

## Corporate Governance

T&D Holdings, Inc. (the “Company”) has been enhancing its corporate governance on the basic approach of creating efficient and transparent management systems to facilitate flexible and cohesive group operations.

The Company values the purport of the Japan’s Corporate Governance Code (the “Code”), which applies to listed companies, and has accepted all the principles of the Code while establishing the Basic Policy on Corporate Governance as an initiative in response to the major principles.

### Basic Approach

The Company aims to achieve sustained growth and improvement of corporate value over the medium- to long-term by continuing to strengthen corporate governance, as described below.

- (1) The Company shall respect the rights of shareholders and strive to develop a conducive environment for shareholders to appropriately exercise those rights. Efforts shall also be made to ensure the effective equality of all shareholders.
- (2) The Company shall strive to foster a sound corporate culture and work environment by appropriately collaborating with a variety of stakeholders, including customers, shareholders, employees, insurance agents, business partners and local communities.
- (3) The Company shall strive to increase the transparency of management through appropriate and timely disclosure of corporate information, including financial information and non-financial information regarding management strategies, management priorities and other matters.
- (4) The Company shall strive to ensure the effectiveness of the Board of Directors’ oversight function over the execution of business as the holding company responsible for the business execution management function of each T&D Life Group (the “Group”) company.
- (5) The Company shall engage in constructive dialogue with stakeholders in order to contribute to the sustainable growth and the enhancement of corporate value over the medium and long term.

### Promoting Group Management

The Company, as a holding company, fulfills the roles of deciding on the Group’s strategy, appropriately allocating the Group’s business resources and formulating capital strategies. Along with this, the Company shall strive to establish a Group business management system through such means as rigorously enforcing Group-wide risk-return management by accurately grasping the business risks borne by its five directly owned subsidiaries, centered on affiliates Taiyo Life Insurance Company, Daido Life Insurance Company, T&D Financial Life Insurance Company, as well as T&D Asset Management and Pet & Family Small-amount Short-term Insurance.

The directly owned subsidiaries, with their own unique business strategies, aim to expand the Group’s corporate

value by maximizing their uniqueness and specialization through determining marketing strategies and operating businesses in line with their strengths.

In this way, the Group is promoting group management by clarifying the respective roles and responsibilities of the Company and its directly owned subsidiaries.

### Corporate Governance System

The Company 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, the Company 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.

Furthermore, the Company shall establish a Nomination and Compensation Committee as an advisory body to the Board of Directors for the purpose of discussing the fairness and appropriateness of the appointment and compensation of directors and audit & supervisory board members, among other related issues, as well as for ensuring the transparency of management and enhancing accountability.

### Roles of the Board of Directors

The Board of Directors 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 of the Board of Directors and Directors

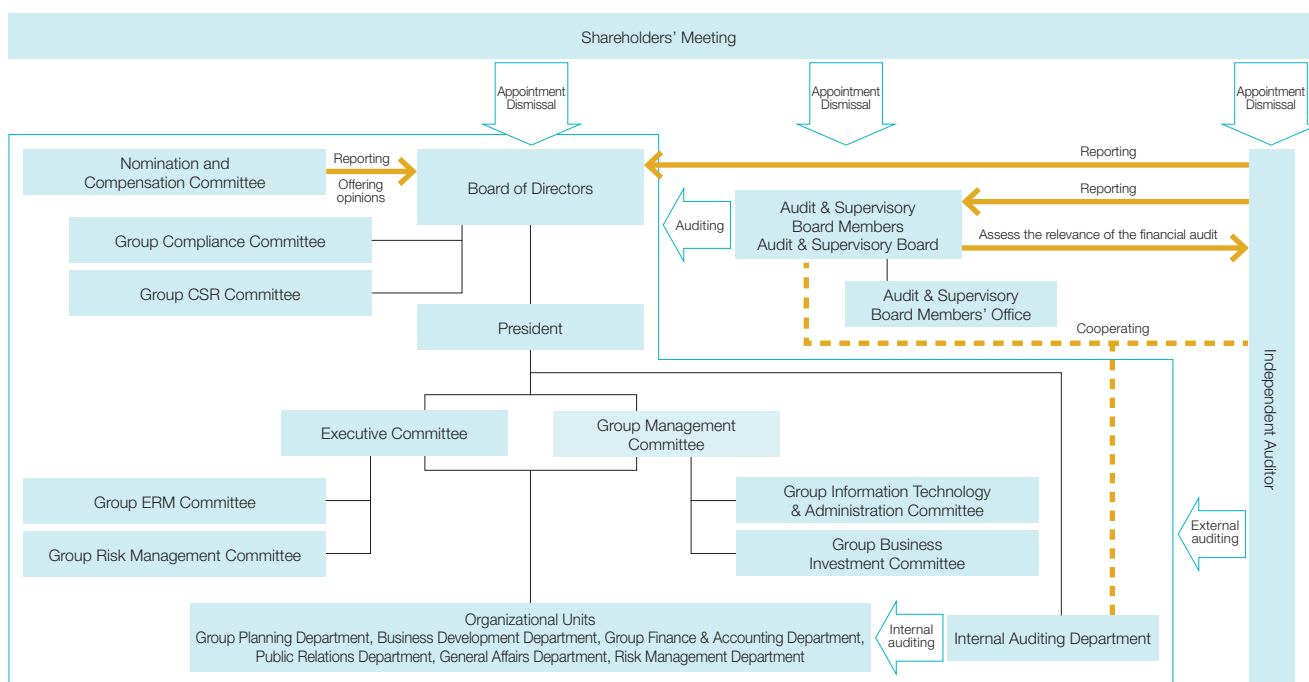
The number of directors shall be no more than 12 as stipulated by the Articles of Incorporation. The Board of Directors shall be made up of individuals representing a balance of knowledge, experience and skills, and having diverse backgrounds as befitting the expansive range of business domains in the life insurance business.

Moreover, 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 rapid decision-making within the Group, along with bolstering Group-wide governance.

Furthermore, the Company shall appoint two or more outside directors to appropriately reflect the opinions of individuals with extensive experience and knowledge in their capacity as outside corporate managers, legal experts and so forth in the Group's management policies and development of internal controls and other systems as well as in the oversight of the execution of business.

## Corporate Governance Framework



### (1) Shareholders' Meeting

The Shareholders' Meeting is the highest decision-making entity of the Company. At the meeting, reports are made on the Group's business and consolidated/non-consolidated financial statements, and 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 General Meeting of Shareholders is held once a year.

### (2) Board of Directors

The Board of Directors makes resolutions on important issues related to the business execution of the Company, and oversees the performance of directors and executive officers.

### (3) Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board members audit the performance of duties by directors, and give proposals, advice, and suggestions to directors and the Board of Directors to ensure the sound management of the Company.

The Audit & Supervisory Board reports on important issues regarding audits performed by each Audit & Supervisory Board member, which are then deliberated and resolved.

### (4) Executive Committee

The Executive Committee consists of the president, vice president and executive officers. The Executive Committee discusses important issues such as strategies related to the business management of the Group.

### (5) Group Management Committee

The Group Management Committee consists of members including the president of the Company and the presidents of the three life insurance companies. The Group Management Committee discusses important issues such as the Group's cross-sectional strategies.

### (6) Committees

Committees discuss the strategies and matters of the Company or those common to the Group.

## Corporate Governance

### Effectiveness Evaluation of the Board of Directors

To ensure the effectiveness of the Board of Directors, the Company conducts an annual performance review of the Board of Directors as a whole based on the self-evaluations of individual directors. The performance review examines whether the Board of Directors is functioning appropriately and producing results, and how the Board of Directors is contributing to increasing the Company's corporate value over the medium- to long-term.

Looking at the effectiveness of the Board of Directors as a whole in fiscal 2016, the Company conducted an analysis and evaluation of its Board of Directors based primarily on self-evaluations of individual directors and Audit & Supervisory Board members, as well as interviews with these individuals.

The main items of the self-evaluation questionnaire are as follows.

- (1) Function of the Board of Directors
- (2) Composition of the Board of Directors
- (3) Operation of the Board of Directors
- (4) Provision of information to Outside Directors/Auditors
- (5) Trainings (6) Overall assessment

The Company considers that the Board of Directors of the Company as a whole is generally performing its roles and responsibilities effectively.

Matters that were recognized as issues to be addressed (methods of deliberation, explanation and preparation of materials, etc.) in the fiscal 2015 assessment have generally been improved.

Regarding the development of a framework for activating the Board of Directors, the Company continues to recognize the necessity for improvement. For example, the Company will strive to review methods for deliberation/preparation of materials at the Board of Directors, as well as improvement of executive training. In addition, the Company will promote diversification in the composition of the Board of Directors.

Based on the assessment of effectiveness and other information, the Company is working to further improve the supervisory functions and decision-making processes of the Board of Directors.

### Risk Management

In light of the important social role played by its life insurance business, the Group considers the accurate assessment and control of risk to be one of the top management priorities for ensuring sound and appropriate management. Under the supervision of the Company, each Group company carries out appropriate risk management based on the principle of self-responsibility.

Furthermore, the Group conducts integrated risk management through such means as utilizing risk management indicators based on economic value, which values assets and liabilities on a mark-to-market basis.

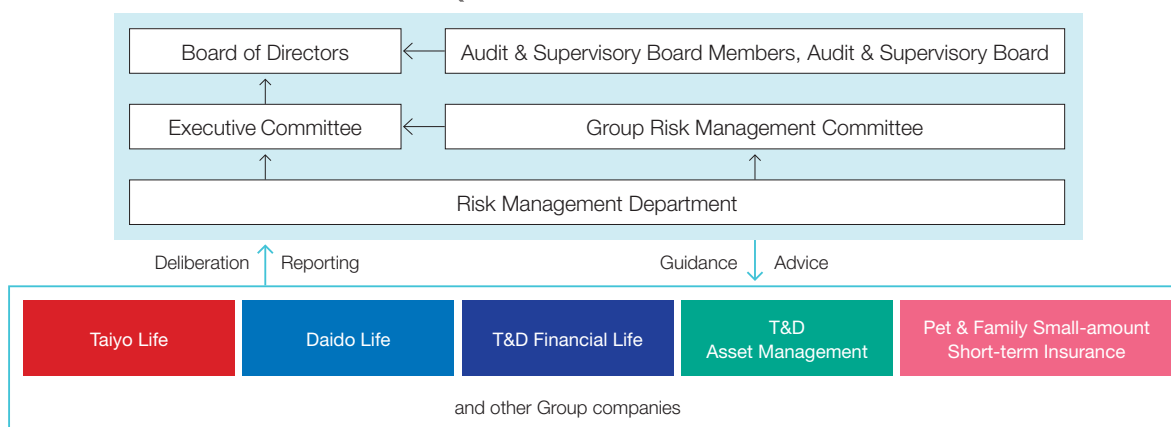
#### » Basic Policy on Risk Management and the Risk Management System

The Group has established a Group Risk Management Policy that sets forth the basic concepts for managing risk within the Group. Based on this policy, the Group companies, including the three life insurance companies, have developed their risk management systems which include their affiliates.

The Company has established the Group Risk Management Committee as a subordinate body of the Executive Committee to supervise the risks within the Group. The Group Risk Management Committee grasps and manages the condition of each Group company's various risks by receiving reports based on unified risk management indicators regularly or on an as-needed basis from the Group companies including the three life insurance companies. Meetings of the Group Risk Management Committee are held once a month in principle.

### ◆ Risk Management Framework

**T&D Holdings, Inc.**



Internal Auditing

In addition, the Company reports the risk condition of each Group company to the Board of Directors and on an as-needed basis, provides guidance and advice to the Group companies including the three life insurance companies. This not only ensures that each of the companies conducts thorough risk management but also strengthens Group-wide risk management.

## Compliance

### » Basic Compliance Policies

The Group has formulated the T&D Life Group CSR Charter, the T&D Life Group Compliance Code of Conduct, and the T&D Life Group Basic Policy for Strengthening the Compliance Structure. The Group ensures that corporate officers and employees are conversant with these basic compliance policies and standards to promote rigorous Group-wide compliance efforts.

### » Compliance Promotion System

The Company is responsible for comprehensively promoting compliance throughout the Group, taking into account the business scale and special characteristics of the three insurance companies and other Group companies.

The compliance promotion system centers on the Group Compliance Committee, a subordinate body of the Board of Directors. The committee is responsible for monitoring and improving compliance activities throughout the Group. Chaired by the president and comprising all directors and executive officers with responsibility for business execution, the committee deliberates on various compliance-related issues, and ensures that measures in line with those decisions are thoroughly implemented. Meetings of the Group Compliance Committee are held once a quarter in principle.

The unit responsible for comprehensively implementing compliance promotion activities is the Risk Management Department, which works with the compliance departments of each of the life insurance companies, while conducting periodic monitoring and providing guidance and assistance. Compliance promotion systems at the three life insurance companies are centered on the compliance committees and departments of each company.

### » Compliance Implementation

By implementing measures based on the basic policies and paying due consideration to the business scale and special characteristics of each Group company, the Group strives to ensure employee consciousness of compliance issues. For example, each Group company has established a Compliance Program to serve as a plan for ensuring strict compliance performance among all directors and employees. Moreover, the Group has created Compliance Guidelines to provide concrete explanations of how to thoroughly implement compliance regulations in the course of business operations.

### • Internal Reporting System

Within the T&D Life Group, the life insurance companies and other Group companies previously operated their own internal reporting systems. In April 2005, however, the T&D Life Group Helpline was established for use by all corporate officers and employees in the Group. Ahead of the Whistleblower Protection Act of April 2006, this system means that rules applied to the T&D Life Group Helpline include the stipulation that whistleblowers will not suffer any disadvantageous treatment as a result of using the system to submit information relating to suspected compliance violations, and that rules have been made about paying attention to handling information. As a result, compliance-related reports can also be submitted anonymously by phone or online through an external independent company to help preserve anonymity, thereby enhancing the effectiveness of the system. The T&D Life Group is committed to promoting greater compliance through the use of this internal reporting system.

### • Initiatives to Protect Personal Information

In complying with the Act on the Protection of Personal Information, the Company manages critical information security for personal data in particular, and monitors mechanisms for securely handling information across the T&D Life Group. As specific Group measures to protect personal information, the Company has put organizations and managers in charge of advancing the protection of personal information at the three life insurance companies, updated rules and manuals for protecting personal information, created and published the Privacy Policy for Personal Information Protection, and implemented training for employees about the protection of personal information.

## Accountability

The Company works to disclose information in line with the basic concept of striving to increase the transparency of management by appropriately disclosing corporate information, including appropriate financial information and non-financial information regarding management strategies, management priorities and other matters.

In specific terms, the Company strives to provide easy-to-understand disclosure based on its core disclosure principles of timeliness, fairness and accuracy in order to maintain and reinforce trust among all of its stakeholders, including customers, shareholders, employees, insurance agents, business partners, and local communities, and to increase the level of transparency in its corporate governance.

In releasing information, the Company strives to disclose information to as many people as possible using various media.

Furthermore, the Company is actively engaged in IR activities based on its IR policy (see page 166), while ensuring that briefings are provided by members of senior management, in principle.

## Corporate Governance

### Basic Policy for Responding to Antisocial Forces

In its Group Compliance Code of Conduct, the T&D Life Group defines its policy toward antisocial forces as to “reject and stringently respond to any antisocial forces which threaten the order and safety of the civil society.” In accordance with this policy, the Group responds to antisocial forces in the following manner, and has announced this on the Company’s website.

#### 1. Response as an Organization

When antisocial forces make unreasonable demands, the Company responds as a unified organization, rather than delegating this responsibility to the related personnel or divisions. Further, the Company takes steps to ensure the safety of the corporate officers and employees responsible for dealing with such unreasonable demands.

#### 2. Cooperation with External Expert Organizations

The Company maintains close contact with external organizations, such as the police, the National Center for the Removal of Criminal Organizations, and lawyers, to protect itself against unreasonable demands from antisocial forces.

#### 3. Ban Any Relations Including Transactions

The Company bans any relations including transactions with antisocial forces. In addition, the Company does not cooperate with unreasonable demands from antisocial forces. The same applies to loans and other transactions conducted in alliance with other companies, such as credit sales firms.

#### 4. Legal Responses, Both Civil and Criminal in the Event of an Emergency

When necessary, the Company will take legal action in response to unreasonable demands from antisocial forces, including bringing civil and criminal charges against these forces.

#### 5. Prohibition of Engagement in Secret Transactions and Provision of Funds

Even in the event which unreasonable demands of antisocial forces are in response to misdeeds in the Company’s business operations or by its corporate officers or employees, the Company will not engage in secret transactions with these forces to conceal the fact. Further, the Company will never provide funds to antisocial forces.

### » Status of Development for Eliminating Antisocial Forces

#### 1. Establishment of a Supervising Department

The Company has established a supervising department and is cooperating with relevant departments to establish a system for eliminating antisocial forces.

#### 2. Cooperation with External Expert Organizations

The Company has established links between the legal counsel and local police.

#### 3. Collection and Management of Information Relating to Antisocial Forces

The Company strives to collect information related to antisocial forces through affiliated organizations and so forth.

#### 4. Preparation of a Response Manual

The Company has provided antisocial forces response regulations and detailed rules, and established a guideline for responding to antisocial forces.

#### 5. Conducting Training Activities

The Company has established a training plan for its compliance programs and conducts regular annual training on how to ban any relations with antisocial forces.

# Messages from Outside Directors

The three outside directors of T&D Holdings deliver messages on corporate governance and future initiatives.

## Breathe “Soul” into Governance Without Running to Formalism

**Ryuji Hori**

Director  
(outside officer, part-time)



Many Japanese companies recently have been working to strengthen corporate governance. The number of outside directors and their proportion to the total number of directors have been increasing. This in itself is a very good thing. However, there are some companies whose governance do not actually function properly despite having exemplary outside directors at the individual level. It is not a matter of simply abiding by formal requirements; a major issue for Japanese corporate governance going forward is how to breathe “soul” into governance.

To breathe soul into governance, it is very important to get to know the front line and not run to formalism. The Company creates various opportunities for outside directors and outside Audit & Supervisory Board members to observe actual worksites, including the sales, examination, and system development divisions of the Group’s life insurance companies, and this serves as invaluable reference material for understanding the background of debates at board meetings.

The non-mandated Nomination and Compensation Committee, which I chair, reviews appointment of corporate officers not only at the Company but also at the affiliated life insurance companies. In order to avoid any mismatches between faces and names of the candidates, we ask the Company to provide opportunities to meet them in person.

A contrivance to improve the effectiveness of the governance can also be seen in the career backgrounds of the outside directors. The Company has appointed three outside directors including me. I make full use of my own experience in management at a general trading company as well as a university professor specializing in legal affairs, and always strive to unreservedly express my opinions from both at a management and a legal standpoint. The other two outside directors have their own differing areas of expertise, and I think the composition is well-balanced. Further, regarding the board’s agenda, an environment to openly express one’s opinion is put in place with measures such as providing opportunities for outside directors to receive explanations directly from the departments involved beforehand.

In Japan, with the aging population and a declining birth rate, there is a view that the life insurance market will shrink. However, by virtue of providing unique products and services for seniors which preempts the changes of the times, the Group has successfully cultivated the domestic life insurance market. The aging of the society has in fact, led to the expansion of business opportunities for the Group. Going forward, please do look forward to the T&D Life Group’s initiatives for a society where seniors can live with a peace of mind and participate actively.



## Messages from Outside Directors



### Thoroughly Demonstrate the Monitoring Function with the Understanding of the Unique Governance

**Haruka Matsuyama**

Director  
(outside officer, part-time)

Four years have passed since I was appointed as an outside director of the Company. Japan's Companies Act and Corporate Governance Code require outside directors to demonstrate the monitoring function against the management, and it is generally recognized that outside directors also serve as management advisors. As an attorney specialized in areas including Companies Act and Corporate Governance Code, I have strived the past four years to fulfill my role as an outside director through proposals and other feedback based on my experience and knowledge.

The most important place for monitoring is the Board of Directors. I think the Company's board is exceptional for its well organized "reporting items" and regular, highly detailed reports. The monitoring of business execution, including the monitoring of the management of the Group's operating companies, is in a sense, a matter of course for a financial holding company, but receiving reports not only after problems surface but also reports which allow fixed-point observation of overall management are very helpful to me as an outside director.

Including its monitoring systems, the Company has constructed a highly unique form of governance. The biggest determining characteristic of our governance system is that the Company, under a holding company structure, holds two

life insurance companies of an equivalent size, Taiyo Life and Daido Life. This functions as both competition and restraint within the Group a good way. It can be said that this balance of the holding company and its affiliated life insurance companies itself is supporting the governance of the overall T&D Life Group. From my standpoint as an outside director, I intend to continue demonstrating the monitoring function thoroughly in order to prevent this exquisite balance from being disrupted. Further, the Company has established the Nomination and Compensation Committee, which is not mandated by law. With regard to the committee's operations, progressive initiatives have started including discussion on a succession plan.

The Company is implementing a robust management with a long-term outlook under a solid governance. At the same time, the Company continues to grow by promptly identifying the needs of the customer and the society and actively launching highly distinctive strategies. I believe T&D Holding is a company which could be invested over the long term with a sense of security. Therefore I would invite investors to keep their attention focused on the Company.

## Respect the Distinctive Business Strategy and Increase the Value of the Entire Group

**Naoki Ohgo**

Director  
(outside officer, part-time)



I was appointed as an outside director of the Company in June 2017. My principal profession is management consulting, and from that standpoint, I think it is extremely important for a company to develop its own distinctive strategy. On the other hand, when you turn to the strategies of Japanese financial institutions, they have a strong tendency to lay out similar strategies, and business integration seems to simply aim for the expansion in scale.

In this respect, the T&D Life Group's three core life insurance companies each have their own distinct business strategies, and these strategies are developed on a unified basis under a holding company. The Group has a very unique presence which has drawn my attention since at the time of its establishment.

Japanese life insurance industry is in a difficult business environment where its business operation will definitely contract in a natural posture due to a declining population. Therefore, how to fight back this situation will be the key to any growth strategy. The Company will not necessarily fit in to a strategy which makes full use of its capital resources and scale merits. Rather, it has thus far created business opportunities by anticipating the changes of the times and launching exceptional products and services ahead of the competition. I am

convinced that the Company will be able to survive in a difficult competitive environment through a unique strategy which cannot be matched by other companies. I considered there is a role for me to make this possible, and it was on this basis that I decided to participate in the Company's management.

What I've observed since taking up this appointment is that one of the Company's strengths is its governance which is, in a good sense, thoroughly committed to the fundamentals of a management theory. Pursuing fundamentals are easier said than done. At board meetings, what is currently taking place internally and how it is being addressed is explained sufficiently, including the decision-making processes involved. I think this sincere attitude is another factor sustaining the Company's growth.

To become strong as a whole, each individual domain must become strong. The Group is striving to increase its entire value through each Group company having its own distinctive strategy and growing stronger under a single governance. Together with all the Group's executives and employees, I intend to devote myself in the role of outside director to facilitate the growth of the entire Group.



# Management Organization

## Board of Directors (As of June 28, 2017)



### Representative Director and President

**TETSUHIRO KIDA** Born 1953

Apr. 1976 Joined Daido Life  
Mar. 1999 General Manager of Planning Department of Daido Life  
Jul. 2000 Director of Daido Life  
Apr. 2003 Managing Director of Daido Life  
Jun. 2006 Managing Executive Officer of Daido Life  
Apr. 2007 Director of T&D Financial Life,  
Director of T&D Asset Management,  
Managing Executive Officer of T&D Holdings

Jun. 2007 Director and Managing Executive Officer of T&D Holdings  
Apr. 2008 Director and Senior Managing Executive Officer of T&D Holdings  
Apr. 2010 Representative Director and President of Daido Life,  
Director of T&D Holdings  
Apr. 2015 Representative Director and Chairman of Daido Life (current),  
Representative Director and President of T&D Holdings (current)



### Representative Director and Executive Vice President (Group Planning Department)

**HIROHISA UEHARA** Born 1962

Apr. 1984 Joined Taiyo Life  
Jan. 2005 General Manager of Investment Planning Department of  
Taiyo Life  
Feb. 2005 Director of T&D Asset Management  
Apr. 2007 General Manager of Group Planning Department of  
T&D Holdings  
Apr. 2010 Director of T&D Asset Management  
Apr. 2011 Executive Officer and General Manager of Group Planning  
Department of T&D Holdings  
Apr. 2012 Director of T&D Financial Life

Apr. 2014 Executive Officer of Taiyo Life  
Jun. 2014 Director and Executive Officer of Taiyo Life  
Apr. 2015 Director and Managing Executive Officer of Taiyo Life  
Apr. 2016 Director and Senior Managing Executive Officer of Taiyo Life  
Apr. 2017 Director of Taiyo Life (current),  
Executive Vice President of T&D Holdings  
Jun. 2017 Director of T&D Financial Life (current),  
Representative Director and Executive Vice President of  
T&D Holdings (current)



### Director and Executive Vice President (Business Development Department)

**SONOSUKE USUI** Born 1953

Apr. 1976 Joined Daido Life  
Sep. 1996 General Manager of Separate Account Investment  
Department of Daido Life  
Jul. 2000 Director of Daido Life  
Jul. 2001 Representative Director and President of  
T&D Taiyo-Daido Asset Management  
Jul. 2002 Representative Director and President of  
T&D Asset Management  
Apr. 2008 Senior Managing Executive Officer of T&D Financial Life  
Jun. 2008 Representative Director and Senior Managing Executive  
Officer of T&D Financial Life

Jun. 2009 Director of T&D Asset Management  
Apr. 2010 Director of T&D Financial Life,  
Senior Managing Executive Officer of T&D Holdings  
Jun. 2010 Director of Daido Life (current),  
Director and Senior Managing Executive Officer of T&D Holdings  
Apr. 2011 Director and Executive Vice President of T&D Holdings  
Jun. 2013 Representative Director and Executive Vice President of  
T&D Holdings  
Apr. 2015 Director and Executive Vice President of T&D Holdings (current)



### Director and Senior Managing Executive Officer (General Affairs Department, Internal Auditing Department)

**TERUNORI YOKOYAMA** Born 1954

Apr. 1977 Joined Taiyo Life  
Jul. 2003 General Manager of General Planning Department of  
Taiyo Life  
Apr. 2004 General Manager of Group Planning Department of  
T&D Holdings  
Jun. 2006 Executive Officer and General Manager of Group  
Planning Department of T&D Holdings  
Apr. 2007 Managing Executive Officer and  
Marketing Executive General Manager of Taiyo Life

Jun. 2007 Director and Managing Executive Officer, and Marketing  
Executive General Manager of Taiyo Life  
Feb. 2008 Director and Managing Executive Officer of Taiyo Life  
Jun. 2009 Managing Executive Officer of T&D Holdings, Director and  
Managing Executive Officer of T&D Holdings  
Apr. 2014 Director and Senior Managing Executive Officer of  
Taiyo Life (current),  
Director and Senior Managing Executive Officer of  
T&D Holdings (current)



### Director and Senior Managing Executive Officer (Risk Management Department)

**KOICHI SEIKE** Born 1956

Apr. 1980 Joined Daido Life  
Apr. 2003 General Manager of Profit Management and Actuarial  
Department of Daido Life  
Jun. 2006 Executive Officer of Daido Life  
Apr. 2010 Managing Executive Officer of Daido Life

Jun. 2011 Director and Managing Executive Officer of Daido Life  
Apr. 2014 Managing Executive Officer of T&D Holdings  
Jun. 2014 Director and Managing Executive Officer of T&D Holdings  
Apr. 2016 Director and Senior Managing Executive Officer of  
Daido Life (current)  
Director and Senior Managing Executive Officer of  
T&D Holdings (current)



### Director and Managing Executive Officer (Group Finance & Accounting Department, Public Relations Department)

**CHIKAHIRO TSUBOI** Born 1957

Apr. 1980 Joined Taiyo Life  
Mar. 2009 General Manager of Securities Investment Department of  
Taiyo Life  
Apr. 2010 Executive Officer of Taiyo Life  
Jun. 2010 Director and Executive Officer of Taiyo Life  
Oct. 2011 Audit & Supervisory Board Member of  
T&D Asset Management

Apr. 2014 Director and Managing Executive Officer of Taiyo Life  
Apr. 2015 Managing Executive Officer of T&D Holdings  
Jun. 2016 Director of T&D Financial Life (current)  
Director of T&D Asset Management (current)  
Director and Managing Executive Officer of T&D Holdings  
Apr. 2017 Director and Senior Managing Executive Officer of  
T&D Holdings (current)

**Director****RYUJI HORI\*** Born 1943

\* Mr. Hori is an outside director as provided for in the Japanese Companies Act.

Apr. 1966 Joined Iwai Sangyo Company  
 Jun. 1996 Director of Nissho Iwai Corporation  
 Jun. 2000 Managing Director of Nissho Iwai Corporation  
 Jun. 2002 Senior Managing Executive Officer of Nissho Iwai Corporation  
 Apr. 2003 Professor of Waseda University School of Law  
 Apr. 2004 Professor of Waseda Law School

Jun. 2006 Audit & Supervisory Board Member of Daido Life  
 Jun. 2010 Director of Daido Life  
 Jun. 2012 Director of T&D Holdings (current)

**Director****HARUKA MATSUYAMA\*** Born 1967

\* Ms. Matsuyama is an outside director as provided for in the Japanese Companies Act.

Apr. 1995 Assistant Judge to the Tokyo District Court  
 Jul. 2000 Registered as an Attorney  
 Jun. 2013 Director of T&D Holdings (current)

**Director****NAOKI OHGO** Born 1962

\* Mr. Ohgo is an outside director as provided for in the Japanese Companies Act.

Apr. 1985 Joined McKinsey & Company, Inc.  
 Jul. 1999 Partner of McKinsey & Company, Inc.  
 Jul. 2005 Executive Officer of GE Consumer Finance K. K.  
 (currently Shinsei Financial Co., Ltd.)  
 Aug. 2008 Representative Director of Root F Co., Ltd. (current)  
 Jun. 2017 Director of T&D Holdings (current)

**Director****KATSUhide TANAKA** Born 1954

Apr. 1977 Joined Taiyo Life  
 Sep. 2000 General Manager of Policy Service, Conservation and Premium Receipts Department of Taiyo Life  
 Jul. 2001 Director of Taiyo Life  
 Mar. 2004 Managing Director of Taiyo Life  
 Jun. 2006 Director and Managing Executive Officer of Taiyo Life  
 Apr. 2007 Director and Senior Managing Executive Officer of Taiyo Life  
 May 2007 Director and Senior Managing Executive Officer, and Customer Service Executive General Manager of Taiyo Life

Feb. 2008 Director and Senior Managing Executive Officer, and Marketing Executive General Manager of Taiyo Life  
 Jun. 2008 Representative Director and Senior Managing Executive Officer, and Marketing Executive General Manager of Taiyo Life  
 Jun. 2009 Representative Director and Executive Vice President, and Marketing Executive General Manager of Taiyo Life  
 Apr. 2011 Representative Director and President of Taiyo Life (current)  
 Jun. 2011 Director of T&D Holdings (current)

**Director****MINORU KUDO** Born 1955

Apr. 1978 Joined Daido Life  
 Apr. 2005 General Manager of General Marketing Department of Daido Life  
 Jun. 2005 Director of Daido Life  
 Jun. 2006 Executive Officer of Daido Life  
 Apr. 2008 Managing Executive Officer of Daido Life

Jun. 2009 Director and Managing Executive Officer of Daido Life  
 Apr. 2011 Director and Senior Managing Executive Officer of Daido Life  
 Apr. 2014 Representative Director and Executive Vice President of Daido Life  
 Apr. 2015 Representative Director and President of Daido Life (current)  
 Jun. 2015 Director of T&D Holdings (current)

**Director****MASAFUMI ITASAKA** Born 1963

Jun. 2004 Joined Daido Life  
 Sep. 2007 General Manager of Business Development Department of T&D Financial Life  
 Apr. 2011 Executive Officer of T&D Financial Life  
 Apr. 2015 Managing Executive Officer of T&D Financial Life  
 Jun. 2015 Director and Managing Executive Officer of T&D Financial Life

Apr. 2017 Representative Director and President of T&D Financial Life (current)  
 Jun. 2017 Director of T&D Holdings (current)

## Management Organization

### Audit & Supervisory Board Members (As of June 28, 2017)



#### Audit & Supervisory Board Member

**TAKASHI SHIMODA** Born 1957

Apr. 1979 Joined Daido Life  
Apr. 2005 General Manager, Public Relations Department of T&D Holdings

Apr. 2009 General Manager, Auditing Department of Daido Life  
Mar. 2014 Audit & Supervisory Board Member of Daido Life  
Jun. 2014 Audit & Supervisory Board Member of T&D Holdings (current)



#### Audit & Supervisory Board Member

**JUNICHI YANAI** Born 1961

Apr. 1984 Joined Taiyo Life  
Apr. 2017 Deputy General Manager of General Affairs Department  
Jun. 2017 Audit & Supervisory Board Member of Taiyo Life (current),  
Audit & Supervisory Board Member of T&D Holdings (current)



#### Audit & Supervisory Board Member

**SHIGEKAZU IWAI\*** Born 1945

Apr. 1972 Registered as an Attorney  
Apr. 1991 Vice President of the Tokyo Bar Association  
Apr. 2004 President of the Tokyo Bar Association, Vice President of the Japan Federation of Bar Associations  
Jun. 2012 Audit & Supervisory Board Member of Daido Life  
Audit & Supervisory Board Member of T&D Holdings (current)

\* Mr. Iwai is an outside Audit & Supervisory Board member as provided for in the Japanese Companies Act.



#### Audit & Supervisory Board Member

**YUICHI OZAWA\*** Born 1943

Apr. 1969 Registered as an Attorney  
May 1985 Organizer, Commercial Law Subcommittee of the Legislative Council of the Ministry of Justice  
Apr. 1991 Professor of Legal Training and Research Institute, Supreme Court of Japan (Defense of Civil Cases)  
Jan. 1998 Member of National Bar Examination Committee (Commercial Law)

\* Mr. Ozawa is an outside Audit & Supervisory Board member as provided for in the Japanese Companies Act.

Jun. 2007 Audit & Supervisory Board Member of Taiyo Life  
Jun. 2013 Audit & Supervisory Board Member of T&D Holdings (current)

# Corporate Governance Data

## Total Compensation Paid to Directors and Audit & Supervisory Board Members (Fiscal 2016)

Category	Monthly compensation		Reserve for bonuses		Stock compensation-type stock options		Compensation total	
	Number receiving compensation	Amount (¥ millions)	Number receiving compensation	Amount (¥ millions)	Number receiving compensation	Amount (¥ millions)	Number receiving compensation	Amount (¥ millions)
Directors	12	¥201	6	¥64	6	¥62	12	¥328
(Outside appointees)	(2)	(19)	(0)	(-)	(0)	(-)	(2)	(19)
Audit & Supervisory Board members	4	74	0	-	0	-	4	74
(Outside appointees)	(2)	(19)	(0)	(-)	(0)	(-)	(2)	(19)
Total	16	¥275	6	¥64	6	¥62	16	¥403

- The annual compensation limit established at a shareholders' meeting is ¥500 million for directors and ¥130 million for Audit & Supervisory Board members. Bonuses are included in the amount for directors. In addition, the annual compensation limit for stock compensation-type stock options (stock acquisition rights) for directors is ¥100 million, established separately from the above annual compensation limit for directors (excluding outside directors).
- The abovementioned payments include one director who stepped down from their posts as of the close of the twelfth Ordinary General Meeting of Shareholders held on June 28, 2016. As of March 31, 2017, the Group had eleven directors and four Audit & Supervisory Board members.

## Information Related to the Independent Financial Auditor (Fiscal 2016)

Name	Ernst & Young ShinNihon LLC
Amount paid for statutory services <sup>1</sup>	¥188 million
Total remuneration to be paid by the Group to the independent financial auditor <sup>2</sup>	¥409 million

- Total amount of remuneration for audit attestation services pursuant to Article 2, Paragraph 1 of the Certified Public Accountants Act.
- Total amount of remuneration and other financial profits to be paid by T&D Holdings and its subsidiaries.

## Number of Stocks Held by the Directors and Audit & Supervisory Board Members

	June 28, 2017	June 28, 2016	June 25, 2015
President	24,184 shares	21,909 shares	19,764 shares
Other directors (average)	15,733 shares	16,481 shares	13,061 shares
Audit & Supervisory Board members (average)	4,817 shares	5,570 shares	4,712 shares

## Information Related to the Board of Directors, Audit & Supervisory Board, Executive Committee, and Group Management Committee (Fiscal 2016)

Name	Number of meetings	Attendance rate	Main members and attendees
Board of Directors	21	97.5%	Directors and Audit & Supervisory Board members
Audit & Supervisory Board	15	93.3%	Audit & Supervisory Board members
Executive Committee	54	96.4%	President, vice president and executive officers
Group Management Committee	17	98.1%	President, presidents of the three life insurance companies, etc.

## Existence of Policy or System

Item	Yes/No	Comments
Executive officer system	Yes	
Framework for setting directors' compensation	Yes	Disclosed in business report, "YUHO Report," and other financial documents
Director/Audit & Supervisory Board member share ownership	Yes	
Stock option system	Yes	
Liability limitation contract for outside directors and outside Audit & Supervisory Board members	Yes	
Liability limitation contract for the independent financial auditor	No	
Hostile takeover protection plan	No	
Basic code of ethics	Yes	T&D Life Group CSR Charter
Basic corporate ethics policy	Yes	T&D Life Group Compliance Code of Conduct