

Businesses at a Glance

Taiyo Life Insurance Company

Serving Household Insurance Needs

Taiyo Life focuses on serving the household market, mainly targeting women, the middle-aged, and elderly people. The company sells comprehensive life coverage, which is centered on death protection and medical/nursing care products. Unlike other life insurers that typically target the workplace, Taiyo Life uses an in-house sales force of women of the same generation as target customers to visit customers at home and provide advice in tailoring policies to specific needs. Based on an extensive customer database and wealth of expertise, Taiyo Life aims to provide coverage for the whole family by broadening its market to include heads of households and children.



Daido Life Insurance Company

Serving the Needs of SMEs

Daido Life focuses on the small and medium enterprises (SMEs) market and provides products and services suiting the specialized needs of various organizations, based on collaboration with tie-up groups such as SME-related organizations and CPTA organizations. These tie-up organizations include the National Federation of Corporate Taxpayers Associations (NFCTA), the Tax Payment Associations (TPA), the TKC National Federation, as well as CPTA Associations and CPTA Cooperative Associations. Daido Life has driven the evolution of this business model, according to changes in the times. As a result, this unique business model has provided Daido Life with a platform for steady growth, currently enabling the company to build a solid position as the leading company in the SME market.

Going forward, in addition to offering its core term life insurance, Daido Life is further strengthening its promotion of a full range of protection by enhancing its disability income insurance. Moreover, Daido Life is working at "further penetrating the SME market" and "creating and expanding new markets," such as the full-fledged development of "the provision of individual protection" for SME owners themselves.



T&D Financial Life Insurance Company

Catering to a Variety of Needs through OTC Sales at Financial Institutions and Other Independent Insurance Agents

T&D Financial Life provides insurance products through independent insurance agents, including banks, securities firms and insurance shop agents. As of the end of March 2015, the firm had expanded its sales network to 130 financial institution agents, establishing a solid sales base centered on Japan's top commercial banks.

In the future, T&D Financial Life aims to offer products to serve a broad range of needs, such as post-retirement living expenses and protection for bereaved families. Initiatives here include enhancing and expanding sales channels by strengthening ties with agents and product lineups incorporating customer needs.



T&D FINANCIAL LIFE

Market	OTC sales at financial institutions and other agents
Sales channel	Independent insurance agents (banks, securities firms and insurance shop agents, etc.)
Products	Single premium products and level premium products

T&D Asset Management Co., Ltd.

Serving a Wide Range of Asset Management Needs for Individual Investors, Institutional Investors and Other Clients

As a core company of the T&D Life Group, T&D Asset Management conducts an asset management business resting on two core businesses: the investment trust business and investment advisory business.

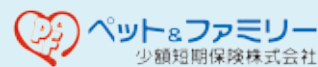
T&D Asset Management

Investment trust business	Provide a wide array of prime investment products mainly to individual investors through sales companies (securities firms, etc.)
Investment advisory business	Provide adequate investment solutions to domestic and overseas pension funds and institutional investors

Pet & Family Small-amount Short-term Insurance Company

Serving the Needs of Pet Owners in Meeting the Veterinary Care Expenses of Pets

Pet & Family Small-amount Short-term Insurance provides insurance protection for meeting the veterinary care expenses of pets mainly through the pet shop sales channel in the pet insurance market, which is expected to continue expanding in the future.



Market	Pets market
Sales channel	Agents (pet shops, etc.)
Products	Compensation insurance for pet veterinary care expenses

 **Taiyo Life Insurance Company**



Katsuhide Tanaka
Representative Director and
President

Focusing on insurance sales in the household market, we will deliver optimal comprehensive coverage to households through superior sales capabilities, aiming to expand our customer base, and to increase EV and the policy amount in force.

Management Targets

Fiscal 2015

- ▶ Policy amount in force **¥22,220 billion**
- ▶ New policy amount **¥2,370 billion**

Fundamental Strategy

- ▶ Promote unique marketing methods utilizing a wide customer base of women and middle-aged and elderly people
- ▶ Offer comprehensive coverage that meets customer needs for death protection as well as medical and nursing care insurance through the in-house sales representative channel in the household market
- ▶ Increase the number of sales representatives and the new policy amount

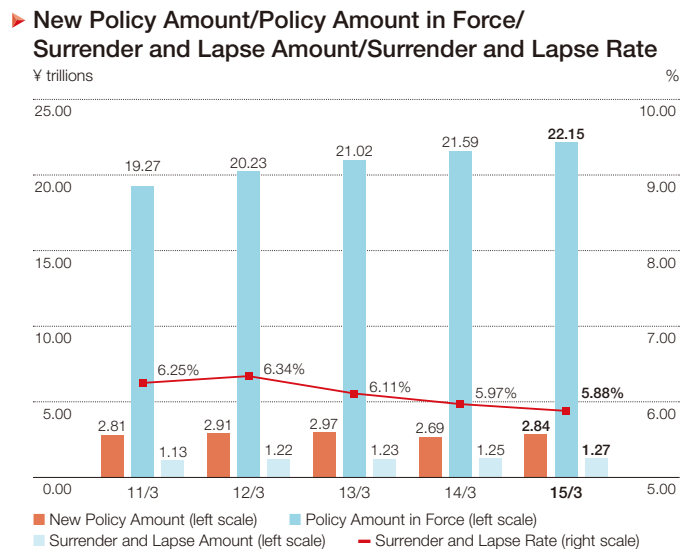
Business Model

Market	Households
Sales channel	In-house sales representatives
Products	Comprehensive coverage centered on death protection and medical/nursing care products

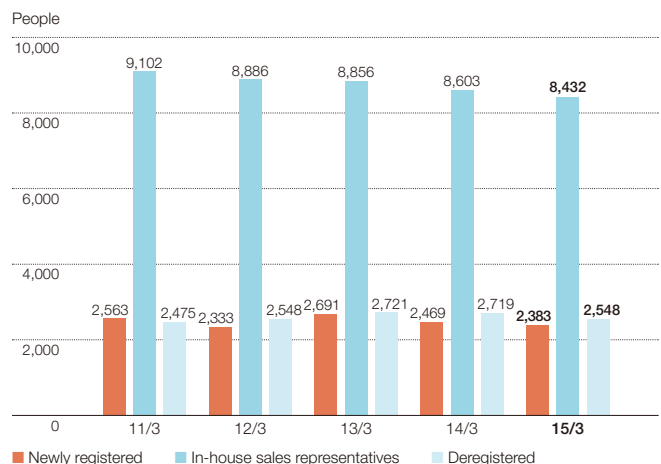
Performance and Operational Review

At Taiyo Life, in fiscal 2014, ended March 31, 2015, the new policy amount (total of individual insurance and individual annuities) was up 5.3% year on year to ¥2,840.7 billion. The surrender and lapse rate improved 0.09 percentage points to 5.88%. The policy amount in force reached another record high for a fiscal year-end result of ¥22,154.5 billion. As of March 31, 2015, MCEV was ¥868.6 billion, an increase of ¥163.5 billion from the previous fiscal year-end.

Taiyo Life has formulated a two-year medium-term management plan running from April 2014 to March 2016 with a vision of “Aim to be a life insurance company that delivers optimal comprehensive coverage to households.” Guided by this vision, Taiyo Life is strengthening its unique business model that integrates product and market channels.



▶ **In-house Sales Representatives**



In fiscal 2014, Taiyo Life worked toward the realization of this vision, based on the concept of “becoming the life insurance company that is most considerate to senior customers entails becoming the life insurance company that is most considerate to all households and to all customers.” Accordingly, Taiyo Life has launched the company-wide Best Senior Service Project in order to deliver products and services of the highest standard in the industry to senior customers. Taiyo Life conducts a variety of service activities, ranging from concluding a contract to customer follow-up and payment, and these trustworthy services provide peace of mind to customers over the long term.

On the product front, from April 2014 Taiyo Life upgraded its lineup of nursing care protection products under its mainstay product *Hoken Kumikyoku Best*, in order to address increasingly stronger needs for nursing care protection. Specifically, Taiyo Life began selling a new product, *Keido Kaigo Hoken*, that provides coverage from long-term care level 1 or above under Japan’s Long-term Care Insurance System. The company also expanded the scope of coverage of products that had previously covered long-term care level 3 or

above to coverage starting from long-term care level 2. Moreover, as part of the Best Senior Service Project, Taiyo Life has expanded the eligible age for medical care insurance products from age 75 to age 85.

Fundamental Strategy

Established in 1893, Taiyo Life is a life insurance company with a history of more than 120 years. From the 1950s, the company adopted a unique marketing strategy focused on high volume sales of short-term endowment insurance—a highly savings-oriented product—in the household market to housewives through door-to-door sales activities. As a result, Taiyo Life has built a unique customer base centered on the middle-aged and elderly as well as women. From the mid-1990s, a combination of prolonged low interest rates, deregulation, a shift in customer needs and other factors caused changes in the operating environment. Taiyo Life quickly adapted to these changes by shifting its sales from savings-oriented products to protection-oriented products, such as death protection as well as medical and nursing care protection.

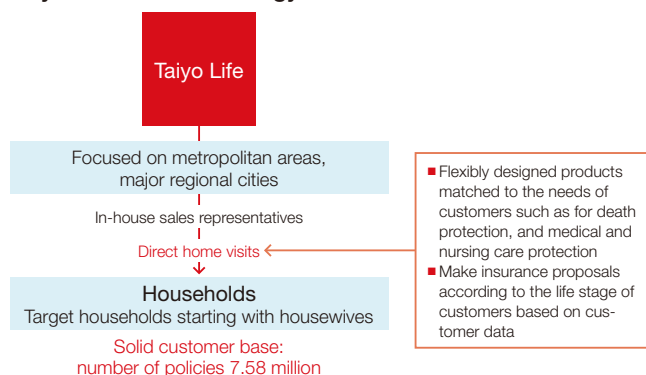
► Overview of Taiyo Life’s Mainstay Product *Hoken Kumikyoku Best*

- Flexible custom-made design to match customer needs
- Flexible revision according to changing needs
- Introduction of new protection (nursing care protection, surgery coverage, hospitalization protection with lump-sum benefits)
- More reasonably priced than existing products

All of the protection is treated as basic policy.
Customers can flexibly choose
the *Hoken Kumitate Tokuyaku* rider to meet their needs

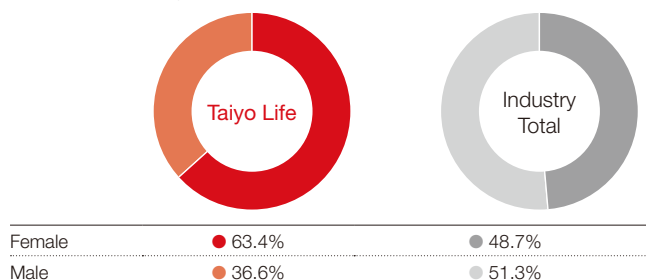
Death protection Lifetime death protection Enhanced death protection for a fixed term	Medical protection Hospitalization coverage Surgery coverage
Protection for three major diseases and nursing care Coverage for three major diseases Nursing care protection	Future life events Living benefits/Savings-type insurance Individual annuities

► Taiyo Life’s Sales Strategy



► New Policy Enrollment Status Based on Gender

%, based on number of policies



Source: Compiled by T&D Holdings based on *Summary of Life Insurance Business in Japan* (Fiscal 2014), Life Insurance Association of Japan

Hoken Kumikyoku Best, Taiyo Life's mainstay product, differs from conventional insurance plans in that it allows for combinations of individual insurance coverage (basic policies) through *Hoken Kumitate Tokuyaku* rider. This serves to boost the flexibility of insurance planning and revision, while also making products more simple and easy to understand with more affordable premiums. This product enables Taiyo Life to provide many customers with lifelong high-quality, fine-tuned support and services as their life stages change.

Marketing Strategy

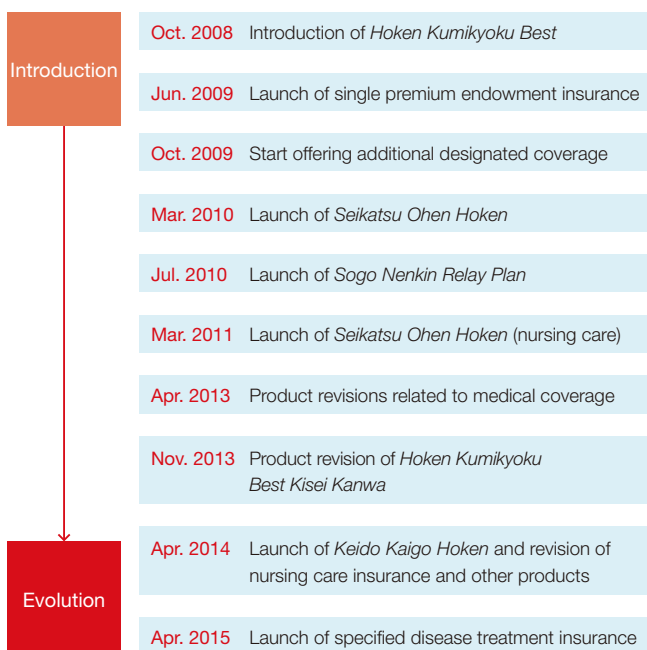
Taiyo Life has adopted a marketing strategy that is quite different from that of other large domestic life insurers. Whereas other life insurers have extended their marketing networks nationwide, Taiyo Life is conducting sales activities closely tied to metropolitan areas and major regional cities with high population densities. This enables the company to carry out home-visit marketing activities with efficiency and to cultivate the household market in greater depth. Moreover, in contrast

to most large Japanese life insurers whose core sales target is the worksite market, Taiyo Life employs a sales consulting approach in which sales representatives visit customers at home where they can take more time to discuss the insurance needs of the customer.

Transforming Taiyo Life into a Provider of Coverage for the Whole Family

Taiyo Life is working to offer coverage for the whole family by leveraging a customer base in the household market starting with housewives and broadening its market to include heads of households and children. Generally, a sales agent goes to the head of the household's workplace to sell insurance and the insurance is chosen from the perspective of the head of the household. Taiyo Life, however, stands from the housewives' perspective, proposing the insurance product based on the necessary protection for the family left behind should something happen to the head of the household. This approach allows Taiyo Life to propose insurance in a manner

► Evolution of *Hoken Kumikyoku Best*



► Declaration of Best Senior Service

We will provide peace-of-mind to our senior customers.
We will interact with sincerity with our senior customers.
We will deliver products that bring happiness to our senior customers.
We will provide information and explanations that are easy-to-understand to our senior customers.
We will provide new services that are useful to our senior customers.
We aim to become the most considerate life insurance company to senior customers.

that wins the understanding of customers. Taiyo Life will propose insurance which is optimally designed for each customer, based on an analysis of the household's insurance coverage to clarify what kind of protection is insufficient. Through this consulting sales process, Taiyo Life will provide coverage for the whole family.

Future Growth

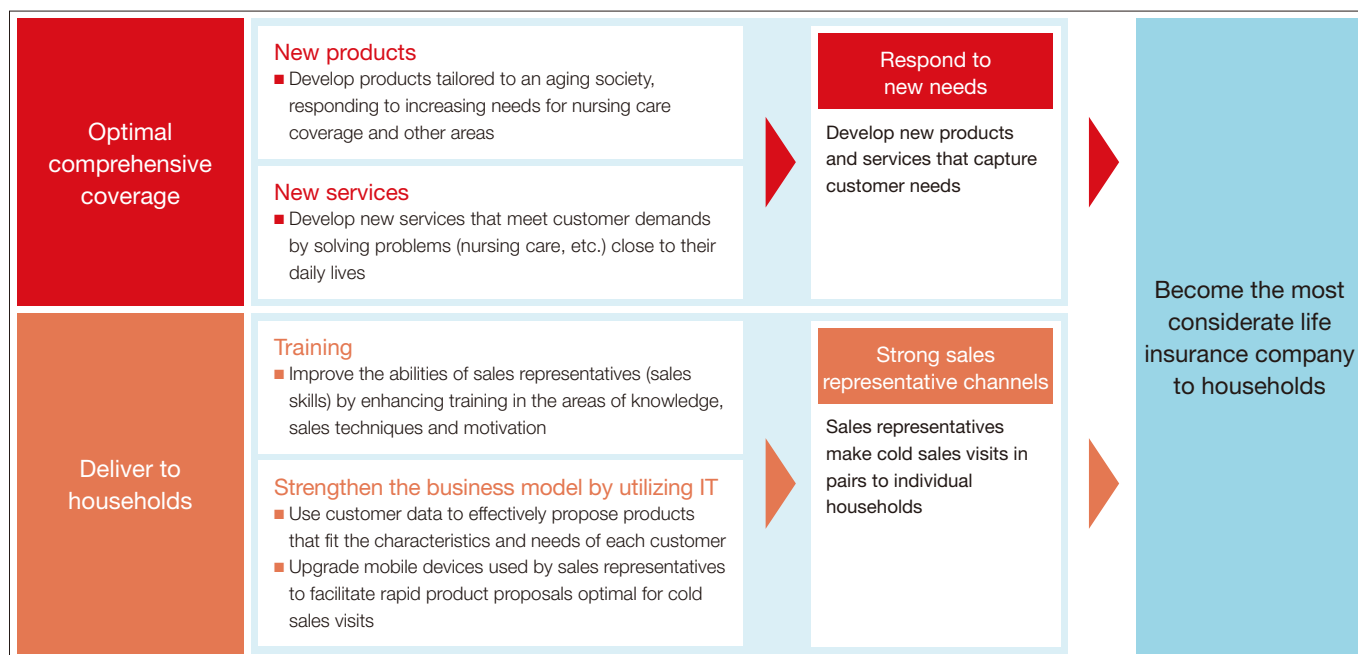
Looking ahead, Taiyo Life will strengthen its unique business model that integrates product and market channels, in order to continue to be a life insurance company that delivers optimal comprehensive coverage to households.

On the product front, from April 2015, Taiyo Life launched a new specified disease treatment insurance that expanded coverage for the three major diseases, with the focus on new protection that includes carcinoma in situ and skin cancer. Going forward, Taiyo Life will further evolve *Hoken Kumikyoku Best* and deliver the optimal life coverage to households.

Moreover, in the area of customer services, the company will promote the business reform project EVOLUTION '15 with the aim of simultaneously achieving operational efficiency and quality of the industry's highest level, strong sales activities, and a high degree of customer satisfaction, by utilizing the newest information technologies. Specifically, the company will work on the major measures of "workstyle reform," "branch operation reform," and "automation of assessment." EVOLUTION '15 is a reform, enabling Taiyo Life to perpetually secure a competitive position, continue to grow, and provide a high degree of customer satisfaction. Taiyo Life will consider what is necessary with no sanctuary while it boldly accepts challenges and tackles them.

► Overall Strategy of the Medium-term Management Plan

—Aim to be a life insurance company that delivers optimal comprehensive coverage to households—



DAIDO Daido Life Insurance Company



Minoru Kudo
Representative Director and
President

Daido Life aims to bring the greatest peace of mind and the utmost satisfaction to small and medium enterprise (SME) customers.

Performance and Operational Review

Daido Life's sales activities target the SME market. Policies from the corporate market*1 accounted for approximately 93% of the company's new policy amount in fiscal 2014.

For fiscal 2014, Daido Life's new policy amount was up 9.9% year on year to ¥4,063.8 billion*2. This increase was mainly due to the strong sales of term life insurance and the *T-type product* (non-participating disability income insurance) which was launched in September 2014. Meanwhile, the surrender and lapse amount was down 6.3% to ¥2,378.3 billion*2. Consequently, the policy amount in force*2 was up 2.4% to ¥38,156.7 billion, marking a net increase for the third consecutive year.

MCEV was ¥1,306.7 billion as of March 31, 2015, an increase of ¥160.8 billion. This was mainly due to the increase in the adjusted net worth which reflected the accumulation of net income and the increase of unrealized gains on securities as well as the acquisition of new policies and an improvement in the mortality rate and surrender and lapse rate.

*1 The total of collective policies for individual insurance and individual annuities and group insurance policies.

*2 The sum of the policy amount of individual insurance and individual annuities (death benefit and living protection amounts), and the insured amount for critical illnesses for the *J-type product* (non-participating critical illness insurance) together with the insured amount for disability income protection for the *T-type product* (non-participating disability income insurance).

Management Targets

Fiscal 2015

- ▶ Policy amount in force **¥38,890 billion**
- ▶ New policy amount **¥4,100 billion**

Note: The sum of the death benefit amount of individual insurance and individual annuities, and the insured amount of *J-type product* (non-participating critical illness insurance) and *T-type product* (non-participating disability income insurance)

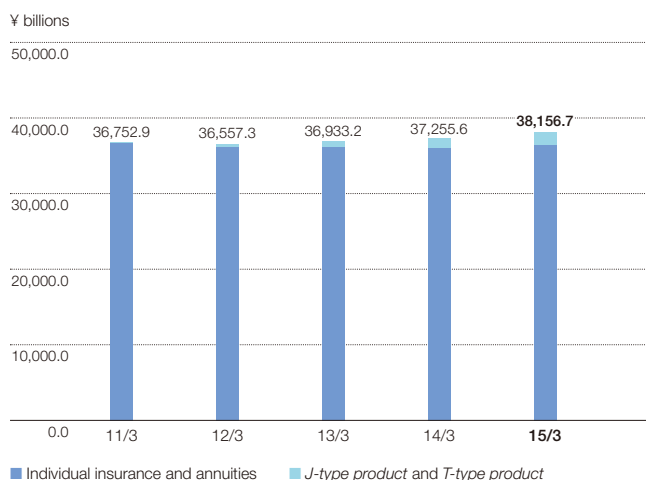
Fundamental Strategy

- ▶ Further strengthen the core business of selling partner-specific products through tie-up organizations by “further penetrating the SME market” and “creating and expanding new markets”

Business Model

Market	Small and medium enterprises (SMEs)
Sales channel	In-house sales representatives, agents (tax accountants, etc.)
Products	Term life insurance, disability income insurance, etc.

Policy Amount in Force



Fundamental Strategy

Established in 1902, Daido Life has continued to strive to earn a high level of customer trust under the corporate philosophy of “Customer-oriented” and “Sound Management.” Since the 1970s, the company has positioned its core business as selling the partner-specific products in collaboration with tie-up organizations in the small and medium enterprise (SME) market. Daido Life has built up a business model that its competitors cannot easily imitate and evolved the model according to changes in the times. As a result, Daido Life has built a solid position as the leading company in the SME market.

Marketing

Daido Life employs a distinctive marketing strategy targeting the SME market.

Specifically, Daido Life forms business tie-ups with SME-related organizations and CPTA organizations to offer partner-specific products and services designed according to each organization’s characteristics. These partner-specific products are utilized by member enterprises of the SME-related organizations, or utilized as either a security system to protect

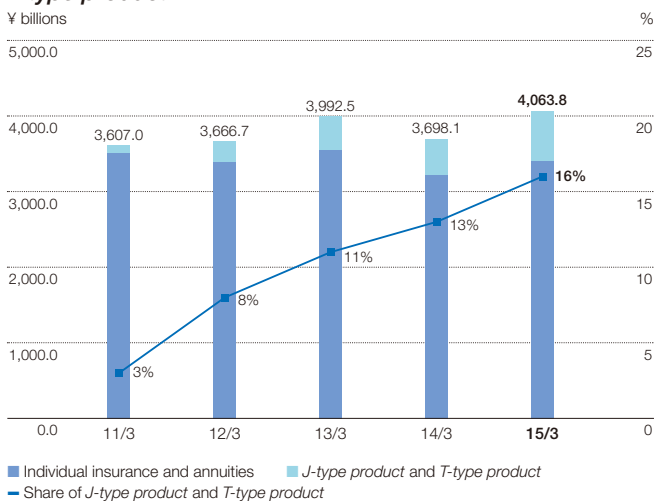
the corporate clients of tax accountants (TAs) and CPAs, or a welfare plan for SME owners and employees.

Relationship with Tie-up Organizations

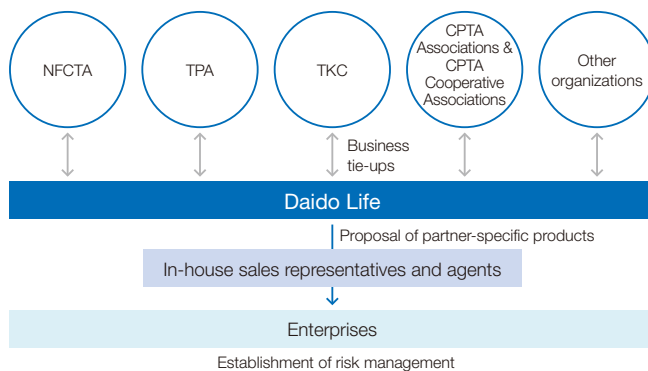
Since 1971, Daido Life has been the official underwriter of the comprehensive insurance plan, “Keieisha Ohgata Hoshō Seido,” provided by the National Federation of Corporate Taxpayers Associations (NFCTA, known as *Hojinkai*) and the Tax Payment Associations (TPA, known as *Nouzei-kyokai*). Under this arrangement, Daido Life’s in-house sales representatives and agents offer partner-specific products to member companies and individual business owners.

In 1976, Daido Life started underwriting “TKC Kigyo Bouei Seido” provided by the TKC National Federation*³, and in the 1970s, the Comprehensive Business Security Plan provided by CPTA Associations and CPTA Cooperative Associations in each region. As members of this federation or associations, TAs provide their corporate and individual business owner clients with partner-specific products as part of risk consulting services for these clients.

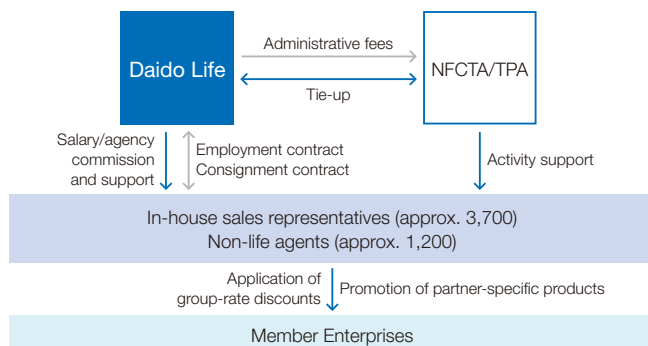
▶ New Policy Amount and Share of J-type and T-type product



▶ Daido Life’s Relationship with Tie-up Organizations



▶ NFCTA and TPA Tie-up Scheme



T&D Life Group's Business Value

Business Overview

As shown in the diagram below, Daido Life's business model based on sales of partner-specific products through tie-up organizations has created a win-win situation for SME customers, tie-up organizations, TAs and CPAs, and Daido Life.

*3 An organization of working accountants (accounting firms), including TAs, who utilize a proprietary computerized accounting system.

Future Growth

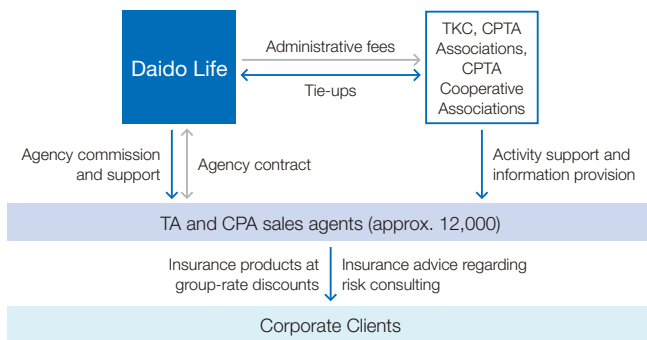
Daido Life will further strengthen its core business by "further penetrating the SME market" and "creating and expanding new markets." At the same time, Daido Life will work to enhance and expand sales channels that can provide high-quality consulting services and customer service through business process reforms targeting sales activities and administrative operations. The goal is to increase corporate value stably and sustainably.

Strategy for Products and Services

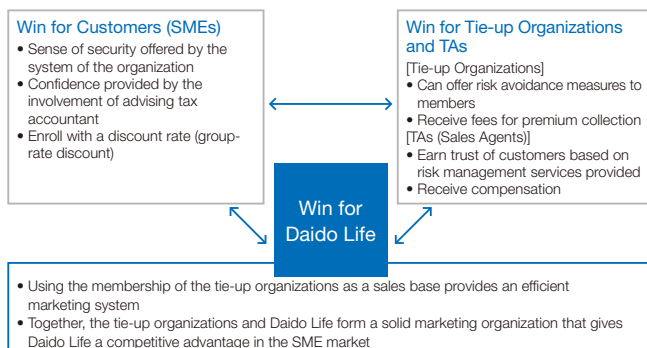
For many years, Daido Life has been providing protection through its main product of term life insurance to cover the mortality risk of SME owners in order to help mitigate the related business risk.

Meanwhile, in recent years, against the backdrop of the ongoing aging of society and advances in healthcare technology, together with the retirement age of SME owners being generally extended, disability risk has been increasing where in the event that an SME owner suffers a critical illness such as cancer, acute myocardial infarction or a stroke, or in the event that an SME owner is forced to retire during their tenure due to disease or injury. In response, in addition to its main term insurance, Daido Life is engaged in offering a full range of protection by enhancing its disability income insurance. Specifically, in addition to *J-type product* (non-participating

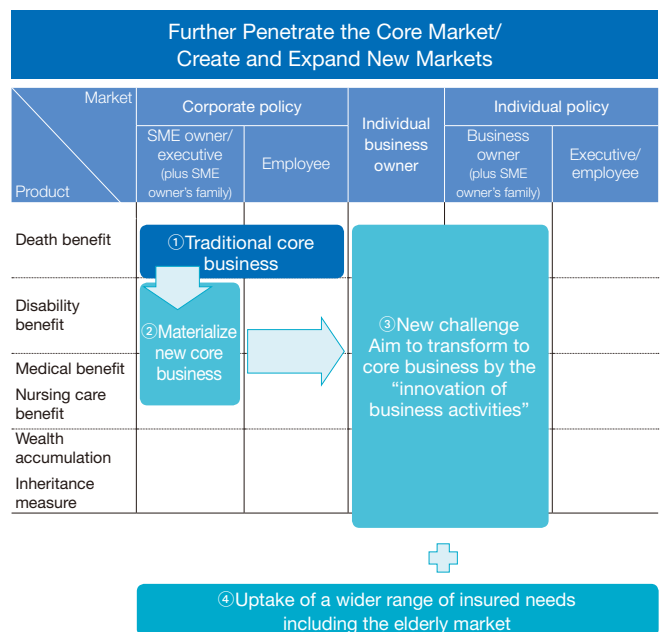
▶ Daido Life's Tie-up Scheme with TKC, CPTA Associations and CPTA Cooperative Associations



▶ Win-Win Relationship Created by Partner-specific Sales



▶ Overall Image of the Sales Strategy



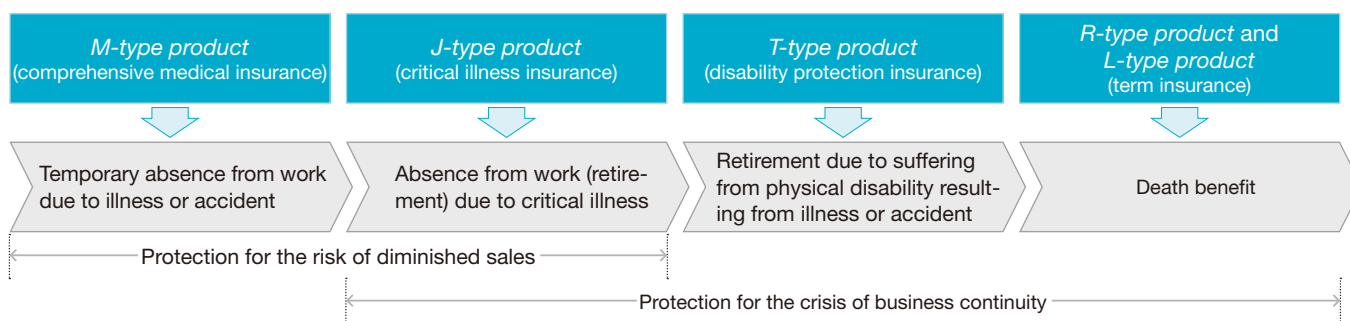
critical illness insurance), which covers a long-term absence from work due to critical illness, and *M-type product* (non-participating comprehensive medical insurance), which covers temporary absence from work due to hospitalization. In September 2014 the company launched the *T-type product* (non-participating disability protection policy), which covers retirement risk in case of physical disability. For fiscal 2014, the company's new policy amount for *J-type product* insurance and *T-type product* insurance combined was ¥657.0 billion, comprising 16.2% of the entire new policy amount, signifying that these products are now Daido Life's mainstay products alongside term life insurance.

Moreover, for the "creation and expansion of new markets," Daido Life is pursuing the full-fledged development of "proposing individual protection" to SME owners themselves following the disability coverage field. In October 2015, Daido Life

launched *Shuunyu Relief*, a non-participating nursing care income protection insurance policy to protect against loss of income when suffering from physical disability, and *Kaigo Relief*, a non-participating whole life nursing care insurance plan to cover nursing care costs, as strategic products for this market. Further, Daido Life will introduce *Kaigo Concierge*, a new service to comprehensively support nursing care, including offering consultations about nursing care, in cooperation with nursing-care services providers, and promote products and services in an integrated manner.

In this way, Daido Life will strive to protect many more SME owners and individual business owners from various risks, with the aim of putting the company on an even more solid path to increasing corporate value stably and sustainably.

► Providing a Full Range of Protection



► Introduction of New Products and Services

Market / Product	Corporate	Individual SME owners, individual business owners
Death protection	<i>R-type product, L-type product, etc.</i>	<i>Shuunyu Relief</i> (nursing care income protection insurance policy)
Disability insurance	<i>J-type product, T-type product, (introduced September 2014), etc.</i>	<i>Kaigo Relief</i> (whole life nursing care insurance plan)

Kaigo Concierge,
(a service to support nursing care)

(introduced October 2015)

 **T&D Financial Life Insurance Company**



Kazuyoshi Shimada
 Representative Director and
 President

T&D Financial Life will further promote multi-line development of products, sales channels, and sources of profit in the field of life insurance sales through independent insurance agents, including financial institutions. In this way, T&D Financial Life seeks to increase corporate value by generating stable profits.

Management Targets

Fiscal 2015

- ▶ Policy amount in force **¥1,900** billion
- ▶ New policy amount **¥330** billion

Fundamental Strategy

- ▶ A strategic company which plays a centrally role on T&D Life Group's OTC sales at financial institutions and other agents channel.
- ▶ Aiming to establish a strong brand in life insurance sales through financial institutions and other agents, the company is concentrating its management resources on bolstering product development and sales support capabilities

Business Model

Market	OTC sales at financial institutions and other agents
Sales channel	Independent insurance agents (financial institutions and insurance shop agents)
Products	Single premium products and level premium products

Performance and Operational Review

T&D Financial Life specializes in providing insurance products through independent insurance agents including banks, securities firms and insurance shop agents which handle products from multiple insurers. The new policy amount for T&D Financial Life in fiscal 2014 was ¥322.6 billion, up 31.7% year on year. The new policy amount for single premium products was ¥290.0 billion, while the new policy amount for level premium products was ¥32.6 billion. The policy amount in force for products sold through financial institutions and other agents was up 3.9% from the previous fiscal year-end to ¥1,091.3 billion, mainly due to an increase in the new policy amount, which outweighed decreases due to the lump-sum payment of annuities upon the maturity of variable individual annuities and surrenders due to a recovery in market conditions.

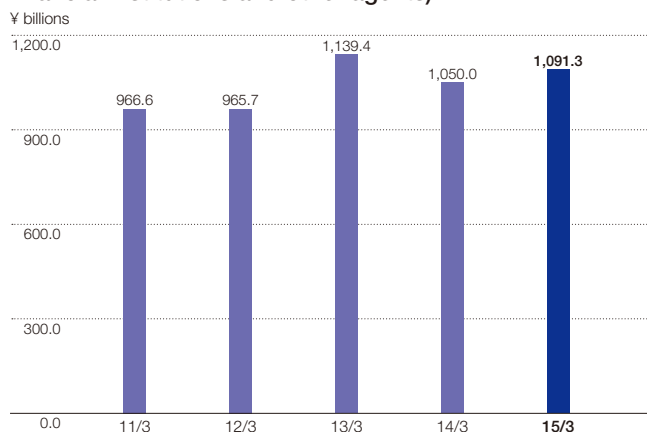
MCEV was ¥95.8 billion as of March 31, 2015, an increase of ¥3.5 billion from the previous fiscal year-end. However, the value of new business was ¥2.3 billion, a decrease of ¥0.7 billion from the previous fiscal year-end mainly due to the decline in interest rates.

Fundamental Strategy

T&D Financial Life is a strategic company in the T&D Life Group focusing on the OTC sales channel at financial institutions and other agents*.

* The OTC sales channel at financial institutions and other agents collectively refers to the OTC sales channel at financial institutions, including banks and securities firms, and the insurance shop agent channel.

▶ **T&D Financial Life's Policy Amount in Force (Portion corresponding to OTC sales at financial institutions and other agents)**



Insurance sales through the OTC sales channel at financial institutions and other agents are expected to grow in the future. Accordingly, the company aims to achieve sustained growth by expanding the OTC sales channel at financial institutions and other agents, and providing competitive products.

Currently, under the two-year Medium-term Management Plan running from April 2014 to March 2016, the company is undertaking multi-line layout of products through the development and introduction of a single premium savings-type product that differentiate in benefits, etc., and a level premium protection-type product based on customer segments. The company is also pushing ahead with multi-line development of sales channels by expanding the numbers of financial institutions and other agents, and developing insurance shop agents. In this way, T&D Financial Life seeks to enhance its business model to ensure that it can generate stable profits.

Delivering Competitive, Differentiated Products

Leveraging its product development capabilities, T&D Financial Life has been supplying products offering differentiated benefits, etc., to the market.

In April 2010, T&D Financial Life developed and introduced *Shougai Premium*, the industry's first cash flow-type, single premium whole life insurance product based on the concept of "secure additional fund without the withdrawal

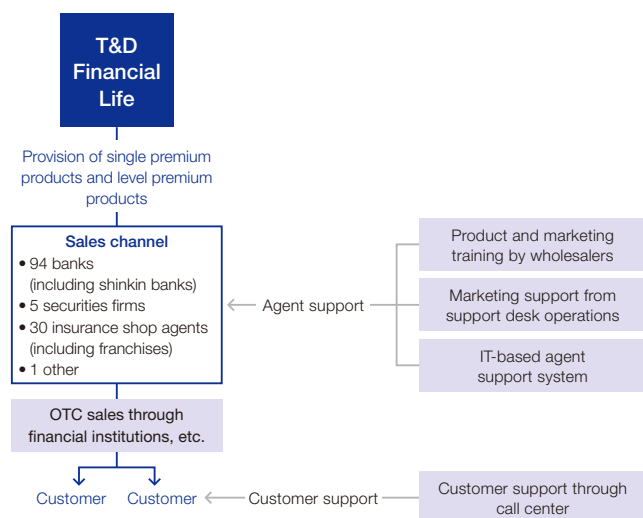
from the premium reserve." Beginning with this product, the company has developed and introduced a lineup of single premium whole life insurance products as the *Shougai Premium Series* by regularly revising the range of benefits in line with market needs.

Transition of *Shougai Premium Series*

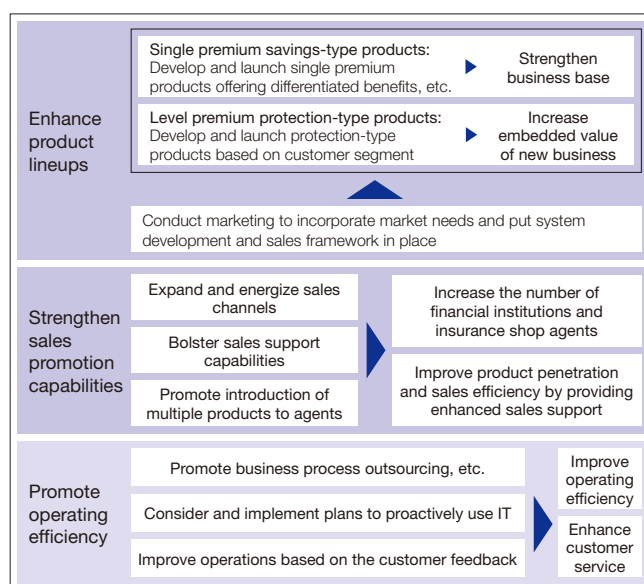
April 2010	Sales release of <i>Shougai Premium</i>
June 2011	Sales release of <i>Shougai Premium World</i>
August 2011	Sales release of <i>Shougai Premium Japan</i>
July 2013	Sales release of <i>Shougai Premium World 2</i>
August 2013	Sales release of <i>Shougai Premium Japan 2</i>
September 2014	Sales release of <i>Shougai Premium Japan 3</i> and <i>Shougai Premium World 3</i>
April 2015	Start of handling the "regular payment rider"

At the time of launch, the market for OTC sales at financial institutions was dominated by single premium assumed interest rate-type products without market value adjustments (MVA), which were offered by the major domestic life insurers. However, the competitive environment showed some signs of shifting when other life insurers lowered their assumed interest rates and limited sales of their assumed interest rate-type products. In this environment, T&D Financial Life gradually made progress on expanding its agency network and driving product penetration in the market, achieving steady growth in sales.

► Business Model



► Strategies to Strengthen Business Model Capabilities for Generating Stable Profits



At present, cash flow-type single premium whole life insurance products have been capturing a greater share of the overall market. The company is proud to have spearheaded the creation of this entirely new market category.

Also, in April 2015, the company developed the “regular payment rider,” enabling customers to regularly receive additions of a prescribed bonus policy amount in the *Shougai Premium Series*, as part of the product's improved convenience for customers.

As regards level premium products, in June 2014, a fixed annuities payment was added as one option to the income protection rider for the three major diseases, a characteristic feature of *Kakei Ni Yasashii Shunyuohoshou*. The policy scope was broadened, including by reducing the minimum monthly annuity amount from ¥150,000 to ¥100,000 when the good health discount rider is applied. Furthermore, in August 2015 the company developed and introduced *Kazoku Wo Tsunagu Shushinhoken*, which is a whole life insurance product that specializes in death protection and addresses a wide range of asset formation and other needs of customers in the medium- and long-term, including funding for post-retirement living expenses and children's education.

Going forward, T&D Financial Life will continue to develop and launch products that have something different to offer than other insurers' products, in order to command a strong presence in the market for OTC sales at financial institutions and other agents.

Multi-line Development of Products and Channels

T&D Financial Life has enhanced its lineup of single premium products and level premium products and conducted the multi-line development of products by the aforementioned *Shougai Premium Series*, *Kakei Ni Yasashii Shunyuohoshou*, *Kazoku Wo Tsunagu Shushinhoken*, and *Minna Ni Yasashii Shushinhoken*, which was developed and introduced in December 2012.

T&D Financial Life is also pursuing the multi-line development of sales channels. From September 2012, T&D Financial Life has been working to increase the number of insurance shop agents, as well as traditional financial institutions and other agents, by leveraging the company's extensive expertise in supporting independent insurance agents. As a result of the company's efforts to develop financial institutions and other agents, and insurance shop agents, the total number of

▶ Lineup of Single Premium Products

<p>Shougai Premium Series</p> <p>Shougai Premium Japan 3 [non-participating whole life insurance (accumulation rate renewing type I)]</p>	<p>Main Features:</p> <ul style="list-style-type: none"> Under the concept of “secure additional fund without the withdrawal from the premium reserve,” <i>Shougai Premium Series</i> is a cash flow-type single premium whole life insurance series that features annual additions of a prescribed bonus policy amount to the “accumulated bonus amount” throughout the insured's lifetime. <i>Shougai Premium Japan 3</i> is a product for customers interested in investing in yen-denominated assets, as the annual bonus policy amount is steadily added to the accumulated bonus policy amount every year using the JGB yields as the reference rate. <i>Shougai Premium World 3</i> is a product for customers interested in overseas interest rates, which are higher than domestic interest rates, and in foreign currencies, as the product is based on the reference rate of its linked foreign currency (Australian dollar or U.S. dollar).
<p>Shougai Premium World 3 [non-participating foreign exchange rate linked whole life insurance (accumulation rate renewing, multi-currency type III)]</p>	
<p>Minna Ni Yasashii Shushinhoken [non-participating whole life insurance (death benefit increasing type I)]</p>	<p>Main Features:</p> <ul style="list-style-type: none"> Designed to be simple and easy to understand, this single premium whole life insurance product can be purchased by customers in a wide range of age groups.

▶ Lineup of Level Premium Products

<p>Kakei Ni Yasashii Shunyuohoshou [non-participating income protection insurance (no surrender value type I)]</p>	<p>Main Features:</p> <ul style="list-style-type: none"> This is an income protection insurance product which provides either a monthly survivor annuity or a disability annuity over a fixed period in the event of the death or the total disability of the insured. One of the main features of this product is that the insurance premiums are more affordable than conventional term life insurance products. Also, by applying the waiver of premium rider for the three major diseases and the income protection rider for the three major diseases, the insured is covered against loss of income in the event that he or she suffers from one of the three major diseases (designated cancer, acute myocardial infarction and cerebral stroke) that reach a particular condition.
<p>Kazoku Wo Tsunagu Shushinhoken [non-participating special whole life insurance plan (Type 1)]</p>	<p>Main Features:</p> <ul style="list-style-type: none"> A level premium whole life insurance product that specializes in death protection and addresses a wide range of asset formation and other needs of customers in the medium- and long-term. The customer selects from two plans: the “basic plan” that secures death benefits that exceed the premiums paid from the beginning of the contract, and the “simple plan” by which for a certain period from the beginning of the contract the death benefits are held to the total amount of premiums paid, and to which users can subscribe with a simple declaration.

financial institutions and other agents, and insurance shop agents as of March 31, 2015, was 130 (financial institutions and other agents: 100; insurance shop agents: 30), a year on year increase from 119 (financial institutions and other agents: 97; insurance shop agents: 22), thereby making steady progress on the multi-line development of sales channels.

Future Growth

In fiscal 2015, the final fiscal year of the current two-year Medium-term Management Plan, T&D Financial Life will further promote multi-line development of products, sales channels, and sources of profit by expanding its agency network and driving product penetration. This will be done by strengthening its sales promotion system and enhancing its product lineup. In this way, T&D Financial Life seeks to enhance its business model to ensure that it can generate stable profits.

In terms of product strategies, T&D Financial Life will continue to conduct marketing activities needed to incorporate market needs centered on the views of customers and insurance agents. Based on these activities, T&D Financial Life will upgrade the product lineup in an effort to increase the new policy amount. This will entail continuously developing and

launching a single premium savings-type product that differentiate in benefits, etc., and a level premium protection-type product based on customer segments, according to the characteristics of sales channels.

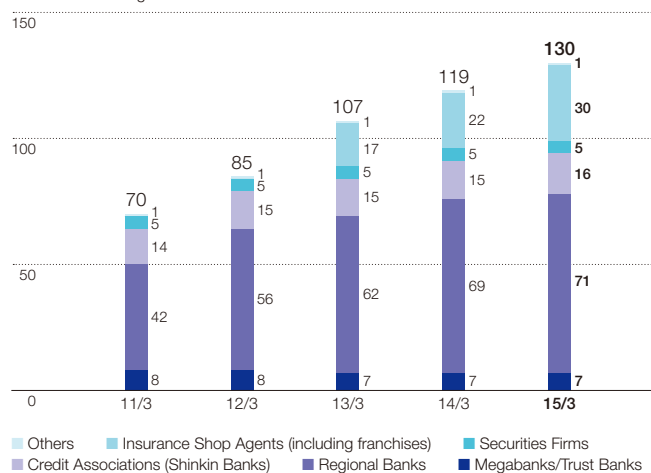
In terms of sales strategy, T&D Financial Life will drive product penetration in the market by increasing the number of agents such as financial institutions and insurance shops, and enhancing the sales support system. Efforts will also be made to raise sales efficiency by encouraging agents to introduce multiple T&D Financial Life products.

Making T&D Financial Life Even More Competitive

To prevail in the fiercely competitive independent insurance agent business, T&D Financial Life has been working to raise efficiency through boosting administrative efficiency and reducing IT and personnel costs, etc. Meanwhile, it has also been bolstering its business structure in response to recent increases in sales and the number of agents. Looking ahead, the company will continue to take steps to increase efficiency and strive to strengthen its business structure as necessary to enhance its presence in the market, with the aim of honing its competitiveness.

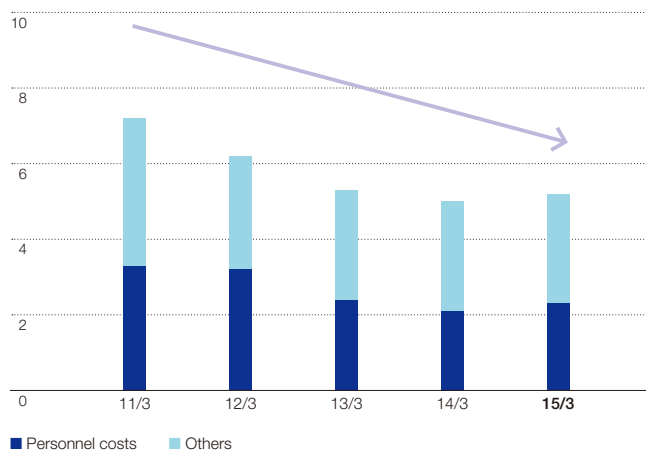
► T&D Financial Life's Sales Network

Number of sales agents



► Comprehensive Maintenance Costs*

¥ billions



* Comprehensive maintenance costs = Maintenance costs (less holding company fees, commissions and contributions to the Life Insurance Policyholders Protection Corporation, and retirement benefits for directors, audit & supervisory board members and employees) + Retirement benefit expenses + Stock-based compensation costs + Expenses for premium collection + Provision for increase in reserve for bonuses + Depreciation cost

T&D Asset Management Co., Ltd.



Hiroshi Fujise
 Representative Director and
 President

As the T&D Life Group's core asset management company, T&D Asset Management aims to become a trusted asset management company in the eyes of the customers.

Performance and Operational Review

T&D Asset Management conducts investment trust business under which it sells investment trusts to investors through banks and securities companies, and investment advisory business under which it concludes investment advisory agreements and advisory services, and manages the funds of pension funds and institutional investors.

In fiscal 2014, the assets under management of T&D Asset Management's investment trust business decreased to ¥731.3 billion from ¥937.3 billion as of March 31, 2014. This mainly reflected the significant decrease in private placement investment trust for the variable annuities of T&D Life Group's life insurance company due to redemption. The assets under management of investment advisory business also decreased slightly to ¥995.2 billion from ¥992.2 billion as of March 31, 2014.

On the earnings front, adjusted operating income was down 12.7% year on year to ¥2.9 billion. This was in line with lower operating revenues from investment trusts. Net income was down 78.4% year on year, despite the company's effort to conduct efficient business operations and contain costs.

Management Targets

Fiscal 2015

▶ Adjusted operating income **¥3.0 billion**

Note: Adjusted operating income is the actual income of T&D Asset Management after deducting commissions to sales companies and fees to external investment institutions to which asset management is entrusted.

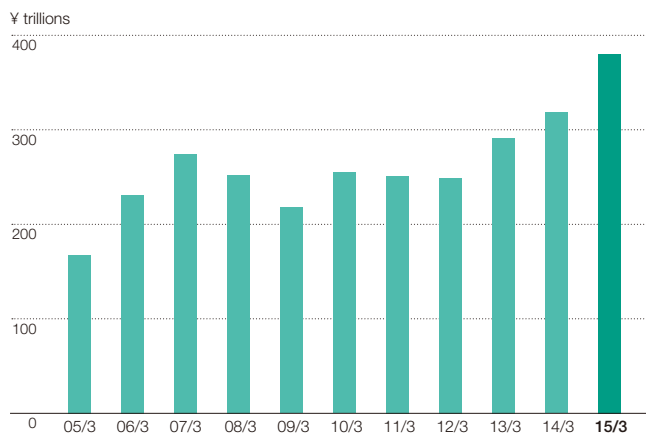
Fundamental Strategy

- ▶ Strengthen competitiveness by executing differentiated strategies under the action policy of "Make a Difference"
- ▶ Strengthen growth areas by strategically allocating management resources
- ▶ Continue to transform the earnings structure to further improve management efficiency

Business Model

Investment trust business	Provide a wide array of prime investment products mainly to individual investors through sales companies (securities firms, etc.)
Investment advisory services	Provide adequate investment solutions to domestic and overseas pension funds and institutional investors

▶ Asset Management Market in Japan



Future Growth

T&D Asset Management commenced business through the investment of life insurance assets as the T&D Life Group's asset management company. However, income from non-group customers such as pension funds and institutional investors, along with individual investors, now accounts for 70% of the company's adjusted operating income.

Looking ahead, T&D Asset Management will continue to position the investment trust business and investment advisory business as its two core operations and aim to become a trusted asset management company in the eyes of customers by implementing thorough measures to enhance the quality of investment products and services.

Investment Trust Business

T&D Asset Management sees further growth potential in the investment trust business.

Taking full advantage of its status as an asset manager independent of any securities or banking group, T&D Asset Management will provide investment trusts through a broad range of sales companies.

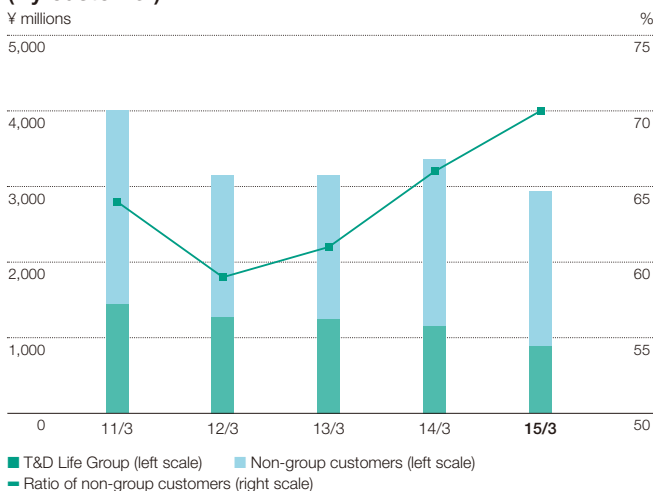
Through the strategic allocation of business resources, T&D Asset Management will further strengthen its organization to develop and offer outstanding investment products tailored to customer needs in a timely manner. At the same time, the company will upgrade its information provision capabilities for customers to inform the features and risks involved in the products in an easy-to-understand manner.

Investment Advisory Business (Domestic and Overseas Pension Funds and Institutional Investors)

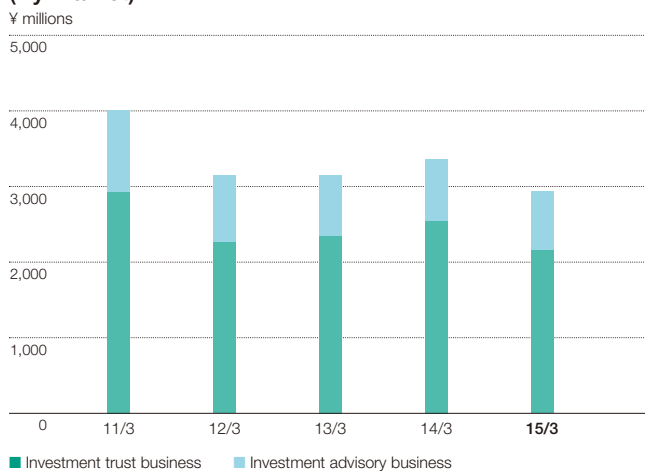
The business environment of the pension market remains challenging as it is in a period of major transformation facing the implementation of changes in Japan's pension system and accounting system. T&D Asset Management is aiming to win a long-term trust by remaining strongly committed to providing suitable solutions to customers with a variety of challenges.

The company is also actively offering its distinctive asset management capabilities to domestic and foreign institutional investors.

► T&D Asset Management's Adjusted Operating Income (By customer)



► T&D Asset Management's Adjusted Operating Income (By market)





Pet & Family Small-amount Short-term Insurance Company



Masao Mikame
Representative Director and
President

Pet & Family Small-amount Short-term Insurance aims to serve the needs of pet owners regarding veterinary care expenses of pets by making pet insurance more widely available. This will be achieved by expanding and strengthening the sales base centered on the pet shop sales channel.

Management Targets

Fiscal 2015

- ▶ Number of policies in force **94,600**
- ▶ Number of new policies **31,600**

Fundamental Strategy

- ▶ Establish and strengthen a revenue base built on the trust as a member and small-amount short-term insurance company of the T&D Life Group
- ▶ Grow sales by expanding and strengthening the sales base centered on the core pet shop sales channel

Business Model

Market	Pets market
Sales channel	Agents (pet shops, etc.)
Products	Compensation insurance for pet veterinary care expenses

Performance and Operational Review

In fiscal 2014, Pet & Family Small-amount Short-term Insurance (P&F) strived to expand business and improve profitability by focusing on the development and expansion of pet shops, the core sales channel, and worked on diversifying its sales channel through a multi-line approach, together with the sales of a new product. As a result, the number of new policies in fiscal 2014 increased to 25,558, compared with 24,157 in fiscal 2013 and the number of policies in force as of March 31, 2015, increased to 76,430 from 60,841 as of March 31, 2014. The net premium income of fiscal 2014 increased steadily to ¥2,312 million from ¥1,822 million in the previous fiscal year.

Fundamental Strategy

P&F aims to establish and strengthen its revenue base focusing on future growth by positioning and strengthening pet shops as a core sales channel, and by expanding the sales base through the multi-line approach of sales channels.

In an age where pets are regarded as lifelong family members, pet owners interest in veterinary care which is not covered by health insurance and its costs are increasing. The penetration rate of pet insurance in Japan is considerably lower than in Western countries, where pet culture is more advanced. P&F considers its mission as serving the needs of pet owners to meet the veterinary expenses of pets by making pet insurance more widely available.

Future Growth

The pet insurance market is expected to see increasing demand going forward. In this growing market, P&F aims to establish and strengthen a stable revenue base through expanding the sales base centered on the pet shop sales channel. At the same time, P&F will provide outstanding services through its competitive product and strengthening the administrative base. In this way, P&F will serve the needs of pet owners to meet the veterinary expenses of pets.

▶ Net Premium Income (Pet Insurance)

