



Management Foundation of the T&D Life Group

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Initiatives to Enhance Corporate Governance

The basic concept of corporate governance policy of the T&D Life Group (the “Group”) is to create efficient and transparent management systems to facilitate flexible and cohesive Group operations. Based on this thinking, the Group has been working to strengthen governance, including by appointing two or more outside directors, by formulating the independence criteria for outside directors, and by establishing the Nomination and Compensation Committee.

Moreover, the Group seriously respects the Corporate Governance Code that has been applied to listed companies since June 1, 2015. Based on the Group’s commitment to all 73 principles of the Corporate Governance Code, T&D Holdings (the “Company”) has established its Basic Policy on Corporate Governance that sets forth the Company’s initiatives and policies as they pertain to the core principles in the Corporate Governance Code.

The Company’s Basic Policy on Corporate Governance comprises the following items. The Company works to ensure the T&D Life Group’s sustained growth and the enhancement of its corporate value over the medium and long term through management practices that are based on this Basic Policy.

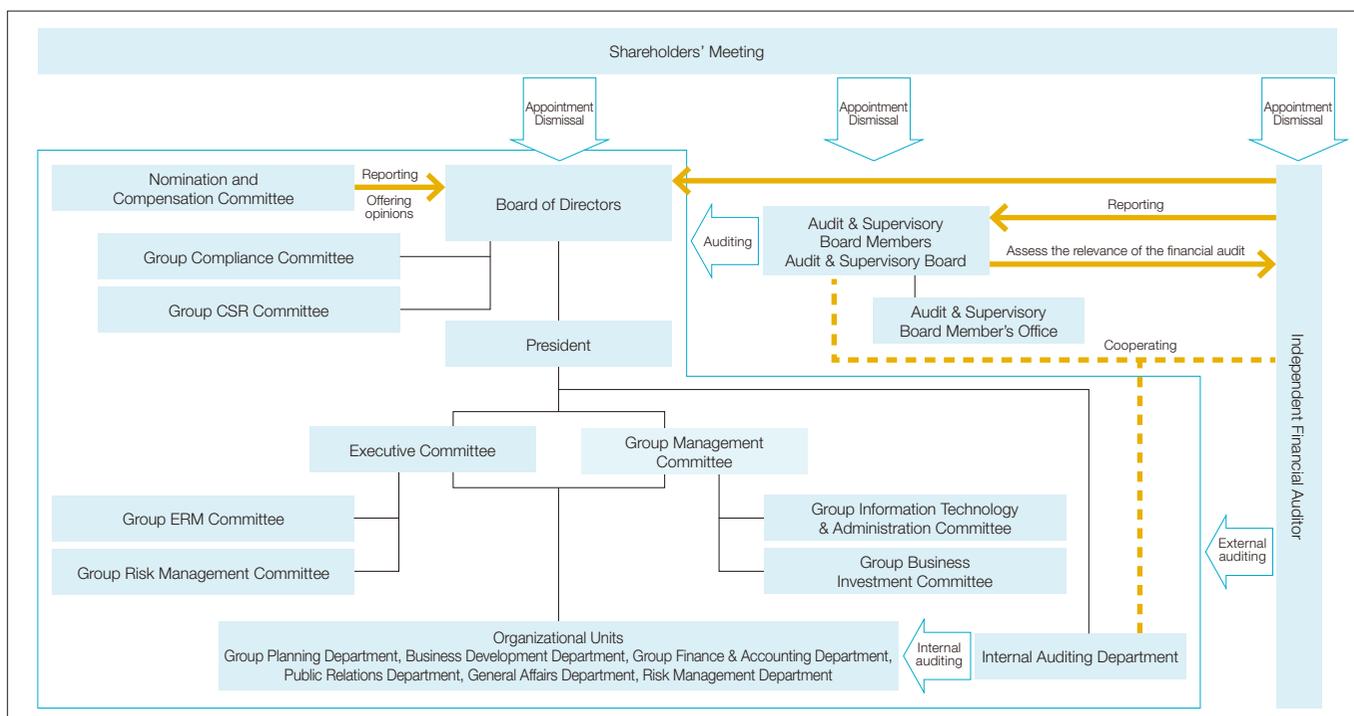
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|---|
| Chapter 1 General Provisions |
| Chapter 2 Corporate Governance System and Responsibilities of the Board of Directors and Other Bodies |
| Chapter 3 Ensuring Shareholder Rights and Equality, and Engaging in Dialogue with Shareholders and Other Stakeholders |
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Promoting Group Management

The role within the Group of the Company, which is the holding company, is to determine Group business and capital strategies and to ensure optimal allocation of resources within the Group. The Company is also responsible for the development and operation of oversight systems for managing profits, risks and capital at the Group level, including systems for accurately evaluating the operational risks of the five direct subsidiaries (the Group’s three life insurance companies—Taiyo Life, Daido Life, and T&D Financial Life—as well as T&D Asset Management and Pet & Family Small-amount Short-term Insurance).

Based on an independent business strategy, each of the direct subsidiaries determines its own marketing strategies in line with its strengths. This approach seeks to maximize the corporate value of the Group by enabling each company to make the most of its autonomy and originality in its business operations.

► Outline of Corporate Governance Structure (As of November 2, 2015)



Other Group companies



In this way, the Group is committed to management that clarifies the respective roles and responsibilities of the Company and its direct subsidiaries.

Appointment of Outside Directors and Outside Audit & Supervisory Board Members

In line with the Basic Policy on Corporate Governance, the Company is committed to appointing 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 the development of internal controls and other systems as well as in the oversight of the execution of business. Accordingly, the Company has appointed two outside directors. In addition, the Company has established an Audit & Supervisory Board consisting of four audit & supervisory board members, two of which are outside audit & supervisory board members as provided by the Japanese Companies Act.

Further, the outside directors and outside audit & supervisory board members of the Company are registered with the Tokyo Stock Exchange as independent officers who are free of conflicts with the common interests of shareholders.

As a result of these initiatives, the Company believes that the outside directors and outside audit & supervisory board members are properly overseeing and serving as a control and that governance is functioning effectively. However, in order to bolster governance further, the Company will continue to look at ways to improve the approach to governance, taking into consideration examples and trends at other companies.

Nomination and Compensation Committee

The Company has established 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.

The Nomination and Compensation Committee confirms the qualifications of the Company and core subsidiaries' director candidates, audit & supervisory board candidates, and the executive officers. The committee also deliberates on matters related to executive officers' compensation, and expresses its opinions to the Board of Directors.

The Nomination and Compensation Committee consists of the Representative Director and President and the outside directors. The committee chairman is one of the outside directors determined by mutual vote of the committee members.

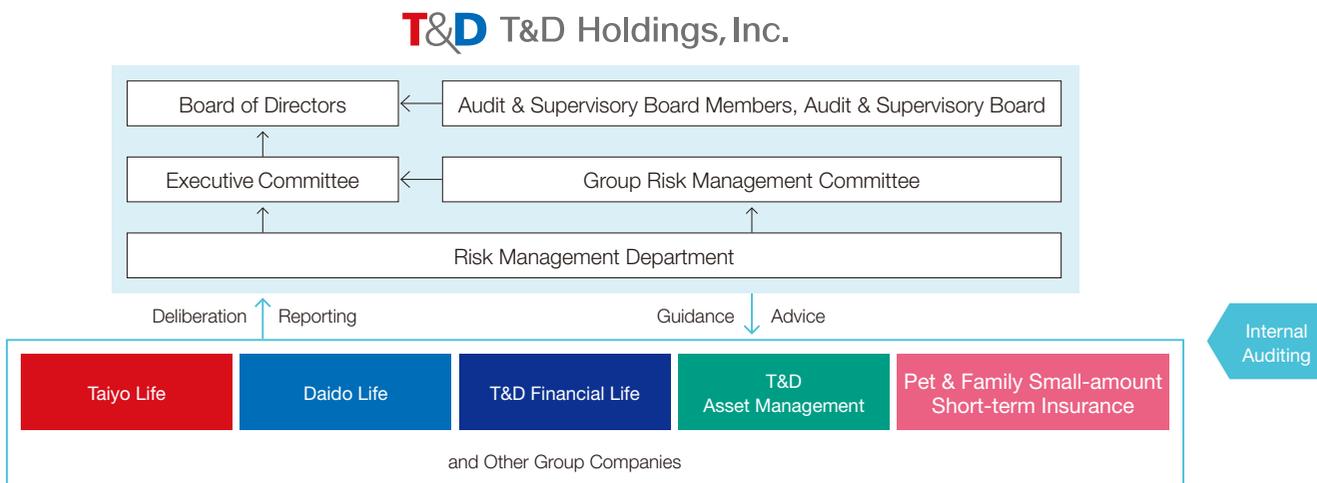
Stock Compensation-type Stock Options (Stock Acquisition Rights)

The Company and the Group's three insurance companies have introduced stock compensation-type stock options (stock acquisition rights) for directors (excluding part-time directors which include outside directors) and executive officers, with the aim of boosting motivation to further contribute to the improvement of corporate value. These stock options will provide them with further incentives to work to stably and continuously improve the corporate value of the whole Group by aligning their interests more with shareholders, while they continue to manage the Company from a long-term standpoint.

Risk Management System

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 a top management priority for ensuring sound and appropriate management. Under the guidance of the Company in accordance with their business characteristics and risk profile, each Group company carries out appropriate risk management based on the principle of self-responsibility.

► Risk Management Framework



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 Systems

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 three life insurance companies have upgraded their risk management systems, including those for affiliates.

The Company has established the Group Risk Management Committee, to integrate the management of risk within the Group. Moreover, the three life insurance companies are required to submit risk status reports based on integrated risk management indices periodically as well as on an as-needed basis. In this way, the Company is able to assess the various risks faced by individual Group companies.

Also, the Company reports the risk status of each Group company to the Board of Directors and, based on these findings, provides guidance and assistance to the three life insurance companies as necessary. This not only ensures that each of the companies conducts thorough risk management but also strengthens the management of risk for the Group as a whole.

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.

➤ Internal Reporting System

The Group has established the T&D Life Group Helpline as an internal reporting system to ensure that actions that violate laws and regulations can be prevented or promptly recognized and corrected through direct reports from corporate officers, employees and other Group personnel. The T&D Life Group Helpline was established for use by all corporate officers and employees in the Group, and reports are submitted through an external independent company.

The Group has committed itself to not subjecting whistleblowers to any disadvantageous treatment because of their using the T&D Life Group Helpline or other channels to submit information to the audit & supervisory board members or the competent authorities and other third-party institutions, and is working to enhance the effectiveness of the system.

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 88), while ensuring that briefings are provided by members of senior management, in principle.

Basic Policy for Eliminating Antisocial Powers

In its Group Compliance Code of Conduct, the Group defines its policy toward antisocial powers as to “Reject and stringently respond to any antisocial powers and organizations that threaten the order and safety of civil society.” In accordance with this policy, the Group responds to antisocial powers in the following manner.

Basic Policy for Responding to Antisocial Powers

1. Respond as an Organization

When antisocial powers make threats or 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 threats or demands.

2. Cooperate with External Experts

The Company maintains close contact with external organizations, such as the police, the National Center for the Elimination of Boryokudan, and lawyers, to protect itself against the threats or demands of antisocial powers.

3. Avoid Contact

The Company avoids making any contact with antisocial powers and does not conduct any transactions with these powers. Also, the Company does not cooperate with threats or demands from antisocial powers. The same avoidance of contact, transactions, or cooperation with antisocial powers applies to loans and other transactions conducted in alliance with other companies, such as credit sales firms.

4. Take Legal Action

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

5. Forbid Illegal Transactions and Provision of Funds

Even in the event that the threats or demands of antisocial powers are in response to misdeeds in the Company's business operations or by its corporate officers or employees, the Company will not engage in illegal transactions with these powers to conceal this fact. Further, the Company will not provide funds to antisocial powers.

Corporate Governance Data

Total Compensation Paid to Directors and Audit & Supervisory Board Members (Fiscal 2014)

| Category | Monthly compensation | | Reserve for bonus | | 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 | 185 | 6 | 54 | 6 | 49 | 12 | 289 |
| (Outside appointees) | (2) | (15) | (0) | (-) | (0) | (-) | (2) | (15) |
| Audit & Supervisory Board Members | 5 | 72 | 0 | - | 0 | - | 5 | 72 |
| (Outside appointees) | (2) | (15) | (0) | (-) | (0) | (-) | (2) | (15) |
| Total | 17 | 258 | 6 | 54 | 6 | 49 | 17 | 361 |

1. 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).

2. The above-mentioned payments include one director and one audit & supervisory board member who stepped down from their posts as of the close of the tenth ordinary shareholders' meeting, held on June 26, 2014. As of March 31, 2015, the Group had eleven directors and four audit & supervisory board members.

Information Related to the Independent Financial Auditor (Fiscal 2014)

| | |
|--|-----------------------------|
| Name | Ernst & Young ShinNihon LLC |
| Amount paid for statutory services ¹ | ¥188 million |
| Total remuneration to be paid by the Group to the independent financial auditor ² | ¥416 million |

1. Total remuneration for audits in accordance with the Japanese Companies Act and for audits in accordance with the Financial Instruments and Exchange Act.

2. Total amounts of remuneration and other financial profits to be paid by T&D Holdings and its subsidiaries.

Holdings of the Directors and Audit & Supervisory Board Members

| | June 25, 2015 | June 26, 2014 | June 26, 2013 |
|---|---------------|---------------|---------------|
| President | 19,764 shares | 15,753 shares | 13,881 shares |
| Other directors (average) | 13,061 shares | 11,063 shares | 9,390 shares |
| Audit & supervisory board members (average) | 4,712 shares | 3,888 shares | 4,448 shares |

Board of Directors, Audit & Supervisory Board, Executive Committee, and Group Management Committee (Fiscal 2014)

| Name | Number of meetings | Attendance rate | Main members and attendees |
|----------------------------|--------------------|-----------------|--|
| Board of Directors | 22 | 99.4% | Directors and audit & supervisory board members |
| Audit & Supervisory Board | 14 | 98.2% | Audit & supervisory board members |
| Executive Committee | 51 | 97.6% | President, executive officers and standing audit & supervisory board members |
| Group Management Committee | 14 | 98.4% | President, presidents of the three life insurance companies and standing audit & supervisory board members, 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 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 |

Management Foundation of the T&D Life Group

Management Organization

Board of Directors (As of October 1, 2015)



Representative Director and Chairman

KENJI NAKAGOME Born 1954

Apr. 1976 Joined Taiyo Life
 Mar. 2001 General Manager of General Affairs Department
 Jul. 2001 Director of Taiyo Life
 Jun. 2003 Managing Director of Taiyo Life
 Apr. 2004 Managing Director of T&D Holdings
 Jun. 2006 Director and Managing Executive Officer of Taiyo Life,
 Director and Managing Executive Officer of T&D Holdings
 Apr. 2007 Director and Senior Executive Officer of Taiyo Life,
 Director and Senior Executive Officer of T&D Holdings
 Jun. 2008 Representative Director and Senior Managing Executive Officer
 of Taiyo Life
 Jun. 2009 Director of T&D Holdings, Representative Director and President
 of Taiyo Life
 Apr. 2011 Representative Director and President of T&D Holdings
 Apr. 2015 Director of Taiyo Life (current)
 Representative Director and Chairman of T&D Holdings (current)



Representative Director and President

TETSUHIRO KIDA Born 1953

Apr. 1976 Joined Daido Life
 Mar. 1999 General Manager of Planning Department
 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)



Director and Executive Vice President (Group Planning Department, Business Development Department)

SONOSUKE USUI Born 1953

Apr. 1976 Joined Daido Life
 Sep. 1996 General Manager of Separate Account Investment
 Department
 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 (current)
 Apr. 2010 Director of T&D Financial Life (current),
 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 (Group Finance & Accounting Department and Public Relations Department)

TAMIJI MATSUMOTO Born 1954

Apr. 1977 Joined Taiyo Life
 Oct. 1999 General Manager of Actuarial Accounting Department
 Jul. 2001 Director of Taiyo Life
 Jun. 2003 Managing Director of Taiyo Life
 Jun. 2006 Director and Managing Executive Officer of Taiyo Life
 Apr. 2010 Senior Managing Executive Officer of T&D Holdings
 Jun. 2010 Director of Taiyo Life (current),
 Representative Director and
 Senior Managing Executive Officer of T&D Holdings
 Apr. 2011 Director and Senior Managing Executive Officer of
 T&D Holdings (current)
 Jun. 2012 Director of T&D Asset Management (current)
 Apr. 2014 Audit & Supervisory Board Member of T&D Financial Life
 (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
 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 Management Executive Officer of
 Taiyo Life (current),
 Director and Senior Managing Executive Officer of
 T&D Holdings (current)



Director and Managing Executive Officer (Risk Management Department)

KOUCIHI SEIKE Born 1956

Apr. 1980 Joined Daido Life
 Apr. 2003 General Manager of Profit Management and Actuarial
 Department
 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 (current)
 Apr. 2014 Managing Executive Officer of T&D Holdings
 Jun. 2014 Director and Managing Executive Officer of T&D Holdings
 (current)



Director

RYUJI HORI* Born 1943

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 Corporate Auditor of Daido Life
 Jun. 2010 Director of Daido Life
 Jun. 2012 Director of T&D Holdings (current)

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



Director

HARUKA MATSUYAMA* Born 1967

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

Attorney

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



Director

KATSUhide TANAKA Born 1954

Apr. 1977 Joined Taiyo Life
 Sep. 2000 General Manager of Policy Service, Conservation and Premium Receipts Department
 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
 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

KAZUYOSHI SHIMADA Born 1953

Apr. 1976 Joined Daido Life
 Jan. 2001 General Manager of Reorganization Planning Department
 Jul. 2002 Director of T&D Financial Life
 Jun. 2006 Executive Officer of T&D Financial Life
 Apr. 2007 Managing Executive Officer of T&D Financial Life
 Jun. 2007 Director and Managing Executive Officer of T&D Financial Life

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

Management Organization

Audit & Supervisory Board Members (As of October 1, 2015)



Audit & Supervisory Board Member

AKIMASA YOKOKAWA Born 1955

| | | | |
|-----------|---|-----------|--|
| Apr. 1978 | Joined Taiyo Life | Oct. 2011 | Audit & Supervisory Board Member of Taiyo Life (current) |
| Mar. 2001 | General Manager of Securities Investment Department | Jun. 2013 | Audit & Supervisory Board Member of T&D Financial Life, Audit & Supervisory Board Member of T&D Holdings (current) |
| Jun. 2003 | Director of Taiyo Life | | |
| Jun. 2006 | Executive Officer of Taiyo Life | | |
| Jun. 2008 | Director and Executive Officer of Taiyo Life | | |
| Jun. 2009 | Executive Officer of Taiyo Life | | |



Audit & Supervisory Board Member

TAKASHI SHIMODA Born 1957

| | | | |
|-----------|--|-----------|--|
| Apr. 1979 | Joined Daido Life | Apr. 2009 | General Manager, Auditing Department of Daido Life |
| Apr. 2005 | General Manager, Public Relations Department of T&D Holdings | Mar. 2014 | Audit & Supervisory Board Member of Daido Life (current) |
| | | Jun. 2014 | Audit & Supervisory Board Member of T&D Holdings (current) |



Audit & Supervisory Board Member

SHIGEKAZU IWAI* Born 1945

| | | |
|-----------|--|--|
| Apr. 1972 | Registered as an Attorney | Attorney |
| Apr. 1991 | Vice President of the Tokyo Bar Association | * Mr. Iwai is an outside audit & supervisory board member as provided for in the Japanese Companies Act. |
| 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 (current), Audit & Supervisory Board Member of T&D Holdings (current) | |



Audit & Supervisory Board Member

YUICHI OZAWA* Born 1943

| | | |
|-----------|---|---|
| Apr. 1969 | Registered as an Attorney | Attorney |
| May 1985 | Organizer, Commercial Law Subcommittee of the Legislative Council of the Ministry of Justice | * Mr. Ozawa is an outside audit & supervisory board member as provided for in the Japanese Companies Act. |
| 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) | |
| Jun. 2007 | Audit & Supervisory Board Member of Taiyo Life (current) | |
| Jun. 2013 | Audit & Supervisory Board Member of T&D Holdings (current) | |