically Disabled. Under this program, employees take volunteer work leave to help people with physical disabilities, who are rarely able to go outside in everyday life, so that they can take part in an outing. The program offers participants opportunities to deepen their understanding of disabilities by directly interacting with disabled people while talking and dining together, assisting wheelchair users, providing walking assistance and so forth.

《Major Activities in FY2017》

- Fundraising and donations: Proceeds from donations from executives and employees and revenues from the charity calendar exhibitions were used as funds to make contributions to organizations that support social charitable activities and facilities for the disabled. These included facilities affected by the 2011 Great East Japan Earthquake and 2016 Kumamoto Earthquakes.
- Collection of used postage stamps and other items: The items collected from headquarters divisions, branches nationwide, and affiliates benefit international medical cooperation through donations to organizations that support social contribution activities. We have also cooperated with the Ecocap Movement that is involved in efforts to improve the global environment and vaccination programs for children around the world by providing funds from the collection of plastic bottle caps.
- Volunteering: We provided operational and other support for the One-day Outing Volunteer Activity for the Physically Disabled and for a music concert by persons with disabilities.



2-4 Supporting the Japan Down Syndrome Society Taiyo Life

Taiyo Life and the Friends of Taiyo Life Goodwill Circles ("Friends") support the Japan Down Syndrome Society.

《Main Activities》

- Support activities as a supporting member of the association
- Provide Taiyo Life conference rooms for use as venues for seminars held by the association and for meetings of its Board of Trustees and Board of Directors
- Participation of the corporate officers and employees of branches and head office departments as volunteers at association activities



2-5 The Daido Life Welfare Foundation

《Purpose of Establishment》

Daido Life established the foundation in 1974. The foundation aims to contribute to public health and welfare by providing grants to programs designed to address health problems arising from the deterioration of environmental living conditions, together with various issues associated with the sharp increase in the number of elderly people.

《Main Activities》

● Subsidies for Regional Health and Welfare Research and Volunteering

- Subsidy for regional health and welfare research: We subsidize research relating to community health, medical care, and welfare by public health and welfare professionals closely tied to local regions.
- Subsidy volunteer activities for seniors: We subsidize "volunteer activities for exchange that promote the welfare of seniors and persons with disabilities, and the sound psychological development of children" conducted by a group of volunteers aged 60 and older.
- Subsidy for volunteer activities by business people: We subsidize "volunteer activities for exchange that promote the welfare of seniors and persons with disabilities, and the sound psychological development of children." These activities are conducted by business people, who normally work in corporate or other settings, on their days off.



《Cumulative Grants from Establishment to FY2017》 3,844 grants; 1,623.57 million yen

● Publication of the "Environment and Health" Series Brochures

Published the "Environment and Health" series brochures, which contain articles written by experts in a compact and reader-friendly style on various issues of particularly high public interest in areas of the environment, health and welfare. Since its launch in 1975, 72 brochures have been published. To ensure that these brochures are accessible to many people publications in recent years were digitized and made public on the foundation's website.

● Home Care/Nursing Consultation and Workshop

A video mostly depicting scenes from the home care/nursing consultation and workshop is available as a DVD and can be borrowed free of charge.

2-6 The Taiyo Life Welfare Foundation

《Purpose of Establishment》

Established in 1984 to commemorate the 90th anniversary of the founding of Taiyo Life. This foundation works to improve social welfare in Japan by sponsoring the projects to enhance welfare of the elderly and the disabled.

* In December 2009, when the foundation was authorized as a public interest corporation, the name of the foundation was changed from Taiyo Life Himawari Foundation to the Taiyo Life Welfare Foundation.

《Main Activities》

- Project grants: Grants to the projects by volunteer groups and NPOs working to contribute to the welfare of the elderly, the disabled living at home, and those with dementia.
- Research grants: Grants for study and research regarding healthcare and medical care for the elderly and lifestyle diseases and welfare of the elderly.

《Cumulative Grants from Establishment to FY2017》 2,030 grants; 1,231.73 million yen

● Main Activities in FY2017

In fiscal 2017, aiming to fulfill its key founding objective of contributing to improved social welfare, the foundation continued offering grants to projects undertaken by volunteer groups working resolutely to enhance the welfare of local communities. The foundation also awards research grants to study and research programs seeking to improve the welfare of the elderly and so on. In fiscal 2017, a total of 80 grants (worth 22.90 million yen) were offered to 74 volunteer/NPO projects (20.00 million yen) and 6 study/research projects (2.90 million yen).

3. Developing a Sound Society (Education, Sports, Local Community Contribution, etc.)

3-1 Nationwide Clean Campaign Taiyo Life

Taiyo Life is active in cleanup efforts nationwide, an activity that contributes to the local community. We have cleaned up the areas around our headquarters each year since 1982. Since 2004, we have conducted cleanups around our branches nationwide as part of the "Nationwide Clean Campaign," from as far north as Hokkaido to as far south as Okinawa. In fiscal 2017, a total of 5,863 people (including employees' family members) participated nationwide. Employees are united in their commitment to contribute to society, conducting the cleanups as a way to thank our local communities for their long-standing support.



3-2 Sponsorship of the Japan Junior High School Rugby Football Tournament Taiyo Life

Since fiscal 2011, Taiyo Life has been a special sponsor of the Japan Junior High School Rugby Football Tournament (Taiyo Life Cup) hosted by the Japan Rugby Football Union (JRFU). Taiyo Life chose this sponsorship in sympathy with the basic spirit of Rugby, "all for one, one for all" which is common to the basic principal of life insurance. At the same time, Taiyo Life agrees with the objective of the tournament, which can be summarized as "helping young rugby players and other youth to develop the quality and skills necessary for shaping a sound society." Accordingly, we are extending our support for the sound development of young people through promoting junior high school rugby in cooperation with the JRFU.



3-3 Supporting Sports for People with Disabilities Daido Life

The first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in 1992, when Daido Life celebrated its 90th anniversary. Since then, Daido Life has been a special sponsor of the National Sports Festival for People with Disabilities every year. It is the largest sports event for people with disabilities in Japan, aiming at helping the disabled experience the joy of playing sports, raising public awareness about their lives, and promoting greater social participation. Every year, Daido Life sets up a company booth in the Fureai Hiroba (Get-Together Plaza), a venue for interacting with participating athletes. The executives and employees of Daido Life, Taiyo Life, and other affiliated organizations work as volunteers to support this event.



We have been official partners of the Japanese Para-Sports Association since January 2015 and of the Japan Para Archery Federation since January 2018. As a partner, we have worked to develop sports for persons with disabilities and to spread awareness.

* The National Sports Games for the Mentally Handicapped merged with the National Sports Games for the Physically Disabled in 2001, and has been held as the National Sports Festival for People with Disabilities since then.

3-4 Official Partner Agreement Concluded with Japan Deaf Football Association (JDFA) T&D Financial Life Insurance

T&D Financial Life Insurance signed an official partner agreement with the Japan Deaf Football Association on June 1, 2018.

As an official partner, T&D Financial Life will contribute to and support the development and spread of deaf soccer and futsal in the future. Specifically it will support the activities of JDFA, which include the development of the Japan national deaf soccer and futsal teams, and the promotion of sports for persons with disabilities.



3-5 Endowed Open Courses at Universities Daido Life

Daido Life As an expression of gratitude to its many supporters, Daido Life began annually endowing open courses at universities in fiscal 2002 as part of the company's centenary celebrations. These courses offer a lineup of topics that include a mixture of theory and practice, and provide managers of small- to medium-sized businesses with opportunities for acquiring knowledge and skills relevant to management and business. The courses have been very well received by those who have attended them, with over 13,000 people participating over the past 16 years. In fiscal 2017, courses were held at eight universities, including Japan Women's University, of which Asako Hirooka (a Meiji-era businesswoman who was one of the founders of Daido Life) was involved in the founding.



3-6 The Daido Life Foundation

《Purpose of Establishment》

The Daido Life Foundation was established in 1985 in celebration of the company's 80th anniversary. The objective of the foundation is to promote international mutual understanding through cultural exchanges with or grants to other countries, thereby contributing to the internationalization of Japan.

《Main Activities》

● Presentation of Daido Life Foundation Awards for Area Studies

To encourage area studies globally, the foundation gives Daido Life Foundation Awards for Area Studies and Daido Life Foundation Encouragement Awards for Area Studies to researchers who have achieved superior results in area studies. Daido Life Foundation Area Studies Special Awards are presented to individuals who have made a distinguished contribution to deepening international mutual understanding.

● Translation and Publication Activities

The foundation aims to help Japanese people deepen their understanding of the history, cultures and customs of other Asian countries and facilitate friendship between them. The foundation undertakes translation of literature published in the region; 70 contemporary Asian works including novels, poems, and essays from 12 countries have been translated into Japanese and donated to universities and public libraries across Japan. With a view to increasing readers of and interest in these works, the foundation has digitized these publications since fiscal 2012 and has made them available for free in an electronic format on their website. On the other side, Japanese literature and biographies of Japanese figures are translated into various Asian languages in a bid to help people in the region to develop a better understanding of Japan and its culture. A total of 42 Japanese works have been translated into local languages for publication in 8 countries and donated to local universities and libraries.



● Educational Support Activities

The foundation offers support to improve educational environments in Southeast Asian countries by sponsoring school construction projects (20 schools constructed in 5 countries) and donating books and school supplies in the hope to raise awareness of the importance of school-based education in local communities. In commendation of its efforts and contributions to education over the years, the foundation was conferred a Third Order of Labor Merit by the government of Laos in February 2013.

3-7 Hosting Internship Program Daido Life

Daido Life provides college students with internship opportunities in order for them to understand the life insurance business, both for general business operations and specialized operations such as actuary, asset management, and the payment of insurance claims. The students can practice working experience in the workplace related to their university major and career interest, and utilize the experience to design a specific career plan and consider their aptitude. Through the program, they will be motivated to work and deepen their understanding of the required knowledge and skills and a typical workplace environment.



3-8 Support for Areas Affected by Disasters

When a major disaster occurs, the T&D Life Group and its Group companies provide support that includes making contributions to disaster relief funds and cooperating with recovery work.

Shortly after the Great East Japan Earthquake, the Group promptly dispatched its executives and employees to the affected areas. There, they participated in volunteer activities such as removing rubble, bringing in relief goods, and rebuilding individual homes and temples/shrines.

In subsequent years, the Group has been continuing to provide a broad range of support, including making donations. We also donated contributions for the relief of victims of the torrential rains in July 2018.

3-9 Daido Life Survey Daido Life

From October 2015, Daido Life has been conducting the Daido Life Survey, a monthly survey for managers of small and medium enterprises (SMEs) nationwide. The survey aims to collect the direct opinions of the managers of SMEs on such matters as business confidence and management issues of SMEs, in order to help them by providing corporate management tips.

Daido Life strives to provide useful and timely information, including on topics in which all managers are highly interested, together with tips about corporate management. The survey takes advantage of its uniqueness of “monthly” implementation focusing on the small businesses that comprise most SMEs.



The collage features several overlapping pages from the survey reports. The most prominent page is the cover of the 'Small and Medium Enterprise Survey 'Daido Life Survey' Monthly Report - Heisei 30th 6th Month Survey -'. It includes the Daido Life logo and the company name 'DAIDO 大同生命保険株式会社'. Other pages show data tables, line graphs, and bar charts, along with text boxes containing survey results and analysis.

1-1 Signing of the Principles for Responsible Investment (PRI)

Carrying out responsible investment that helps to build a sustainable society is one of the most fundamental roles of the Group, the main business of which is the life insurance business. Daido Life, Taiyo Life, and T&D Asset Management have signed the Principles for Responsible Investment (PRI)*, which is supported by the United Nations.

Signatory of:



Taiyo Life Insurance Company

In order to further fulfill its social responsibility as an institutional investor, Taiyo Life determined that it was essential to exert its influence for the betterment of society and the global environment through investment and lending activities to a greater extent, and to contribute to the realization of a sustainable society.

In line with this thinking, in March 2007, Taiyo Life became the first Japanese life insurance company to sign the PRI.

Based on these principles, Taiyo Life gives due consideration to ESG issues, namely, environmental (E), social (S), and governance (G) issues, and promotes asset management to achieve a sustainable society.

Daido Life Insurance Company

Daido Life supports the objectives of the PRI and became a signatory institution to them in November 2016. The company has long carried out initiatives that contribute to solutions to social issues through business activities, and by promoting financing and investment that takes into account environmental, social and governance (ESG) issues in the area of asset management as well, it is contributing to the formation of a sustainable society.

T&D Asset Management Co., Ltd.

T&D Asset Management, to fulfill its responsibilities of being entrusted as an institutional investor that manages investments, endorses the concept of the PRI, and signed them in March 2012. In accordance with these principles, T&D Asset Management tackles ESG issues in a manner consistent with meeting the long-term interests of customers, fully grasping the status of investee companies. Accordingly, the company is also committed to pursuing the sustained growth of these companies, particularly through holding constructive dialogues with them and through the exercise of voting rights, with the aim of increasing the medium- and long-term investment returns on the funds entrusted to it by customers.

The status of each Group company's PRI initiatives is reported in PRI Transparency Report.

WEB <https://www.unpri.org/signatories/transparency-reports-2018/3350.article>

* 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. A commitment to these principles has been signed by over 1,700 financial institutions worldwide, and by 62 in Japan (as of July 2018).

[Principles for Responsible Investment (PRI) Initiatives]

Example from Taiyo Life

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes

Taking ESG issues into consideration for investing and financing decisions, including stocks, bonds, and other securities, as well as real estate and lending

When investing and financing, including bonds and other securities, real estate, and lending, we incorporate corporate assessments related to ESG into our conventional investment and financing decisions. In this manner, we strive to improve the long-term outcomes of our investments, while at the same time fulfilling our mission based on the Principles for Responsible Investment (PRI).

- **We reflect the PRI approach in our stance on asset management**

Taking ESG issues into account is one of Taiyo Life's stances on asset management, as is clearly stated in our rules for asset management.

<Our Stance on Asset Management>

1. Under the principle of self-responsibility in management, we will strive to enhance and strengthen such organizations as our internal control organization by utilizing the function of mutual checks, our risk management organization based on the financial environment, etc., and our asset management organization.
2. Based on the nature of the life insurance industry, we aim to promote the interests of policyholders and others, taking social and public aspects into greater account. Such aspects include strictly refraining from speculative trading, as well as unsound investments and loans.
3. When making investment and financing decisions, we also account for the impact of our actions on domestic and international financial and capital markets. In addition, when investing or financing overseas, we take the local financial and economic impacts into account, as well.

4. We also strive to instruct our subsidiaries and other entities with special relationships specified by the Cabinet Office Ordinance (“subsidiaries and others”) to take social and public aspects into account in their asset management actions.
5. We strive to contribute to the continuous development of society and the financial markets, taking into account issues regarding the environment, social responsibility, and corporate governance.
6. As a responsible institutional investor, we strive to properly fulfill our duty of stewardship, through means such as constructive dialogue with investment targets.

We also make the following responses from the standpoint of ESG.

When selecting loan recipients, we refrain from financing companies that violate laws, regulations, public order, or social mores, as well as industries with concerns regarding social aspects.

In real estate transactions, we prohibit transactions that raise concerns regarding the destruction of nature or unrestrained land development, and prohibit leasing to entities that violate laws, regulations, public order, or social mores.

We follow ordinances for the elimination of organized crime when making loans or creating tenant agreements for real estate.

We include language regarding the PRI in private equity investment agreements.

Principle 2: We will responsibly fulfill our role as active shareholders

Incorporating the Principles into our standards for exercising voting rights

We clearly state our approach to PRI in our standards for exercising voting rights by signing the PRI.

In this manner, we exercise voting rights based on social and public aspects, as well as our fiduciary responsibility to our customers, shareholders, and other stakeholders. In addition, we take the ESG perspective into greater account when exercising voting rights. In this process, we establish internal decision-making processes and a system for reporting to management, and disclose the status of exercising voting rights on the Company website.

Principle 3: We will seek adequate disclosure regarding ESG issues by the entities in which we invest

Adequate disclosure of ESG issues

We strive to practice regular constructive purposeful dialogue (engagement) with our investment targets. In this regard, we also work to promote an understanding of our response to ESG issues, from the perspective of contributing to the realization of a sustainable society. At the same time, we seek adequate disclosure, while confirming the response to ESG issues by these companies.

Principle 4: We will promote acceptance and implementation of the Principles within the asset management industry

Explanation of PRI activities to corporate pension plan and other contract partners

Taiyo Life includes information regarding PRI activities in its disclosure materials regarding corporate pension plans. In addition, as necessary, we explain details regarding our statement of accounts, asset management policy, PRI activity status, and the like to corporate pension plan and other contract partners.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles

Information exchange and collaboration with PRI signatory institutions

We regularly participate in meetings with PRI signatory institutions and related entities, in order to improve acceptance and implementation of the PRI, and promote our PRI activities more effectively and concretely. We also share best practices and global trends regarding the responsibility to take ESG issues into account in the investment and financing decision-making process. Furthermore, we discuss specific measures to promote the acceptance and implementation of the PRI, while taking into consideration circumstances unique to Japan.

Principle 6: We will report on our activities and progress towards implementation of the Principles

Reporting on the status of our PRI activities on our website and elsewhere

We internally and externally disclose details regarding our PRI initiatives, including the history of our signing, on our website, in our disclosure materials, and elsewhere. In terms of the PRI framework, we also report on the status of our PRI activities for the fiscal year to the PRI Secretariat. This report includes the status regarding building an organization for PRI activities, as well as incorporating ESG standards in the investment stage.

Promoting an understanding of the PRI internally

Practicing asset management based on the PRI approach requires that everyone involved in asset management understand this approach. Accordingly, we use e-learning and other means to actively learn about the PRI approach, global trends, and the like.

1–2 Examples of ESG Investment

Taiyo Life, Daido Life, and T&D Asset Management practice the following types of ESG investment.

- **Investment in and finance of renewable energy projects and energy efficiency projects**

We invest in Green Bonds, which financially support various projects by local governments and incorporated administrative agencies. These projects include working on “Creating Smart Energy Cities” and “Adapting to the Effects of Climate Change,” and promoting the convenience of urban rail, which is expected to be effective in improving the environment, including reducing CO₂ emissions. We also contribute to the promotion of measures against global warming, by investing in funds for projects working to create solar power generation, which provides clean energy.

- **Finance of the “Seawater Desalination Project,” which can contribute to the resolution of water shortages in Australia**

We financed a seawater desalination project aimed at supplying drinking water in a public-private initiative by a state government in Australia. This financing is an initiative to contribute to the creation of social infrastructure in a region suffering from water shortages.

- **Investment in “EYE Bonds,” which contribute to education, youth support, and employment support in Latin American and Caribbean countries**

“EYE (Education, Youth, and Employment) Bonds” are issued with the objective of raising capital to supplement projects by the Inter-American Development Bank’s EYE Bond program. Through investment in EYE Bonds, we are helping to realize a sustainable society through support for education, youth protection, and employment in the region.

- **Investment in “Social Bonds” which contribute to supporting infrastructure development and job creation, etc. in developing regions**

We invested in “Social Bonds” issued by JICA, a government agency that provides Official Development Assistance (ODA) such as funding for economic and social development in developing regions. The financing is used in projects such as infrastructure creation, job creation support, and the like, mainly in developing regions.

- **Investment in the “Fund Supporting Good Health,” “Japan Healthy Society Support Fund,” and “Healthy Society Contribution Fund,” which support projects that contribute to the promotion of human health**

We invested in the Fund Supporting Good Health and the Japan Healthy Society Support Fund, with the aim of responding to the social issue of extending healthy life span. The former is for listed corporations in Japan that conduct businesses such as pharmaceuticals, healthcare, sports clubs, and health foods that contribute to the promotion of human health, while the latter supports projects that contribute to the promotion of human health.

- **Investment in companies that contribute to the creation of a sustainable society**

Taiyo Life and Daido Life invest in the “T&D Japan Equities ESG Research Fund.” The fund selectively invests in companies with an outstanding ESG (Environmental, Social, and Governance) performance, through stock selection based on ESG research. T&D Asset Management established and manages the fund (management began in July 2015).

1–3 The Principles for Responsible Institutional Investors (Japan’s Stewardship Code)

Three of the Group’s companies, Taiyo Life, Daido Life, and T&D Asset Management endorsed and expressed their commitment to the Principles for Responsible Institutional Investors (Japan’s Stewardship Code) in May 2014.

Details regarding the policies of each company with respect to the Principles, policy on exercising voting rights, status of exercising voting rights, and self-evaluations are published on the companies’ respective websites (Japanese).

Taiyo Life Insurance Company	https://www.taiyo-seimei.co.jp/company/activity/ssc.html
Daido Life Insurance Company	https://www.daido-life.co.jp/company/csr/investor/ssc/
T&D Asset Management Co., Ltd.	http://www.tdasset.co.jp/company/principles/stewardship/

* Since T&D Financial Life does not directly invest in listed stocks, and is not planning to do so in the future, it is not expressing support for the Stewardship Code.

● Policy on Exercising Voting Rights

Taiyo Life, Daido Life

Taiyo Life and Daido Life strive to make voting decisions based not only on formal determination criteria such as financial information, but also on non-financial information such as ESG. They also promote the sustainable growth of investment targets by practicing regular constructive purposeful dialogue (engagement). Based on this fundamental approach, they exercise their voting rights rigorously, in accordance with criteria established to ensure that voting rights are exercised properly. These criteria are revised continuously in accordance with the economic environment and social conditions. In accordance with the revisions to Japan's Stewardship Code on May 29, 2017, we created an in-house committee on exercising voting rights in June 2017. As of April 2018, the committee also includes outside members. Through these initiatives, we are strengthening our governance and conflict of interest management structures relating to stewardship activities as a whole, including the exercise of voting rights.

《Main Focal Points for Carefully Examining Proposals, Engaging in Dialogues and Making Voting Decisions》

- ▶ Has the investee company decided to pay no dividends despite having ample funds for dividend payments? Is the dividend payout ratio extremely low (or high)?
- ▶ Does the investee company face problems in connection with any activities against public order and common decency (willful tax evasion, collusion, bribery, etc.) and/or antisocial activities such as environmental destruction (actions deemed questionable in light of ESG problems)?
- ▶ From the standpoint of requesting investee companies to ensure corporate governance is functioning effectively in management, does the investee company present problems in terms of any of the following:
 - Level of ROE
 - Number and independence of outside directors
 - Attendance rate of corporate officers at meetings of the Board of Directors and the Audit & Supervisory Board
 - Length of service of Audit & Supervisory Board members
 - Eligible recipients of retirement benefit payments
 - Eligible recipients of stock options

T&D Asset Management

T&D Asset Management believes that exercising voting rights is an effective means for shareholders to increase the corporate value of investee companies by giving the shareholders a say in corporate governance, which has a pivotal impact on corporate management. Based on this belief, T&D Asset Management has clearly codified guidelines in its internal rules for expressing its voting intentions on proposals put forward to the Ordinary Shareholders' Meeting. This is to fulfill the company's fiduciary responsibility as an asset management institution. Moreover, T&D Asset Management carefully examines all proposals put forward based on the Guidelines for Exercising Voting Rights.

《Main Approaches to Individual Proposals》

[Selection of Directors and Audit & Supervisory Board Members] As a rule, the re-appointment of members of the Board of Directors or Audit & Supervisory Board shall be opposed if it is determined that there are concerns regarding adverse effects on share value, due to factors such as poor performance over the past several terms, including the present term, or illegal corporate activities.

As a rule, outside directors or Audit & Supervisory Board members shall be opposed in cases in which their independence in the exercise of the expected management oversight functions cannot be ensured. If it is determined that the organization does not enable outside directors to fulfill their roles fully, then the re-appointment of the representative director shall be determined separately.

[Compensation of Directors and the Audit & Supervisory Board Members/Retirement Benefits] Although we are generally in favor of introducing a performance-linked compensation system, issues regarding the manner of determining the amount of compensation shall be determined separately. The payment of retirement benefits without an explicit process for determining the amount and performance-linked compensation/retirement benefit payments of outside directors shall be determined separately.

[Stock Options] We are generally in favor, if they provide long-term incentives and contribute to an increase of corporate value.

[Capital Policies] Dividends shall be determined separately in cases where they are significantly out of balance with corporate revenues, or if the dividend payout ratio is below a specific threshold.

[Anti-takeover Measures] As a rule, we oppose anti-takeover measures.

● Status of Exercising Voting Rights (Including Status of Dialogues)

Taiyo Life, Daido Life

Taiyo Life and Daido Life exercised their voting rights on proposals at Shareholders' Meetings held between July 2017 and June 2018. Such exercise was conducted after holding dialogues with investment targets as necessary, in accordance with the criteria for determining the exercise of voting rights.

《Status of Dialogue》

Taiyo Life and Daido Life emphasize dialogue with investee companies. Through proactive dialogue with investee companies, Taiyo Life and Daido Life work to verify the circumstances faced by management and share an awareness of issues while continuously taking steps to help increase shareholder value.

▶ Examples of companies with whom Taiyo Life and Daido Life engaged in dialogue

- Companies whose ROE fell below a certain threshold
- Companies issuing dividends despite having reported a net loss
- Companies not paying dividends despite having adequate resources
- Companies with substantial doubts regarding the independence of candidates for independent outside director
- Companies that proposed the introduction/continuance of anti-takeover measures
- Companies whose audit & supervisory board members to be re-appointed had served long terms
- Companies paying retirement benefits for directors and audit & supervisory board members without disclosing individual amounts
- Companies paying incentive compensation to outside directors and Audit & Supervisory Board members who should be monitoring the status of management
- Companies that have been involved in misconduct or other such incidents

《Status of Exercising Voting Rights》

Taiyo Life and Daido Life reject proposals in cases where problems are not rectified despite constructive dialogue, cases where shareholder value is highly likely to be impaired and in certain other circumstances.

The results of voting rights of shares listed on domestic markets exercised at general meetings of shareholders held by domestically listed companies between July 2017 and June 2018 are as follows.

Type	Taiyo Life					Daido Life				
	Approve	Reject	Abstain	Carte blanche	Total agenda items	Approve	Reject	Abstain	Carte blanche	Total agenda items
Company proposals	214	4	5	—	223	344	7	2	—	353
Surplus appropriation	49	—	1	—	50	83	1	—	—	84
Director appointment*1	68	1	1	—	70	96	2	1	—	99
Corporate auditor appointment*1	48	—	1	—	49	80	1	—	—	81
Partial change to Articles of Incorporation	17	1	—	—	18	23	—	—	—	23
Payment of retirement bonus	2	—	1	—	3	8	—	—	—	8
Change to officer compensation	16	1	—	—	17	14	—	—	—	14
Issue of stock acquisition rights	4	1	—	—	5	16	2	—	—	18
Appointment of accounting auditors	1	—	—	—	1	1	—	—	—	1
Reconstruction related*2	1	—	—	—	1	—	—	—	—	—
Other company proposals*3	8	—	1	—	9	23	1	1	—	25
Of which, antitakeover measures	—	—	—	—	—	2	1	—	—	3
Shareholder proposals	—	8	—	—	8	—	29	—	—	29
Total	214	12	5	—	231	344	36	2	—	382

*1 Regarding appointments of multiple candidates, if even one candidate was voted against, it is counted as "Reject."

*2 Includes mergers, business transfers, share exchanges, stock transfers, and company splits.

*3 Includes share buybacks, decrease in legal reserve, increase through third-party allotment, decrease in capital, reverse stock split, officer bonuses, antitakeover measures, and income statement approval.

● Self-evaluation

Between July 2017 and June 2018, Taiyo Life and Daido Life performed self-evaluations of the status of implementation of each of the Principles in this code. The evaluations of both companies determined that activities were carried out steadily, in accordance with the policies on the Principles.

T&D Asset Management

《Status of Dialogues》

T&D Asset Management uses opportunities such as individual and small meetings with companies to hold constructive dialogues that promote sustainable growth from such perspectives as business strategy, capital efficiency, shareholder return, and ESG. In the period between July 2017 and June 2018, meetings were held with 324 companies. Examples of the resulting dialogues are presented below.

- ① It encouraged an operating company that had continuously run deficits in its overseas businesses to provide concrete explanations to its investors regarding its future vision for its overseas businesses and its investment plan. This fiscal year, the company announced numerical targets for its overseas businesses, coinciding with the release of its new medium-term management plan. However, because the investment amount and strategy necessary to achieve the targets were unclear, T&D Asset Management plans to continue dialogue on this matter.
- ② It held dialogues regarding medium- to long-term capital policies with an operating company with chronically low ROE due to large internal reserves, despite maintaining a high operating profit margin. The company responded that although there was the possibility that it could make a major capital expenditure in the future, in its next medium-term management plan, it intended to disclose a capital policy that takes into account the adequacy of the level of cash on hand. T&D Asset Management plans to continue its dialogue with the aim of increasing ROE.
- ③ It proposed to an operating company that it incorporate ESG-related indicators other than performance into its KPIs, with regard to standards for calculating executive compensation. The company responded that it was working to visualize the results of ESG-related initiatives, and would actively study the use of such indicators as KPIs in its standards for determining compensation, going forward.

《Status of Exercising Voting Rights》

T&D Asset Management has created an internal Voting Rights Exercising Committee to review matters regarding the exercise of voting rights and to make decisions on necessary matters. The committee is chaired by the Chief Investment Officer, and its membership consists of members in charge of the Investment Management Department and the Legal & Compliance Department. The committee convenes as needed. The chairman determines guidelines for exercising voting rights after discussions by the committee members. A representative from the committee secretariat draws up proposals for exercising voting rights based on these guidelines, and the person in charge of investment makes the final determination.

Under these procedures, T&D Asset Management voted against 902 proposals submitted by the companies (11.3% of the total) between July 2017 and June 2018. In addition, examples of the status of exercising voting rights are provided below.

- ① In proposals for the selection of directors, it opposed the re-appointment of a representative director if it determined that the stock value was continuously harmed from the perspective of performance or capital efficiency, and future improvement could not be expected.
- ② In proposals for selection of outside directors or outside audit & supervisory board members, it opposed candidates for whom it determined that independence could not be ensured. As a specific example, it opposed candidates from major shareholders and major business partners.
- ③ It generally opposed proposals relating to the continuation or introduction of anti-takeover measures.

1. Corporate Governance

1-1 Basic Concept of Corporate Governance

The basic concept of corporate governance at the T&D Life Group is to pursue an efficient and transparent business management structure capable of implementing flexible and united Group management. Based on this concept, T&D Holdings determines the Group's business strategies, adequately allocates management resources and sets capital policies. In addition, T&D Holdings properly identifies the business risks of its five direct subsidiaries centered on the three life insurance companies of Taiyo Life, Daido Life, and T&D Financial Life, together with T&D Asset Management and Pet and Family Small-amount Short-term Insurance, to create a system for supervising Group management by thoroughly managing revenues and risks for the entire Group. Meanwhile, the subsidiaries, which have their own business strategies, develop marketing strategies leveraging their strengths and conduct business operations autonomously, thereby increasing the Group's corporate value. In this way, the Group is committed to management that clarifies the respective roles and responsibilities of T&D Holdings and its direct subsidiaries.

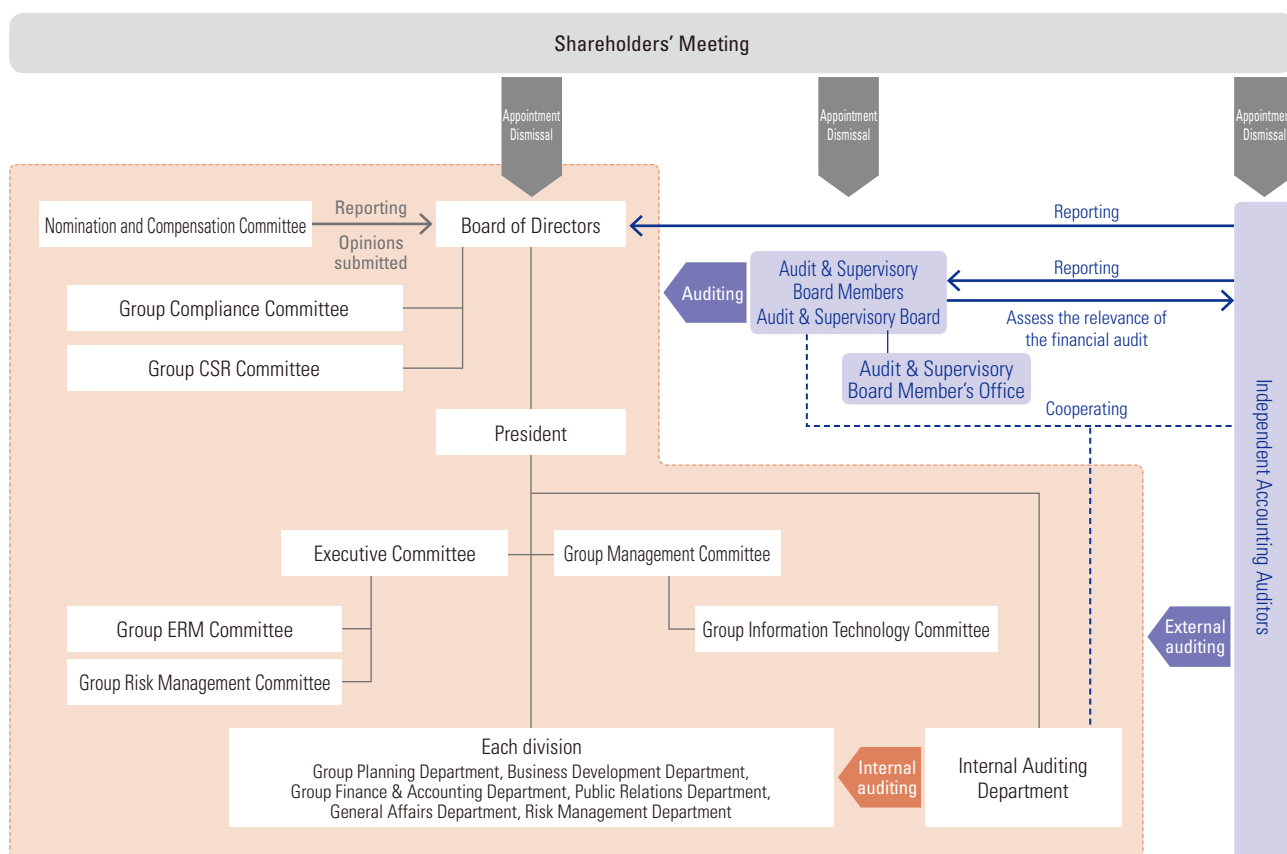
For details about corporate governance, please refer to the Report Regarding Corporate Governance that T&D Holdings submitted to the Tokyo Stock Exchange. (Japanese)

WEB <http://www.td-holdings.co.jp/en/company/governance/>

1-2 Outline of Corporate Governance Framework

T&D Holdings shall make decisions on important business matters and oversee the execution of business through its Board of Directors. The Company is a "Company with Board of Auditors." Accordingly, the Company shall audit the performance of directors' duties through its Audit & Supervisory Board and Audit & Supervisory Board members, which are independent of the Board of Directors. In addition, a system of executive officers has been instituted to further strengthen business execution, and by clarifying oversight and execution responsibilities, the governance function of the Board of Directors is reinforced. Furthermore, the Company has established a Nomination and Compensation Committee as an advisory body to the Board of Directors. The Committee discusses the fairness and validness of the appointment and compensation of directors and Audit & Supervisory Board members, among other related issues, ensures the transparency of management, and enhances accountability.

● Corporate Governance Framework (April 2018)



1–3 Corporate Governance Framework

● Shareholders' Meeting

The Shareholders' Meeting is the highest decision-making entity of T&D Holdings. At the meeting, reports are made on the Group's business and consolidated/non-consolidated financial statements for the fiscal year. Resolutions are made on important issues, which are stipulated in laws and ordinances and the Articles of Incorporation, such as the appropriation of retained earnings and election of officers. The Ordinary Shareholders' Meeting is held in June once in every year.

● Board of Directors

Roles and Responsibilities

The Board of Directors of T&D Holdings shall make decisions on important business matters and oversee the execution of business in accordance with laws and ordinances, the Articles of Incorporation, and the Company's relevant rules.

The Company's Board of Directors has entrusted all authority related to the execution of business, other than matters stipulated in the preceding paragraph, to the representative director and president. Furthermore, the representative director and president delegates authority related to the execution of business to executive officers in charge of business operations for the purpose of separating oversight functions and business execution functions. This framework is designed to facilitate decision-making for business execution matters.

Composition

The number of directors shall be no more than 12, as stipulated by the Articles of Incorporation. The Board of Directors shall be made up of individuals representing a balance of knowledge, experience, and skills. They shall have diverse backgrounds as befitting the expansive range of business domains in the life insurance business, which is the core business of the T&D Life Group. The Company shall appoint two or more directors who concurrently serve at the Company and its directly owned subsidiaries, including the presidents of the three life insurance companies. This shall be done from the standpoint of facilitating adequate communication and prompt decision-making within the Group, along with bolstering Group-wide governance.

Furthermore, the Company shall appoint three outside directors with extensive experience and knowledge in their capacity as outside corporate managers, legal experts, and so forth. The opinions of outside directors are properly reflected to the Group's management policies and development of internal controls and other systems as well as to the oversight of the execution of business. Outside directors shall be designated as independent officers having no conflicts of interest with general shareholders, and who fulfill the standards of independence set by the Company and the Tokyo Stock Exchange.

The board met 21 times in fiscal 2017.

Chairperson of the Board of Directors	President
Directors	12
Men	11
Women	1
Outside directors	3 (including one woman)
Activities of outside directors (Fiscal 2017)	<p>Outside directors make necessary statements as appropriate based on their global perspectives and advanced knowledge in the Board of Directors meetings. Outside directors comprise a group of corporate managers with experience in corporate management, as well as expertise cultivated as university professors with experience in corporate legal departments, expertise as attorneys, or experience as partners in foreign-owned consulting firms.</p> <p>Additionally, as the chair or members of the Nomination and Compensation Committee, which is an advisory body to the Board of Directors, they present valuable views relating to the selection of the Representative Director and President, and the selection and compensation of directors and Audit & Supervisory Board members of the Company and our main subsidiaries.</p> <p>Activities also include regular exchanges of views with the representative director, the independent accounting auditor, the heads of the divisions under their supervision, the directors and executive officers of major subsidiaries, and outside officers of major subsidiaries, and visits to business offices of major subsidiaries.</p>

Effectiveness Evaluation

The Company conducts overall evaluation of the Board of Directors once a year, based on the self-evaluations of directors. In order to secure the Board's effectiveness, the Company evaluates if the Board is functioning properly to achieve results and how the Board is contributing to the improvement of corporate value in the medium- to long-term.

《Summary of Evaluation of Effectiveness of Board of Directors as a Whole in Fiscal 2017》

1. Scope	The Company conducted an analysis and evaluation of the Board of Directors based on self-evaluations (questionnaires), interviews of members of the Board of Directors and Audit & Supervisory Board members and other means. These efforts related to the effectiveness of the Board of Directors as a whole in fiscal 2017.
2. Areas Evaluated (5)	① Functioning ② Composition ③ Operation ④ Provision of information to outside directors and audit & supervisory board members ⑤ Overall evaluation
3. Overall Evaluation	We have determined that the Company's Board of Directors has generally fulfilled its roles and duties effectively overall. This was achieved by such means as enhancing initiatives prior to Board discussions, improving its operation, and promoting greater diversity of its composition.
4. Status of Improvement of Issues from Previous Evaluation	The issues recognized in the fiscal 2016 evaluation were generally improved. The issues include revision of methods for deliberation/preparation of materials at the Board, improvement of executive training, and diversification of its composition.
5. Issues from Current Evaluation and Future Initiatives	We continue to recognize the need for a framework to improve the Board's effectiveness. For example, we are working to deal with discussions in the limited timeframe of the Board's meetings, given the need for discussions beyond the meetings. We are also working to further improve the meeting materials and content of reports. Based on the evaluation of effectiveness and other information, we will work to further improve the Board's supervisory function and decision-making process.

● Audit & Supervisory Board

T&D Holdings has established an Audit & Supervisory Board. The Audit & Supervisory Board members monitor the operating performance of directors and executive officers by means of attending important meetings, such as those of the Board of Directors, Executive Committee, Group Management Committee, Group Compliance Committee, Group Risk Management Committee and Group CSR Committee, as well as by other means. Outside Audit & Supervisory Board members are appointed as independent auditors who meet the criteria for independence set by the Company and the Tokyo Stock Exchange, and do not present any risk of conflict of interest with general shareholders. The Audit & Supervisory Board receives reports from individual Audit & Supervisory Board member on important audit issues, and discusses or makes decisions on them.

The board met 16 times in fiscal 2017.

Audit & Supervisory Board members	4
Men	4
Women	0
Outside Audit & Supervisory Board members	2
Activities of Outside Audit & Supervisory Board members (Fiscal 2017)	Made necessary statements as appropriate at meetings of Board of Directors and Audit & Supervisory Board, based on expertise as attorney. In addition to the above, activities include regular exchanges of views with the representative director, the independent accounting auditor, the heads of the divisions under their supervision, the directors and executive officers of major subsidiaries, and outside officers of major subsidiaries. Business offices of major subsidiaries were visited.

● Selection of Director and Audit & Supervisory Board Member Candidates

Process

Director and Audit & Supervisory Board member candidates are reviewed by the Nomination and Compensation Committee and appointed by the Board of Directors. Audit & Supervisory Board member candidates are approved by the Audit & Supervisory Board.

Criteria

We select directors and Audit & Supervisory Board members primarily based on the following criteria. Candidates for director positions are required to have sufficient knowledge and experience to oversee the management of T&D Holdings in a proper, fair and efficient manner, and to have earned the trust of society. In addition to the requirements set forth above, outside directors and outside Audit & Supervisory Board members must satisfy the independence criteria established by the Company and the Tokyo Stock Exchange, and must be recognized as being free from the risk of any conflicts with the common interests of shareholders.

● Director and Audit & Supervisory Board Member Compensation

Director Compensation

The total compensation of directors (excluding outside directors and other part-time directors) consists of monthly compensation and bonuses that vary according to their roles and performance, and trust-type stock compensation* (although non-residents of Japan are ineligible). The goal is to raise awareness of contributions to the improvement of medium- and long-term performance and the increase of corporate value. The total compensation of part-time directors, including outside directors, consists of monthly compensation.

A maximum yearly total compensation amount for members of the Board of Directors was adopted at the 13th Shareholders' Meeting, held on June 28, 2017, of no more than ¥500 million per year, and ¥40 million for outside directors. Of this, the Board determined a maximum annual bonus amount for members.

Separate from the total compensation mentioned above for Board of Directors members, a maximum amount for trust-type stock compensation (corresponding to three fiscal terms) was adopted by the 14th Shareholders' Meeting held on June 27, 2018. The monthly compensation and bonuses of each Director are determined after an individual assessment based on company performance and assessment of the division of which the director is in charge, in accordance with the assessment criteria determined by the Board of Directors. Discussion by the Nomination and Compensation Committee is another determinant.

The shares and monies of trust-type stock compensation shall be issued and provided to directors (excluding outside directors and other part-time directors and those who are not residents of Japan) based on points allotted in accordance with position.

Moreover, directors (excluding outside directors and other part-time directors) shall purchase shares in the Company valued at a specified amount or greater from their monthly compensation through Director/Audit & Supervisory Board member share ownership.

* With trust-type stock compensation, payment may be restricted if it is determined that the director or other officer has committed seriously inappropriate actions that damage the Company during his or her term of appointment.

Audit & Supervisory Board Member Compensation

Compensation for Audit & Supervisory Board members consists of monthly compensation only. The upper limit of annual compensation was set at ¥130 million as resolved at the 8th Shareholders' Meeting held on June 27, 2012. Actual compensation is determined through discussion by the Audit & Supervisory Board members within the predetermined upper limit.

● Executive Committee and Group Management Committee

Please see "Executive Committee and Group Management Committee" under "4-2 Management Approach" on page 18.

● Executive Officer System

T&D Holdings has introduced an executive officer system for the purpose of bolstering its business execution capabilities. By sharply delineating responsibilities for oversight and execution, the Company shall strengthen the governance function of the Board of Directors.

1-4 Participation in Management by Outside Experts

The Group's three life insurance companies work toward ensuring adequate and transparent business management through the participation of outside experts in some internal committees dealing with key management issues.

● Service Quality Improvement Committee (Taiyo Life)

<Outside members> Physicians, attorneys, person with relevant knowledge and experience, and experts on consumer issues
<Main topics of deliberation> Status of building framework for management of payments of insurance and other benefits, adequacy of examinations of payments of insurance and other benefits, ease of understanding insurance claim procedures, adequacy of insurance and other benefit-payment processes, status of customer feedback, and initiatives to improve operations utilizing customer feedback

● Customer Feedback Council (Daido Life)

<Outside members> Physicians, attorneys, and experts on consumer issues
<Main topics of deliberation> Validation of adequacy and effectiveness of initiatives and operations to improve customer service. Further utilization of product and service development from the customer's perspective

● Stewardship Committee (Daido Life)

<Outside members> Attorneys and experts in stewardship activities
<Main topics of deliberation> Enhancement of governance of voting process (e.g. prevention of conflicts of interest) and further enhancement of stewardship activities as a whole

● Advisory Council for Insurance Payment (Daido Life)

<Outside members> Attorneys and experts on consumer issues
<Main topics of deliberation> Responses to dispute handling and complaints relating to payments, adequacy of validation steps and results for cases where payments were deemed inappropriate. Ease of understanding guidance and materials sent to customers

● Service Supervision Committee (T&D Financial Life)

<Outside members> Attorneys, experts on consumer issues, and members of the media
<Main topics of deliberation> Holistic deliberation on initiatives aimed at improving customer satisfaction, including ensuring an adequate framework relating to payment of insurance and other benefits, with the goal of promoting the protection of legitimate interests of policyholders and others

1–5 Committees

● **Nomination and Compensation Committee**

The Company has established a Nomination and Compensation Committee as an advisory body to the Board of Directors. The Committee discusses the fairness and validness of the appointment and compensation of directors and Audit & Supervisory Board members, among other related issues, ensures the transparency of management, and enhances accountability. The committee chairperson of the Nomination and Compensation Committee is one of the outside directors and the committee members comprise the president and outside directors.

In fiscal 2017, the committee held seven meetings and reported the results of the deliberations to the Board of Directors.

《Details of Major Deliberations and Reports by Nomination and Compensation Committee (Fiscal 2017)》

Details of Major Deliberations and Reports	
1st meeting	<ul style="list-style-type: none"> • Selection of directors, audit & supervisory board members, and substitute audit & supervisory board member • Revision of compensation framework for outside directors
2nd meeting	<ul style="list-style-type: none"> • Fiscal 2016 director evaluations
3rd meeting	<ul style="list-style-type: none"> • Succession planning
4th meeting	<ul style="list-style-type: none"> • Appointment of new Representative Director and President
5th meeting	<ul style="list-style-type: none"> • Revision of Articles of Incorporation relating to reducing term of directors
6th meeting	<ul style="list-style-type: none"> • Selection of executive officers
7th meeting	<ul style="list-style-type: none"> • Investigation of new stock compensation system for directors and others

● **Group Compliance Committee**

Please see “Group Compliance Committee” under “4–2 Management Approach” on page 18.

● **Group CSR Committee**

Please see “Group CSR Committee” under “4–1 Promotion Framework of CSR” on page 17.

● **Group Risk Management Committee**

Please see “Group Risk Management Committee” under “4–2 Management Approach” on page 18.

● **Group ERM Committee**

Positioned under the Executive Committee, this committee is charged with pursuing the steady and continuous growth of the Group’s corporate value through the promotion and improvement of Enterprise Risk Management (ERM), a practice that integrates the management of profit, risk and capital on an economic value basis.

The committee chairperson is the executive officer in charge of the Group Planning Department and the vice chairpersons are the executive officers in charge of the Group Finance & Accounting Department and the Risk Management Department.

In fiscal 2017, the committee held 14 meetings and reported the results of deliberations to the Executive Committee, the Group Management Committee and the Board of Directors.

● **Group Information Technology & Administration Committee (Fiscal 2017)**

This committee was created to be subordinate to the Group Management Committee, with the objective of responding to IT and administrative issues across the group. It met six times in fiscal 2017. The committee’s chair is the executive officer in charge of the Group Planning Department. The vice chair is the president of T&D Information Systems. The results of deliberations were reported to the Executive Committee, Group Management Committee, and Board of Directors. Starting in fiscal 2018, the committee was reorganized into the Group Information Technology Committee, placed below the Group Management Committee.

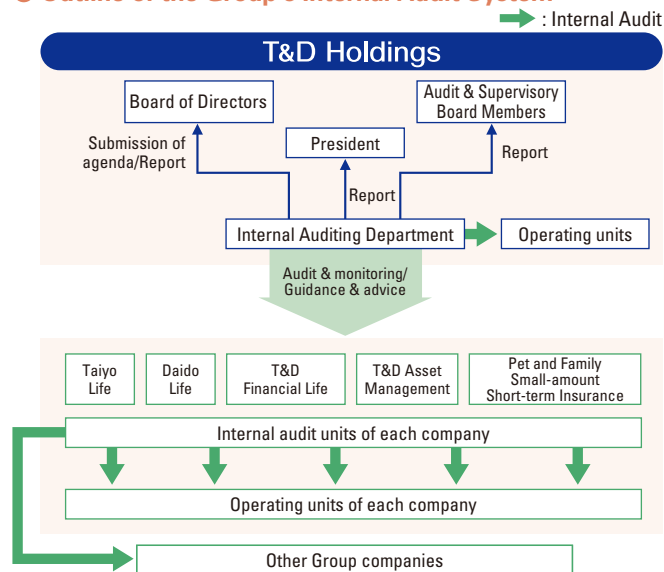
● **Group Business Investment Committee (Fiscal 2017)**

This committee was created under the Group Management Committee. Its objective is to achieve highly efficient and effective business operations through the centralized promotion and management of the Group’s business investments. It met 16 times in fiscal 2017. The committee is chaired by the executive officer in charge of the Business Development Department. The results of deliberations were reported to the Executive Committee, Group Management Committee, and Board of Directors. As of fiscal 2018, the committee was reorganized into the Group Business Investment Liaison Meeting.

1-6 Internal Audit System

At the T&D Life Group, T&D Holdings and each of its subsidiaries have separate internal audit units operating independently from other business units. These internal audit units conduct audits of the operating units, specifically by examining and evaluating the appropriateness and effectiveness of the internal management. Based on the evaluation results, the internal audit units provide the objective advice to help the effective achievement of management objectives. Meanwhile, the Internal Auditing Department of T&D Holdings grasps the status of the internal management system of the entire Group through auditing and monitoring of the internal audits implemented by its subsidiaries. The Internal Auditing Department also provides guidance and advice as necessary to strengthen the internal audit systems of the entire Group.

● Outline of the Group's Internal Audit System



1-7 Internal Control

● Creation of an Internal Control System

The Group's core business of life insurance has a social and public nature. In light of this, the T&D Life Group considers it vital to properly control its business execution and minimize the impact on management from unforeseen events occurring in the process of Group operations, to ensure the soundness and adequacy of its operations and respond to its social responsibilities.

In accordance with this consideration, T&D Holdings and its directly owned subsidiaries implement internal control systems pursuant to Article 362, Paragraph 4, Item 6 of the Companies Act. Moreover, the boards of directors of each company continuously work to improve and strengthen their internal control systems, including periodically monitoring the preparedness and operational status of these systems, confirming their adequacy, and making revisions as necessary.

● Response to the Internal Control Reporting System

With regard to the internal control reporting system pursuant to the Financial Instruments and Exchange Act, the Group builds internal controls necessary for ensuring the trustworthiness of securities reports and other financial reports. Managers personally evaluate and report on its effectiveness. Following these process, a certified public accountant or other outside Accounting auditor audits the suitability of this assessment.

2. Disclosure of Information to Shareholders and Investors

2-1 Shareholder Return Policy

T&D Holdings' basic policy is to provide stable returns to shareholders as part of enhancing shareholder value, while retaining sufficient internal reserves to ensure the management soundness of T&D Holdings and its Group companies. On this basis, T&D Holdings will return profits to shareholders by paying stable cash dividends and conducting flexible share buybacks.

2-2 Information Disclosure

T&D works proactively to disclose information to all stakeholders so that they can understand the current situation and future business development of the T&D Life Group.

● Annual Reports

Annual reports are issued to investors, shareholders, and other stakeholders. They are integrated publications that aim to provide fuller and more comprehensive disclosure of non-financial information. They communicate the various activities of the T&D Life Group in a systematic manner.

● Disclosure Documents

The disclosure documents of each company that have been produced in accordance with the Insurance Business Act of Japan have been posted on our website.

● Shareholder Newsletters

The newsletters that we have sent out to our shareholders reporting our business performance and circumstances along with various topics have been posted on our website.

● Annual Securities Report

Annual securities reports and suchlike made and submitted based on the provisions of the Financial Instruments and Exchange Act have been posted on our website.

WEB For more details about these reports, please visit “IR Library” under “Investor Relations” on our website.
<http://www.td-holdings.co.jp/en/ir/document/>

2-3 IR Activities

T&D Holdings proactively engages in IR activities based on the principles of timeliness, fairness, and accuracy. It also works to make continuous and comprehensible information disclosure on the T&D Life Group’s management environment, business strategies and financial situations. More specifically, we hold business results briefings, teleconferences, in-person meetings for institutional investors, presentations for individual investors and actively engage in exchanging opinions with securities analysts. Valuable feedback from investors received through IR activities is regularly communicated to the management team.

● Details of Activities

Main Activities

《Presentations for Individual Investors》

We held briefing sessions for individual investors where the director in charge of IR, other officers and managers acted as presenters.

《Presentations for Institutional Investors and Securities Analysts》

We held conference calls chaired by the director in charge of IR for each quarterly earnings announcement and IR meetings by the president for each interim and yearly earnings report. The president and the director in charge of IR also held individual meetings with institutional investors and securities analysts.

《Presentations for Overseas Investors》

In Europe, the US and Asia, the president and the director in charge of IR made individual visits to overseas institutional investors, and also conducted individual meetings such as conferences for overseas institutional investors organized by securities companies.

《IR Information Posted on Our Website》

On our website, we have posted IR information for individual investors, financial information, timely disclosure materials other than financial information, IR presentation materials, and video and audio materials of IR presentations and teleconferences.

2-4 Shareholders’ Meeting

T&D Holdings views Shareholders’ Meetings as important opportunities for communicating with its shareholders and endeavors to make these events sufficiently accessible and open to all shareholders. Prior to the Shareholders’ Meeting, we strive to send out the convocation notice as early as possible, posting it on our website before sending it out, and we prepare and disclose an English translation on our website so that shareholders can sufficiently examine the items for resolution in advance. In addition, we have introduced an online electronic voting system to improve shareholder convenience. At the Shareholders’ Meetings, a large screen is used to report on agenda items, displaying charts and images. In the Q&A session that follows, the directors respond to questions and opinions from the floor respectfully and accurately, with the intention of enhancing shareholders’ understanding of our business.

● Proportion of Shares Held (as of March 31, 2018)

Shareholder category	Governments and local public bodies	Financial institutions	Financial product dealers	Other corporations	Foreign corporations	Individuals and others	Total
No. of shares held (1,000 shares)	1	195,056	9,905	119,764	261,168	69,103	655,000
Proportion of shares held (%)	0.00	29.79	1.51	18.28	39.87	10.55	100.00

● Principal Shareholders (as of March 31, 2018)

Name of shareholders	Number of shares held (1,000 shares)	Percentage of total shares outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	38,220	6.14
The Master Trust Bank of Japan Ltd. (Trust Account)	37,020	5.95
Japan Trustee Services Bank, Ltd. (Trust Account 9)	14,045	2.26
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,906	2.07
Japan Trustee Services Bank, Ltd. (Trust Account 5)	11,656	1.87
Japan Trustee Services Bank, Ltd. (Trust Account 7)	10,463	1.68
STATE STREET BANK WEST CLIENT – TREATY 505234	9,839	1.58
STATE STREET BANK AND TRUST COMPANY	8,693	1.40
Japan Trustee Services Bank, Ltd. (Trust Account 1)	8,661	1.39
Japan Trustee Services Bank, Ltd. (Trust Account 2)	8,511	1.37
Total	160,018	25.72

Notes: 1. The Company holds 32,802 thousand shares of treasury stock, but this is excluded from the list of principal shareholders above. The percentage of total shares outstanding is also calculated minus treasury shares.

2. The Bank of Tokyo-Mitsubishi UFJ, Ltd. was renamed MUFG Bank, Ltd. on April 1, 2018.

IX Management Control

1. ERM

102-11

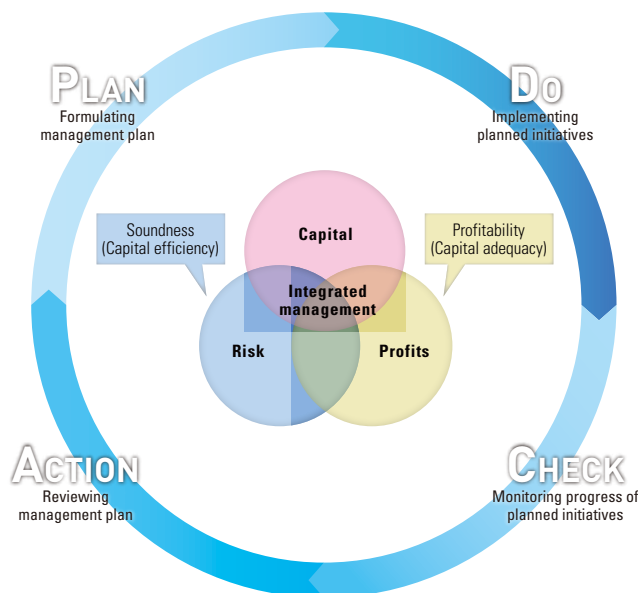
1-1 Promotion of ERM Approach

ERM stands for Enterprise Risk Management and refers to a strategic method of corporate management that seeks to maximize corporate value and profits while ensuring the soundness of business through integrated management of profit, risk and capital. As opposed to conventional approaches designed primarily to avoid risks (losses), ERM takes a strategic stance with respect to risks, viewing them as a factor to be actively taken on in order to increase return (profit) and, as such, not something that should necessarily be reduced or eliminated. Using this new method, businesses can quantify profit, risk and capital on a uniform evaluation standard, helping manage these elements in an integral fashion and incorporate them into management decision-making, thereby allowing pursuit of growth in profitability while maintaining sound management of business operations.

The T&D Life Group has established the Group ERM Committee to implement ERM as a Group-wide initiative. With the committee providing leadership in promoting ERM throughout the Group, we will enhance the Group's corporate value in a stable and continuous manner while maintaining a sound business foundation.

More specifically, we have built a system based on a PDCA cycle to promote ERM under which the Group's management plan is formulated (Plan) so as to meet the risk appetite set out in terms of soundness and profitability based on the assessment of profit, risk and capital on an economic value basis; a range of initiatives developed under the plan are implemented (Do); the progress of implementation of the plan is monitored (Check); and the plan is reviewed and revised as necessary (Act).

● PDCA Cycle



● Integrated Risk Management Activities

In order to promote ERM, it is critical to have a proper understanding of types and magnitude of risks. The T&D Life Group promotes the integrated risk management approach to achieve the management objectives by quantifying the risks affecting the Group by type of risks and assessing the impacts when making losses, and also by controlling all the risks associated with its operations, including unquantifiable risks.

2. Risk Management

102-11

103-2

103-3

205-2

2-1 Basic Concept for Risk Management

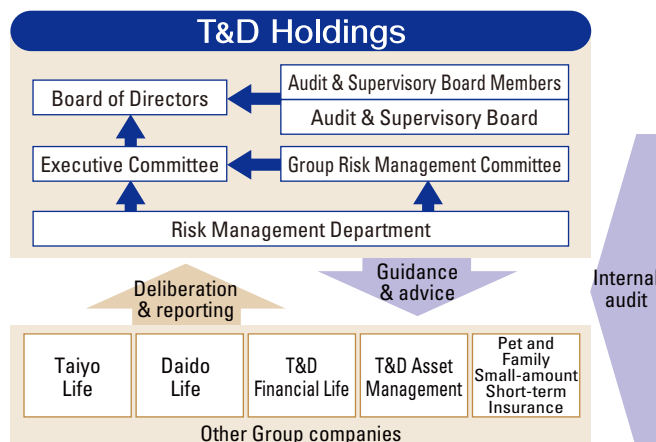
At the T&D Life Group, T&D Holdings has formulated a Group Risk Management Policy setting forth the Group's basic approach to risk management and, based on this policy, the three life insurance companies and other Group members have developed their risk management system that covers their affiliates as well.

T&D Holdings has established a Group Risk Management Committee and manages risks within the Group. The Committee receives reports, regularly and as required, on risks assessed using uniform economic value-based risk management indicators, from the three life insurance companies and other Group members, in order to identify and manage the various types of risks faced by Group companies. Based on the report received, T&D Holdings reports on these risks to the Board of Directors and provides guidance and advice to the Group companies as necessary, thereby ensuring that proper risk control is implemented at each company and strengthening the risk management system for the entire Group.

2-2 Risk Management System

In light of the social and public nature of the life insurance business, the T&D Life Group views risk management as a key priority issue in order to ensure sound and adequate business management. Under overall control by the holding company, T&D Holdings, each Group company implements the necessary risk management suited to their respective business model based on the principle of self-responsibility.

● Outline of the Group's Risk Management System



2-3 Risk Classification and Responses

The T&D Life Group classifies major management risks as shown below. Risk management policies have been established for each of these risks, and efforts are made to prevent these risks from occurring or to confine them within certain acceptable levels.

Insurance Underwriting Risk	Investment Risk	Liquidity Risk
Operational Risk*	Reputation Risk	Affiliate-related Risk

* Operational risks are classified into sub-categories, i.e. administrative risk, system risk, legal risk, labor and personnel risk, and hazard risk, and are managed separately.

Please visit the T&D Holdings website for details of risk classification and measures taken.

WEB <http://www.td-holdings.co.jp/en/company/governance/risk.html>

2-4 Risk Awareness and Assessment (risk profile)

205-1

The T&D Life Group uses a risk profile* to comprehensively categorize risks surrounding the Group, in order to respond to increasingly diverse and complex risks. We comprehensively identify risks by category, ascertain and assess them, and use them to prioritize initiatives in light of comprehensive factors including severity, impact, and the degree to which they are under control. The risks are reflected in management planning as necessary. As a rule, we review our risk profiles twice a year in order to accurately recognize and ascertain emerging severe risks, as well as major changes to previously recognized risks. We report our findings to the Group Risk Management Committee and Board of Directors.

* Risk profile is a general risk management tool to characterize risks from various factors such as nature and magnitude.

* The T&D Life Group's risk profile includes responding to issues surrounding sustainability, including the environment, society (human rights, labor practices and corruption prevention) and governance.

2-5 Risk Review (ESR)

The T&D Life Group has specified a statutory solvency margin ratio, as well as an economic solvency ratio (ESR), which is a risk-management index based on economic value. These are concrete quantitative indicators of risk appetite and tolerance. ESR is calculated as net assets (surplus) based on economic value, divided by economic capital (EC), which is the risk level based on economic value, calculated using an internal model including insurance underwriting risk, asset management risk, and operational risk. We manage risk on the basis of economic value through such means as controlling EC to stay within a certain range of the surplus. ESR is managed on a monthly basis. The statutory solvency margin ratio is managed on a quarterly basis. As with other risk reviews, these are reported to the Group Risk Management Committee and Board of Directors.

2-6 Optimization of the Risk Portfolio (Risk Measurement by Internal Models and Complemental Efforts by Stress Test)

The T&D Life Group optimizes its risk portfolio by measuring quantifiable risks using internal models as well as by drawing up risk profiles, including qualitative aspects of risks and performing stress tests for risks. To complement the risk quantification model, stress tests are conducted with multiple scenarios reflecting long-term macro- and micro-economic projections.

2-7 Cyber Security Initiatives

103-2

103-3

418-1

The T&D Life Group recognizes that one of the important tasks of management is properly protecting and managing information assets in compliance with laws and regulations. This specifically involves protecting information assets from increasingly sophisticated cyber threats. To fulfill our social responsibilities as a company engaged in the life insurance business, we have made engagement in cyber security mandatory for all executives and employees.

In particular, in order to provide even safer services to customers, we utilize security tools to conduct round-the-clock monitoring of cyber threats that target financial institutions, which have increased in recent years in both frequency and sophistication. We have also established the cross-organization Group Computer Security Incident Response Team (CSIRT) along with company-level CSIRT teams, which collect information, conduct analysis and implement measures in connection with cyber attacks. In addition, we conduct Group- and company-level drills and participate in industry-wide drills and training. Issues identified through these drills are reflected in our response procedures and manuals to strengthen our real-world responsiveness.

Along with conducting multi-layered security measures (entrance, exit, and internal), we regularly receive diagnostic security evaluations from independent institutions and promptly implement the necessary measures.

All of the Group's corporate officers receive training with outside experts on the most recent trends in cyber security to raise their risk awareness. Executives and employees also receive training on information security and cyber security (group training, e-learning) and drills are continually conducted on handling suspicious email in order to further raise security literacy.

The Internal Auditing Department validates whether these frameworks are functioning effectively, and the results are reported to the Board of Directors.

● Protection of Personal Information

T&D Holdings and its three life insurance companies and other Group members have formulated Personal Information Protection Declarations (privacy policies), which they publicly disclose on their websites. In addition, T&D Information System, a Group company that supports the information system of the T&D Life Group, properly handles various data, including personal information, and keeps it strictly confidential. In May 2005, T&D Information System obtained Privacy Mark certification, which is given to the enterprises that take adequate measures to protect personal information. In addition, in March 2007, the company acquired a certification for ISO 27001, an international standard for information security management systems, and in March 2015, it moved to the new standard.

The information service firm has continued to renew both of these certifications as part of its efforts to maintain a high level of information security.



2-8 Crisis Management

The T&D Life Group has formulated the Rules on the Group's Crisis Management, which address basic matters related to the Group's response to crisis situations. In case of major natural disasters or similar emergency events, the rules place top priority on securing the lives and safety of our staff, and then on continuity or early restart of insurance claims and benefit payment operations to support affected people and areas, with the recognition that such efforts are our social mission. To make this possible, the rules set forth basic policies for developing systems that enable the Group to respond promptly and take appropriate actions. The Group has also implemented a number of measures to improve the effectiveness of crisis management. These include introducing a system for confirming the safety of our executives and employees individually and Group-wide emergency drills as a preparation for a possible largescale disaster.

3. Compliance

103-2 103-3 205-2

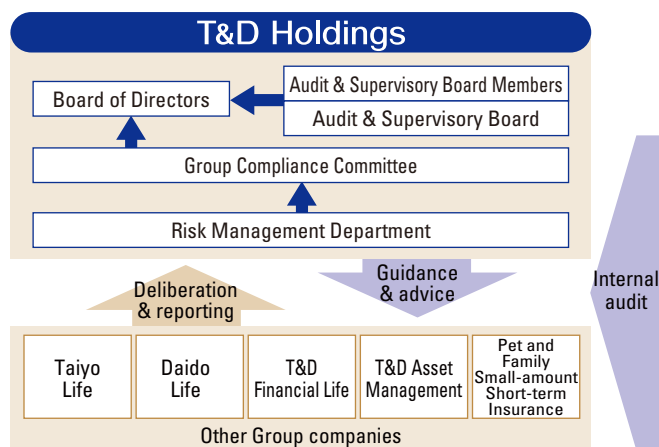
3-1 Our Concept of Compliance

The T&D Life Group positions legal compliance as a key management issue. The CSR policy, “We will strictly observe laws, regulations and rules, and act in a sincere and serious manner with high ethical standards,” is stated in the T&D Life Group CSR Charter. We work to make all Group executives and employees thoroughly aware of the T&D Life Group Compliance Code of Conduct, and promote compliance based on the recognition that compliance is the core of promoting CSR and an essential element of it.

3-2 Group Compliance Promotion Structure

T&D Holdings has established a compliance promotion structure based on the T&D Life Group Basic Policy for Strengthening the Compliance Structure. The Group Compliance Committee was established to oversee and improve the Group’s compliance arrangements. T&D Holdings also has a Risk Management Department, which has overall responsibility for promoting compliance. In coordination with the compliance units of the Group’s three life insurance companies and other Group members, this department performs regular monitoring and provides guidance and advice. The Group’s three life insurance companies and other Group members also have a compliance promotion system mainly consisting of a compliance committee and a compliance control department.

● Outline of the Group Compliance Promotion Structure



3-3 Compliance Promotion Activities

● Compliance Programs

Each Group company in the T&D Life Group takes measures to raise awareness of compliance in a way suitable for the respective companies in terms of size and business characteristics, based on the Group’s basic compliance policies. For example, T&D Holdings and the Group’s three life insurance companies as well as other Group members have put in place their compliance programs as detailed and actionable plans aiming at having all executives and employees act in compliance with laws and regulations, and compliance training is provided to reinforce compliance in the course of business operations.

● Compliance Manual

Each company in the T&D Life Group creates compliance manuals for each category targeted, including sales representatives, administrative personnel, and agents. These guidelines serve as a reference for day-to-day operations. At the same time, they are used as teaching material for compliance training.

3-4 Preventing Bribery and Corruption

The T&D Life Group states the following in the T&D Life Group Compliance Code of Conduct: "We shall work to prevent corruption in our relationships with business counterparts, civil servants, and other parties by refraining from providing or receiving any business entertainment within reasonable bounds under normal social conventions, as well as refraining from giving or receiving gifts, in connection with our business activities worldwide." (See p. 10.) In addition to preventing bribery, we are ensuring thorough awareness by all executives and employees toward preventing corruption. This includes measures against money laundering and prevention of misappropriation and diversion of funds, using such means as a compliance program and compliance manuals. Bribery and corruption are also stipulated as extremely malicious and severely impacting criminal statutes for disciplinary action. All scandals (including concerns over possible scandals), including bribery and corruption, are reported to the Board of Directors.

When making a new business investment, checks from the perspective of preventing bribery and corruption are added to the risk assessment and subjected to appropriate review. As of fiscal 2017, no scandals or legal disputes relating to bribery or corruption had occurred.

《Extract from a Compliance Manual》

[Risks Related to Bribery and Corruption]

In today's world, bribery and corruption impede the development and economic growth of the country or region in which they occur. Bribery and corruption not only have an undue negative impact on poor regions, they also give rise to serious legal and reputational risks for companies. Many of the acts that involve corruption, such as bribery, are not only illegal in the place where a company performs them, but there is an increasing number of cases where these acts are also illegal by the laws of the home country of the company. As regards reputational risks, even if a company is judged to not be involved with corruption by the final judgment of the court concerned, there are many cases in which the reputation of the company has been damaged merely because it was suspected of corruption. A company must also pay attention to the fact that they not only take responsibility for their own actions but also for the actions of any agents that are conducting business on their behalf in other countries.

3-5 Tax Policy

Strict compliance with laws and regulations is clearly stated by the T&D Life Group in its T&D Life Group CSR Charter and T&D Life Group Compliance Code of Conduct. Regarding tax affairs, on the basis of these CSR policies, we comply with laws and regulations and act in good faith to make adequate tax filings and payments.

3-6 Whistleblower System

At the T&D Life Group, each of the Group's three life insurance companies and other Group members used to operate their own whistleblower systems. In April 2005, however, the T&D Life Group Helpline was established for use by all executives and employees in the Group. Compliance-related reports are submitted by phone or online through an external independent company to help preserve anonymity. The helpline provides a venue for reporting actions that are problematic as regards compliance, that are violations or suspected violations of internal rules, or that damage the credibility or prestige of the Group.

● T&D Life Group Helpline

The T&D Life Group Helpline has rules in place that prohibit any disadvantageous treatment of whistleblowers who use the helpline. We strive to build an effective system for internal reporting by enabling whistleblowers to make reports by phone or online through an external reporting company, and making reports anonymously. The content and results of surveys of whistleblower reports are reported to the Audit & Supervisory Board members and executive management.

● Number of Calls Received by the T&D Life Group Helpline

FY2015	188
FY2016	186
FY2017	269

* The numbers of reports above include inquiries about the system, as well as reports of workplace issues that are difficult to consult superiors over, such as complaints or dissatisfaction.

Third-party Opinion

I submit this Third-party Opinion based on the CR Report 2018 regarding the CSR initiatives and related information disclosure of the T&D Life Group.

1. Contributions to Achieving SDGs

It has been over three years since “Transforming our world: the 2030 Agenda for Sustainable Development” was adopted as the outcome document of the United Nations Sustainable Development Summit 2015. The 17 Sustainable Development Goals (SDGs) and 169 targets at the heart of the agenda have been gaining recognition recently in Japan, thanks to efforts such as the government’s “Japan SDGs Award,” its selection of SDGs “Future Cities,” and the inclusion of the SDGs in the Basic Policy on Economic and Fiscal Management and Reform 2018 and the Investments for the Future Strategy 2018. The industrial sector has also shown a surge of interest in contributing to the achievement of the SDGs. Notably, the Japan Business Federation (Keidanren) revised its Charter of Corporate Behavior as a key element in delivering on the SDGs through the realization of Society 5.0. I read with interest the section on “Contribution to SDGs,” beginning on page 21 of the CR Report 2018. I was particularly impressed with the careful analysis of the relationship between the fields covered by the “T&D Life Group CSR Charter,” the initiatives of the “T&D Life Group Medium-Term Management Plan FY 2016-2018,” and the 17 SDGs.

In addition to linking T&D Life Group’s current policies and action to the 17 SDGs, I would like to see it take part in helping achieve the SDGs in the future, as a starting point for coming up with new initiatives. Taking on that challenge would give the Group opportunities for innovation in insurance products and asset management, and give clues on ways to enhance the information provided to customers.

2. Role as Universal Owner and Integration of Priority Areas

The T&D Life Group has always recognized the need to have a better effect on society and the environment and to contribute to the realization of a sustainable society through its investment and lending activities. The fact that Taiyo Life was the first Japanese life insurance company to sign the Principles for Responsible Investment (PRI) in March 2007 illustrates the Group’s commitment. The role of institutional investors as universal owners has come into sharper focus in recent years. “Universal owners” refers to investors who have vast sums under management and engage in diversified investment in a wide range of assets and securities from a medium- to long-term perspective. Public pension funds are a typical example. These investors are not only interested in the financial results and stock prices of individual companies, but are also deeply concerned with whether the economy is growing sustainably and whether the market is functioning soundly. This is because they cannot concentrate their investments on specific stocks and are therefore aware of the importance of investment performance over a span of two to three decades. In other words, any factors that drive down overall macroeconomic productivity or damage assets under management across a period of 20 to 30 years are of the utmost concern for universal owners. They have a clear motivation to prevent the emergence of such factors. This document is reminder that it is only rational for life insurance companies to work to minimize negative externalities (environmental and social problems, etc.), and to promote sustainable and stable growth of the market as a whole. It has often been pointed out that the physical damage caused by climate change threatens the business model of non-life insurance. However, the fact that climate change has a negative effect on human health has also become clear in recent years. The World Health Organization (WHO) estimates that between 2030 and 2050 there will be a risk that approximately 250,000 people a year could die as a result of malnutrition, infectious diseases, diarrhea, heat stress, and cardiovascular or respiratory illnesses brought on by climate change. This also puts climate change in the category of life-threatening human rights issues. There is already a steady stream of lawsuits being launched in the U.S. based on health problems caused by climate change. It goes without saying that if people’s health deteriorates, the life insurance business model would also come under threat.

I realize that “Global Environmental Protection,” “Respect for Human Rights,” and “Providing Better Products and Services” are closely linked. I expect the T&D Life Group to enhance its awareness as a universal owner, and to promote divestment and engagement to reduce and avoid negative economic externalities, including climate change.

Eiichiro Adachi Counselor, The Japan Research Institute, Limited

Graduated from the Faculty of Economics at Hitotsubashi University in 1986. Joined The Japan Research Institute, Limited (JRI) in 1990, where he served in the management strategy research and technology research divisions before assuming his current post. He currently oversees operation of industrial research and corporate evaluation from the perspective of corporate social responsibility at JRI’s ESG Research Center. In 2003 and 2004, he worked on the 15th Corporate White Paper published by the Japan Association of Corporate Executives. Then, he was a member of the Association’s Socially Responsible Management Promotion Committee working group. From March 2005 to May 2009, he was involved in formulating ISO 26000, the international standard for social responsibility for organizations, as a national expert in the ISO 26000 Working Group. He currently serves as a member of Mitsubishi Corporation’s Sustainability Advisory Committee and as a member of the Advisory Board of The Research Institute for Local Public Transport. He is the author/co-author of titles including *An Illustrated Guide to Environmental Issues for Corporations* (Toyo Keizai Inc., 1999), *Business Growth Through Global Warming* (Toyo Keizai Inc., 2007), *Introduction to CSR for Employees* (Dai-ichi Hoki, 2008), *Introduction to Environmental Management* (Nikkei Publishing Inc., 2009), *Introduction to Natural Capital* (NTT Publishing, 2015), *An ESG Reader for Investors and Corporations* (Nikkei Business Publications, 2016), *The Complications of Corporate Governance Reform* (Kinzai, 2017), and *The Business Person’s Guide to SDGs* (Nikkei Business Publications, 2018).



GRI Standards	Disclosed Items	Publication Location (Titles of items on the report/web)	Omission
GENERAL DISCLOSURES			
GRI 102: GENERAL DISCLOSURES 2016	1. Organizational profile		
	102-1	Name of the organization	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–3 Corporate Profile (as of March 31, 2018)
	102-2	Activities, brands, products, and services	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–1 Outline of the T&D Life Group's Business I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–2 T&D Life Group Companies and Foundations
	102-3	Location of headquarters	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–3 Corporate Profile (as of March 31, 2018)
	102-4	Location of operations	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–2 T&D Life Group Companies and Foundations
	102-5	Ownership and legal form	VIII Governance and Internal Control ▶ 2. Disclosure of Information to Shareholders and Investors ▶ 2–5 Shareholders
	102-6	Markets served	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–2 T&D Life Group Companies and Foundations
	102-7	Scale of the organization	Annual Report 2017 (Integrated Edition)
	102-8	Information on employees and other workers	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–4 Number of Employees
	102-9	Supply chain	I Message from the President/Organizational Profile ▶ 2. Supply Chain ▶ 2–1 Definition of Supply Chain
	102-10	Significant changes to the organization and its supply chain	N/A
	102-11	Precautionary Principle or approach	IX Management Control ▶ 1. ERM ▶ 2. Risk Management
	102-12	External initiatives	II CSR Management ▶ 1. CSR Basic Policy ▶ 1–2 Principles That the T&D Life Group Endorses and Supports
	102-13	Membership of associations	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–3 Corporate Profile (as of March 31, 2018)
2. Strategy			
102-14	Statement from senior decision-maker	I Message from the President/Organizational Profile ▶ Message from the President	
3. Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	II CSR Management ▶ 1. CSR Basic Policy ▶ 1–1 Philosophy and Policy of the T&D Life Group	
4. Governance			
102-18	Governance structure	VIII Governance and Internal Control ▶ 1. Corporate Governance	
5. Stakeholder engagement			
102-40	List of stakeholder groups	II CSR Management ▶ 7. Stakeholder Engagement	
102-41	Collective bargaining agreements	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–5 Dialogue and Consultations with Labor Unions	
102-42	Identifying and selecting stakeholders	II CSR Management ▶ 7. Stakeholder Engagement	
102-43	Approach to stakeholder engagement	II CSR Management ▶ 7. Stakeholder Engagement III Priority Areas (1) Providing Better Products and Services ▶ 3. Providing Wholehearted Reassurance	
102-44	Key topics and concerns raised	II CSR Management ▶ 7. Stakeholder Engagement III Priority Areas (1) Providing Better Products and Services ▶ 4. Improving Customer Satisfaction WEB CSR Library ▶ Other Initiatives ▶ Activities to Respond to the Customer Feedback	

GRI Standards	Disclosed Items	Publication Location (Titles of items on the report/web)	Omission
GENERAL DISCLOSURES			
GRI 102: GENERAL DISCLOSURES 2016	6. Reporting practice		
	102-45	Entities included in the consolidated financial statements	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1–2 T&D Life Group Companies and Foundations
	102-46	Defining report content and topic Boundaries	II CSR Management ▶ 5. CSR Priority Areas ▶ 5–1 CSR Priority Areas (FY2016 to FY2018)
	102-47	List of material topics	II CSR Management ▶ 5. CSR Priority Areas ▶ 5–1 CSR Priority Areas (FY2016 to FY2018)
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	About Corporate Responsibility Report 2018
	102-51	Date of most recent report	About Corporate Responsibility Report 2018
	102-52	Reporting cycle	About Corporate Responsibility Report 2018
	102-53	Contact point for questions regarding the report	About Corporate Responsibility Report 2018
	102-54	Claims of reporting in accordance with the GRI Standards	GRI Content Index
	102-55	GRI content index	GRI Content Index
	102-56	External assurance	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives ▶ 3–5 Independent Assurance Report
Material Topics			
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5–1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	VIII Governance and Internal Control
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	WEB CSR Library ▶ Organization Profile ▶ Financial Highlights WEB CSR Library ▶ Other Initiatives ▶ Donations and Community Investments
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5–1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework IX Management Control ▶ 2. Risk Management ▶ 3. Compliance
	103-3	Evaluation of the management approach	IX Management Control ▶ 3. Compliance ▶ 3–6 Whistleblower System
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	IX Management Control ▶ 2. Risk Management ▶ 2–4 Risk Recognition and Assessment (risk profile)
	205-2	Communication and training about anti-corruption policies and procedures	IX Management Control ▶ 2. Risk Management ▶ 3. Compliance
	205-3	Confirmed incidents of corruption and actions taken	N/A

GRI Standards	Disclosed Items	Publication Location (Titles of items on the report/web)	Omission
Material Topics			
Anti-competitive Behavior			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework IX Management Control ▶ 2. Risk Management ▶ 3. Compliance
	103-3	Evaluation of the management approach	IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
Materials			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework ▶ 6. Progress of CSR Activities
	103-3	Evaluation of the management approach	V Priority Areas (3) Global Environmental Protection ▶ 1. Basic Concept and 2. Promotion Framework
GRI 301: Materials 2016	301-1	Materials used by weight or volume	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives
Energy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework ▶ 6. Progress of CSR Activities
	103-3	Evaluation of the management approach	V Priority Areas (3) Global Environmental Protection ▶ 1. Basic Concept and 2. Promotion Framework
GRI 302: Energy 2016	302-1	Energy consumption within the organization	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives
	302-3	Energy intensity	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives
Water			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework V Priority Areas (3) Global Environmental Protection
	103-3	Evaluation of the management approach	▶ 1. Basic Concept and 2. Promotion Framework
GRI 303: Water 2016	303-1	Water withdrawal by source	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives
	303-3	Water recycled and reused	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives
Biodiversity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework
	103-3	Evaluation of the management approach	
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	V Priority Areas (3) Global Environmental Protection ▶ 4. Forest Conservation Activities
Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework V Priority Areas (3) Global Environmental Protection
	103-3	Evaluation of the management approach	▶ 1. Basic Concept and 2. Promotion Framework

Water is withdrawn from "water supplies of the local governments or other public and private water facilities."

GRI Standards	Disclosed Items	Publication Location (Titles of items on the report/web)	Omission
Material Topics			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives
	305-2	Energy indirect (Scope 2) GHG emissions	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives
	305-3	Other indirect (Scope 3) GHG emissions	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives
Effluents and Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework V Priority Areas (3) Global Environmental Protection
	103-3	Evaluation of the management approach	▶ 1. Basic Concept and 2. Promotion Framework
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	V Priority Areas (3) Global Environmental Protection ▶ 3. Environmental Impact-reduction Initiatives All waste is "non-hazardous waste" and disposed of in accordance with the "disposal methods of the local governments."
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework V Priority Areas (3) Global Environmental Protection
	103-3	Evaluation of the management approach	▶ 1. Basic Concept and 2. Promotion Framework IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	N/A
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework IV Priority Areas (2) Respect for Human Rights
	103-3	Evaluation of the management approach	▶ 4. Worker-friendly Work Environment IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	I Message from the President/Organizational Profile ▶ 1. Organizational Profile ▶ 1-4 Number of Employees IV Priority Areas (2) Respect for Human Rights ▶ 4. Worker-friendly Work Environment ▶ 4-1 Work-Life Balance Initiatives
	401-3	Parental leave	IV Priority Areas (2) Respect for Human Rights ▶ 4. Worker-friendly Work Environment ▶ 4-1 Work-Life Balance Initiatives Matters required for reporting include items awaiting the collection of information. The items will be disclosed within a few years.
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework IV Priority Areas (2) Respect for Human Rights
	103-3	Evaluation of the management approach	▶ 5. Health Promotion for Employees IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	WEB CSR Library ▶ Initiatives to address the working environment ▶ Occurrence of Occupational Accidents Managed based on the number of occupational accidents.

GRI Standards	Disclosed Items	Publication Location (Titles of items on the report/web)	Omission
Material Topics			
Training and Education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework ▶ 6. Progress of CSR Activities
	103-3	Evaluation of the management approach	IV Priority Areas (2) Respect for Human Rights ▶ 2. Utilization and Development of Human Resources IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	WEB CSR Library ▶ Initiatives to address the working environment ▶ Education and Training There are no differences by gender in the indicators. Due to the difficulty of categorizing “occupational training/education and training” from a large number of training programs, indicators by employee category are not disclosed.
	404-2	Programs for upgrading employee skills and transition assistance programs	IV Priority Areas (2) Respect for Human Rights ▶ 2. Utilization and Development of Human Resources
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework ▶ 6. Progress of CSR Activities
	103-3	Evaluation of the management approach	IV Priority Areas (2) Respect for Human Rights ▶ 3. Diversity Promotion Initiatives IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	VIII Governance and Internal Control ▶ 1. Corporate Governance IV Priority Areas (2) Respect for Human Rights ▶ 4. Worker-friendly Work Environment ▶ 4-1 Work-Life Balance Initiatives
Human Rights Assessment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework ▶ 6. Progress of CSR Activities
	103-3	Evaluation of the management approach	IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	IV Priority Areas (2) Respect for Human Rights ▶ 3. Diversity Promotion Initiatives ▶ 3-2 Human Rights Education Human rights training is conducted for all employees. “Total hours of employee training” are not disclosed.
Local Communities			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework
	103-3	Evaluation of the management approach	VI Social Activities
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	VI Social Activities The Group has a single segment. Accordingly, “percentage of operations with implemented local community engagement, impact assessments and development programs (using such items as the ones indicated below)” is not disclosed.

GRI Standards	Disclosed Items	Publication Location (Titles of items on the report/web)	Omission	
Material Topics				
Supplier Social Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)	
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System	
	103-3	Evaluation of the management approach		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	I Message from the President/Organizational Profile ▶ 2. Supply Chain ▶ 2-2 Cooperation with Suppliers	
Customer Privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)	
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework IX Management Control ▶ 2. Risk Management ▶ 2-7 Cybersecurity Initiatives	
	103-3	Evaluation of the management approach	IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	IV Priority Areas (2) Respect for Human Rights ▶ 1. Basic Concept IX Management Control ▶ 2. Risk Management ▶ 2-7 Cybersecurity Initiatives	While the total number is known, the information is not disclosed due to company policy.
Socioeconomic Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)	
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework IX Management Control ▶ 2. Risk Management ▶ 3. Compliance	
	103-3	Evaluation of the management approach	IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	N/A	
Better Products and Services				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)	
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework III Priority Areas (1) Providing Better Products and Services ▶ 1. Basic Concept ▶ 2. Offering Products and Services That Address Social Needs ▶ 3. Providing Wholehearted Reassurance	
	103-3	Evaluation of the management approach	▶ 4. Improving Customer Satisfaction WEB CSR Library ▶ Other Initiatives ▶ Activities to Respond to the Customer Feedback	
Health Promotion of Community and Employees				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)	
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework III Priority Areas (1) Providing Better Products and Services ▶ 2. Offering Products and Services That Address Social Needs IV Priority Areas (2) Respect for Human Rights ▶ 5. Health Promotion for Employees	
	103-3	Evaluation of the management approach	IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System	

GRI Standards	Disclosed Items	Publication Location (Titles of items on the report/web)	Omission
Material Topics			
Responsibility as Institutional Investors			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework
	103-3	Evaluation of the management approach	VII Responsible Institutional Investor
Measures against Demographic Change and Aging			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	II CSR Management ▶ 5. CSR Priority Areas ▶ 5-1 CSR Priority Areas (FY2016 to FY2018)
	103-2	The management approach and its components	II CSR Management ▶ 4. CSR Promotion Framework III Priority Areas (1) Providing Better Products and Services ▶ 2. Offering Products and Services That Address Social Needs ▶ 2-6 Best Senior Service
	103-3	Evaluation of the management approach	IV Priority Areas (2) Respect for Human Rights ▶ 2. Utilization and Development of Human Resources ▶ 2-3 Promoting the Active Participation of the Elderly IX Management Control ▶ 3. Compliance ▶ 3-6 Whistleblower System