

Business Overview

Businesses at a Glance

Taiyo Life Insurance Company

Delivering Optimal Comprehensive Coverage to Households

Taiyo Life focuses on serving the household market, mainly targeting women, the middle-aged and elderly people. The company sells comprehensive life coverage, centered on death protection and medical and nursing care products. Unlike other insurers that typically target the workplace, Taiyo Life uses an in-house sales force of women to visit customers at home and provide advice on tailoring the optimal policies.

Anticipating future environmental changes such as the increase in the population of seniors, we will build the top brand in the senior market by promoting sales combining the different approaches of "strengthening of face-to-face services through visits," "product development which preempts the changes of the times," and "further enhancement of the in-house sales representative channel." At the same time, we aim to become the life insurance company that delivers optimal comprehensive coverage to households.



Daido Life Insurance Company

Protecting SMEs and Their Employees From a Wide Range of Risks

Daido Life focuses on the small and medium enterprises (SMEs) market and provides products and services suiting the specialized needs of various groups, based on collaboration with tie-up groups such as SME-related groups and CPTA groups.

Looking ahead, to consolidate its position as the "leading company" in the SME market for life insurance, Daido Life will continue to further evolve its original business model.

In specific terms, in addition to its core term insurance, Daido Life is engaged in further strengthening its offering of a full range of protection by enhancing its disability income insurance. Moreover, Daido Life is engaged in further penetrating core markets and creating and expanding new markets, including by the full-fledged development of proposals for providing protection for SME owners and individual business owners.



T&D Financial Life Insurance Company

Expanding the Group's Presence in the Independent Insurance Agent Market

T&D Financial Life is a strategic company specializing in selling insurance products through the T&D Life Group's independent insurance agents. The company provides single premium wealth accumulation products differentiated by type of benefit and level premium and protection-type products with competitive pricing, etc.

Looking ahead, we will "diversify product lineup," "expand sales network of agents," and "enhance customer service" to become the company of choice for customers and agents in the independent agent market, thereby expanding business results.



T&D FINANCIAL LIFE	
Market	Independent insurance agent market
Sales channel	Independent insurance agents (financial institutions and insurance shop agents)
Products	Single premium insurance (foreign currency reference type, etc.), loss of income protection insurance, etc.

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 a broad range of 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

Business Overview

Taiyo Life Insurance Company



Katsuhide Tanaka
Representative Director and President

As a life insurance company that delivers to households the best products and services which preempt the changes of the times, Taiyo Life is building the leading brand in the senior market.

Management Targets

Fiscal 2016

► Protection-type Annualized Premiums of New Policies* **¥16 billion**

* A distinctive performance indicator of Taiyo Life which is the sum of protection portion of the annualized premiums of new policies mainly excluding savings-type products.

Fundamental Strategy

► Build the top brand in the senior market by promoting sales combining the different approaches of “strengthening of face-to-face services through visits,” “product development which preempts the changes of the times,” and “further enhancement of the in-house sales representative channel.”

Business Model

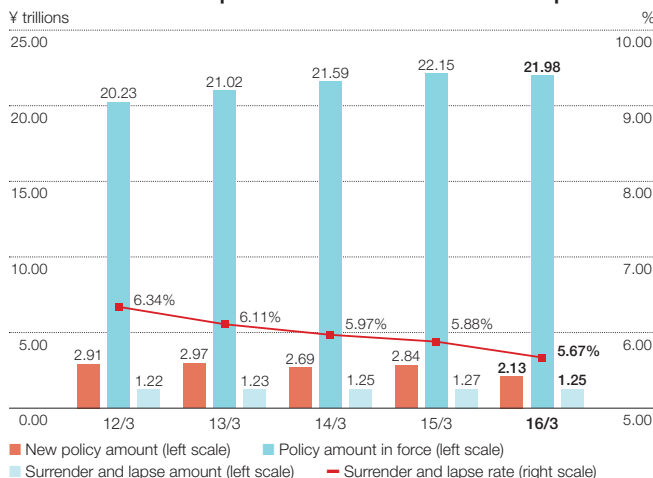
Market	Households
Sales channel	In-house sales representatives
Products	Comprehensive coverage including death benefit and medical/nursing care products

Performance and Operational Review

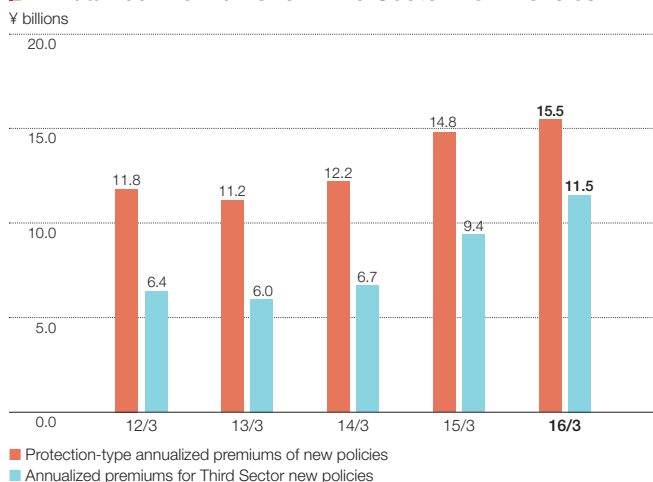
Focusing on life insurance sales in the household market as our core business, Taiyo Life delivers comprehensive coverage that meets customer needs for death protection as well as medical and nursing care insurance to households through in-house sales representatives.

At Taiyo Life in fiscal 2015, ended March 31, 2016, the new policy amount (total of individual insurance and individual annuities) fell by 24.9% year on year to ¥2,134.1 billion, while annualized premiums of new policies for Third Sector products increased 21.7% year on year to ¥11.5 billion. This was due to a greater focus on medical and nursing care and other Third Sector coverage with a greater management emphasis on EV, as well as the limitation of sales of single premium products through banks in an environment with low interest rates.

New Policy Amount/Policy Amount in Force/ Surrender and Lapse Amount/Surrender and Lapse Rate



Protection-type Annualized Premiums of New Policies/ Annualized Premiums for Third Sector New Policies



Another major indicator contributing to EV growth was an area that Taiyo Life emphasizes in its policy results: 4.6% year-on-year increase, to ¥15.5 billion, in protection-type annualized premiums of new policies.

The surrender and lapse rate improved by 0.21 percentage points from the previous fiscal year to 5.67%. As a result, the policy amount in force was ¥21,983.5 billion, down 0.8% from the previous fiscal year-end.

MCEV amounted to ¥725.7 billion at March 31, 2016, a decrease of ¥142.8 billion, mainly due to a decline in domestic interest rates.

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 built up a business model 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, in the household market, Taiyo Life has established a unique customer base centered on middle-aged and elderly people as well as women. A combination of prolonged low interest rates, deregulation, shifting in customer needs and other factors produced changes in the operating environment from the mid-1990s. Taiyo Life quickly adapted to these changes by shifting its sales emphasis from savings-oriented products to protection-oriented products, such as death benefit as well as medical and nursing care insurance. Under its Medium-term Management Plan running for three years from April 2016, Taiyo Life has adopted the strategic policy of anticipating future environmental changes such as the increase in the population of seniors, and developing the top brand in the senior market.

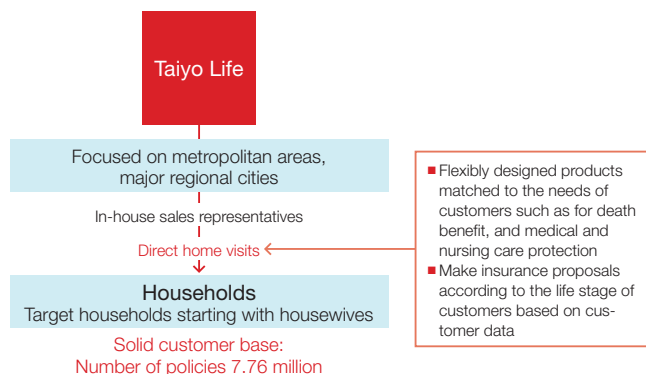
Overview of Taiyo Life's Mainstay Product *Hoken Kumikyoku Best*

- Flexible custom-made design to match customer needs
- Flexible revision according to changing needs
- Provide products which preempts the changes of the times
- More reasonably priced than existing products

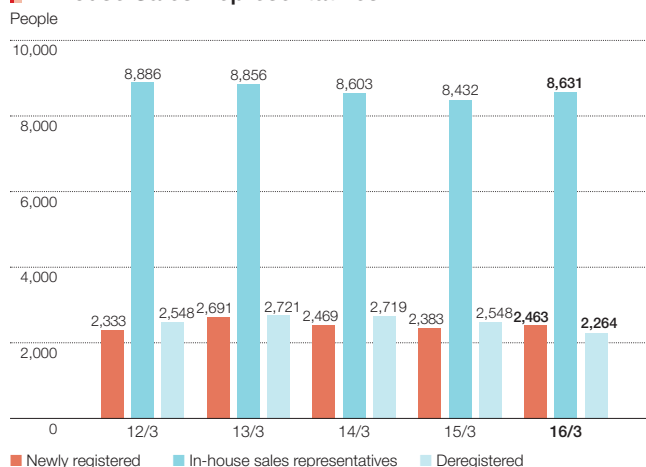
All of the protection is treated as basic policy.
Customers can flexibly choose
the *Hoken Kumitate Tokuyaku* rider to meet their needs

Death benefit Term life insurance, etc.	Coverage for three major diseases Specified disease treatment insurance, etc.
Disability, dementia, nursing care Insurance for when one is no longer able to work	Medical benefit Hospitalization insurance, etc.
Waiver of premium payment rider Waiver of comprehensive premium payment rider, etc.	Future life events Individual annuities, etc.

Taiyo Life's Sales Strategy



In-house Sales Representatives



Marketing Strategy

Taiyo Life has adopted a basic 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.

In contrast to most large domestic life insurers whose core sales target is the workplace 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. This enables them to review the household's coverage, identify any shortfalls, and provide coverage for the entire household by offering the optimal insurance plan for each customer.

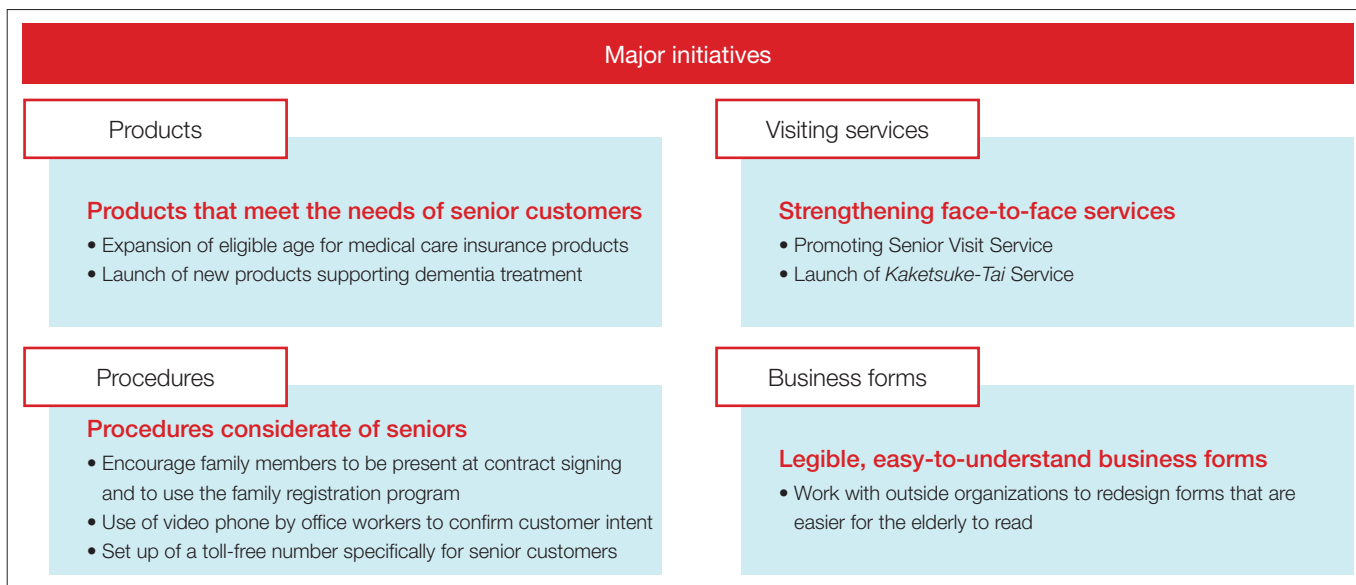
Strategy for Products and Services

Hoken Kumikyoku Best, Taiyo Life's mainstay product, was launched in October 2008 as a product that allows customers to freely combine the coverage they need. The product continued to evolve from year to year, and as of October 2015 had in excess of two million cumulative subscribers.

In fiscal 2015, Taiyo Life launched a new specified disease treatment insurance with expanded coverage for the three major diseases, with a focus on new protection for early-stage cancer, including carcinoma in situ and skin cancer. The company also launched *Himawari Dementia Treatment Insurance*, which provides coverage for prescribed conditions due to dementia, and which is designed for those with health concerns, as well as insurance to protect against loss of income due to an inability to work.

Declaration of Best Senior Service

Aiming to become the life insurance company that is most considerate to its senior customers, we will strengthen our services for seniors.



On the service side, in fiscal 2014, Taiyo Life initiated its Best Senior Service program with the goal of becoming the life insurance company that is most considerate of senior customers. Specifically, the program promotes a variety of service activities to provide senior customers with peace of mind, including visiting customers 70 years of age and older at least once a year to verify their policies and encourage them to file claims. In April 2016, Taiyo Life also began offering a *Kaketsuke-Tai* Service through office workers with specialized knowledge who visit customers and their families at home to provide assistance with payment procedures.

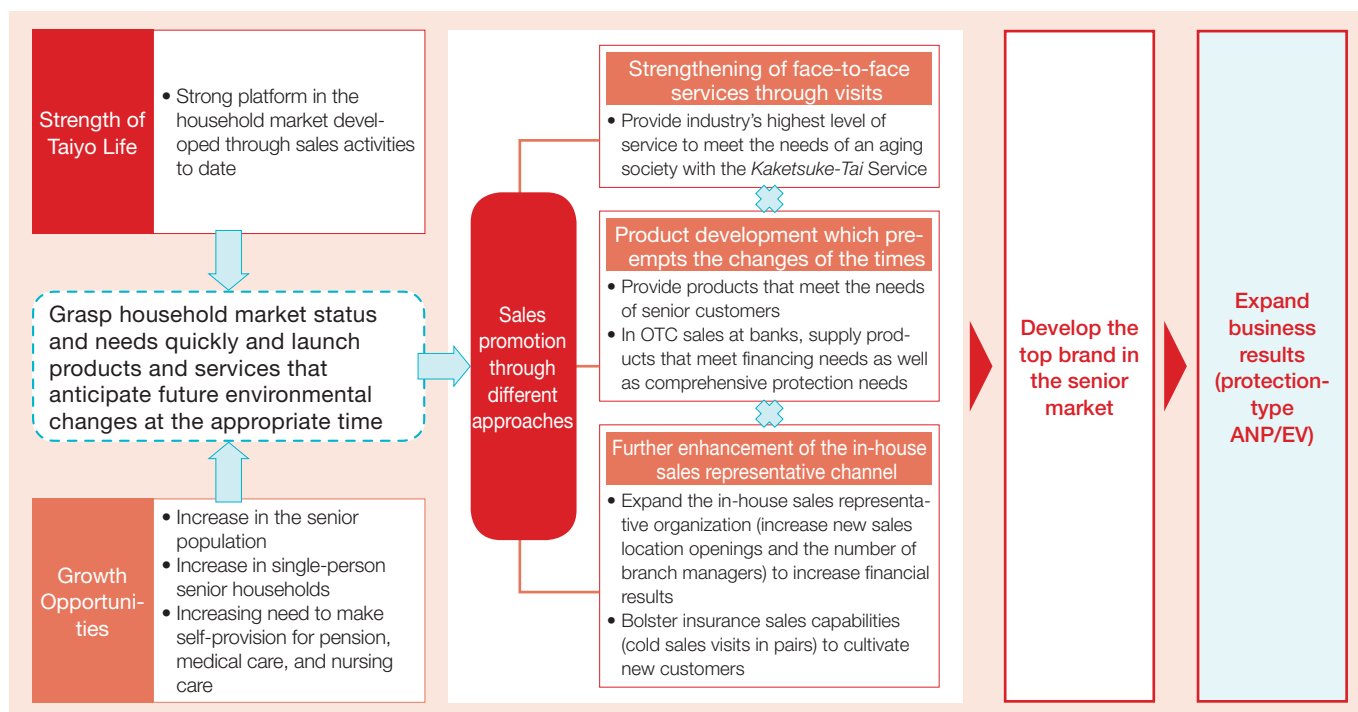
Taiyo Life will continue to develop its *Hoken Kumikyoku Best* product, while also ensuring it can fully respond to customer needs by offering families the finest products and services that stay ahead of changing times.

Future Growth

Taiyo Life has established a new medium-term management plan for the three year period from fiscal 2016 to fiscal 2018. With a vision of becoming a life insurance company that stays ahead of changing times by providing households with the finest products and services, this plan calls for promoting sales through a three-part unified strategy of strengthening of face-to-face services through visits, developing products that anticipate changes in the times, and enhancing the in-house sales representative channel. Through these efforts, the company will build the top brand in the senior market and increase earnings.

Medium-term Management Plan Marketing Strategy

Build the top brand in the senior market and expand business results by promoting sales where “strengthening of face-to-face services through visits,” “product development which preempts the changes of the times,” and “further enhancement of the in-house sales representative channel” are triune.



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.

Management Targets

Fiscal 2016

- ▶ Policy amount in force* **¥40,200 billion**
- ▶ New policy amount* **¥4,420 billion**

* The sum of the death benefit amount of individual insurance and individual annuities, together with the insured amount for critical illnesses for the *J-type product* (non-participating critical illness insurance), disability income protection for the *T-type product* (non-participating disability income insurance), and *Kaigo Relief* (non-participating whole life nursing care insurance).

Fundamental Strategy

- ▶ Further evolve the core business of selling partner-specific products through tie-up groups by further penetrating core markets and creating and expanding new markets.

Business Model

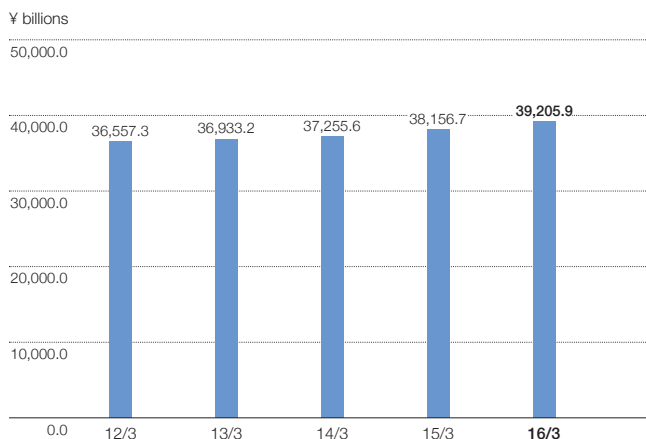
Market	Small and medium enterprises (SMEs)
Sales channel	In-house sales representatives and agents (tax accountants, etc.)
Products	Term life insurance, disability income insurance, etc.

Performance and Operational Review

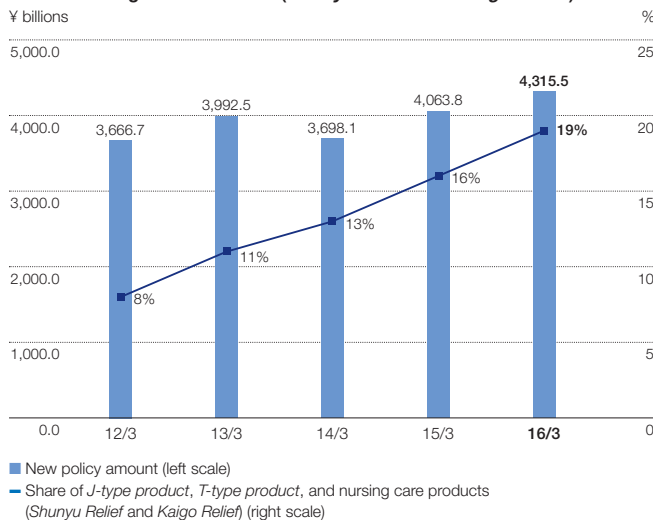
Daido Life's sales activities target the SME market. Policies from the corporate market*¹ accounted for approximately 95% of the company's new policy amount in fiscal 2015.

For fiscal 2015, Daido Life's new policy amount was up 6.2% year on year to ¥4,315.5 billion*². This increase was mainly due to strong sales of mainstay term life insurance and disability income insurance (*J-type product*, a non-participating critical illness insurance, and *T-type product*, a non-participating disability income insurance), and the new nursing care products *Shunyu Relief* (non-participating nursing care income protection insurance) and *Kaigo Relief* (non-participating whole life nursing care insurance). The surrender and lapse amount

Policy Amount in Force



New Policy Amount and Share of J-type Product, T-type Product, and Nursing Care Products (Shunyu Relief and Kaigo Relief)



was up 3.9% year on year, to ¥2,472.0 billion*², but the policy amount in force also rose 2.7% year on year to ¥39,205.9 billion*², marking a net increase for the fourth consecutive year.

MCEV amounted to ¥1,078.0 billion at March 31, 2016, a decrease of ¥228.7 billion. This was mainly due to a decline in domestic interest rates.

*1 The total of collective policies for individual insurance and individual annuities sold through tie-up groups and group insurance policies.

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

Fundamental Strategy

Daido Life was established in 1902. In the ensuing years, it has continued to work to always earn a high level of customer trust under the corporate mottos of “Customer-oriented Service” and “Stable Management.” Since the 1970s, the company has positioned as its core business the sale of partner-specific products in collaboration with tie-up groups in the SME market. Daido Life has driven the evolution of this business model,

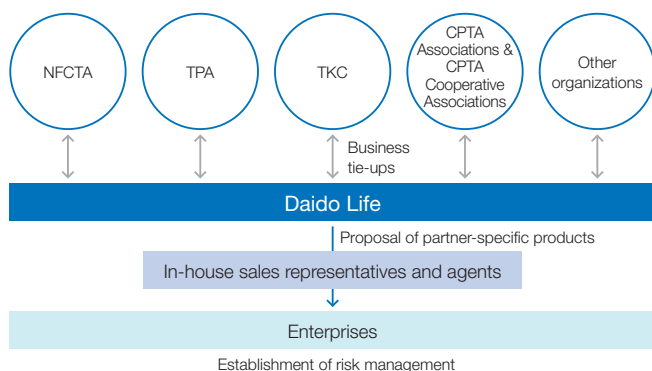
which is not easily imitated by competitors, according to changes in the times. Under a medium-term management plan running from April 2016, Daido Life will further evolve its core business and develop growth fields of both corporate and individual customers (SME owners and individual business owners), thereby increasing its business results. As a result, Daido Life will build a more solid position as the leading company in the life insurance business in the SME market.

Marketing Strategy

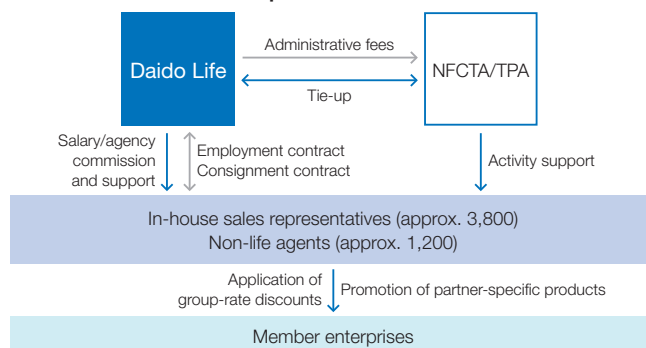
Daido Life employs a distinctive marketing strategy targeting the SME market.

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 SME-related organizations, or function as 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



NFCTA and TPA Tie-up Scheme



Relationship with Tie-up Organizations

Since 1971, Daido Life has been the official underwriter of the comprehensive insurance plan, “*Keieisha Ogata Sogo Hosho Seido*,” provided by the National Federation of Corporate Taxpayers Associations (NFCTA, known as *Hojinkai*) and the Tax Payment Associations (TPA, known as *Nozei-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 Boei 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.

As shown in the diagram at the bottom left of this page, 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.

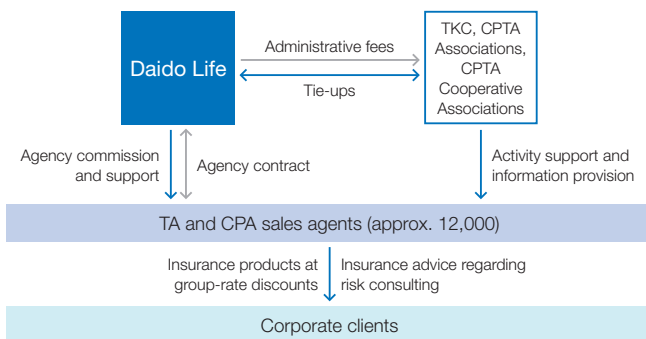
Strategy for Products and Services

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.

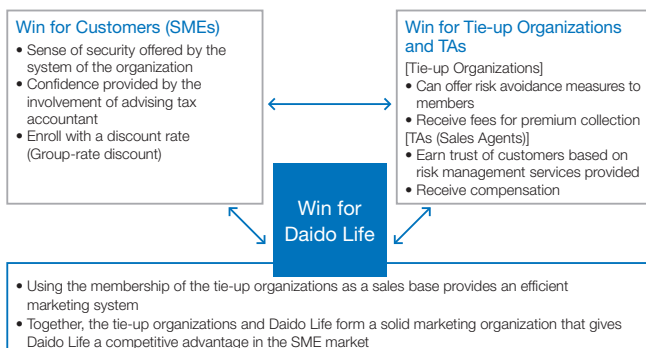
Meanwhile, in recent years, against the backdrop of the ongoing aging of society and advances in healthcare technology, together with the retirement age of SME owners being generally extended, disability risk has been increasing where in the event that an SME owner suffers a critical illness such as 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 addition to its mainstay term life insurance, Daido Life is also engaged in offering a full range of protection by enhancing its disability income insurance and further penetrating core markets. Specifically, alongside term life insurance, the company is strengthening efforts to promote its *J-type product*, which covers a long-term absence from work due to critical illness, its *T-type product*, which covers retirement risk in case of physical disability, and its *M-type product* (non-participating comprehensive medical insurance), which covers temporary absence from work due to hospitalization.

In the creation and expansion of new markets, Daido Life is also pursuing the full-fledged development of proposals for individual protection to SME owners or sole proprietors as part of its effort to create new markets and make them part of its core business. In October 2015, Daido Life launched *Shunyu Relief*, an insurance policy to protect against loss of income when long-term care is required, and *Kaigo Relief*, an insurance plan to cover nursing care costs, as strategic products for this market. Daido Life has also introduced *Kaigo Concierge*, a new service offering comprehensive support for

Tie-up Scheme with TKC, CPTA Associations and CPTA Cooperative Associations



Win-win Relationship Created by Partner-specific Sales



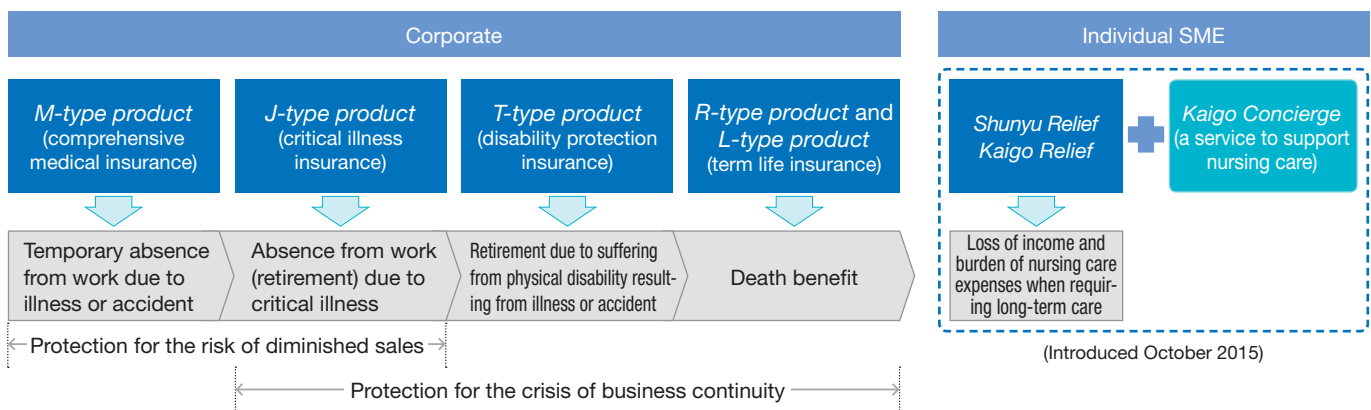
nursing care, including offering consultation regarding nursing care issues, in cooperation with nursing care service providers. This is part of the company's effort to promote integrated products and services.

For fiscal 2015, the company's new policy amount for *J-type product*, *T-type product*, and nursing care products (*Shunyu Relief* and *Kaigo Relief*) combined amounted to ¥827.0 billion, comprising 19.2% of the entire new policy amount, signifying that these products are now Daido Life's mainstay products alongside term life insurance.

Future Growth

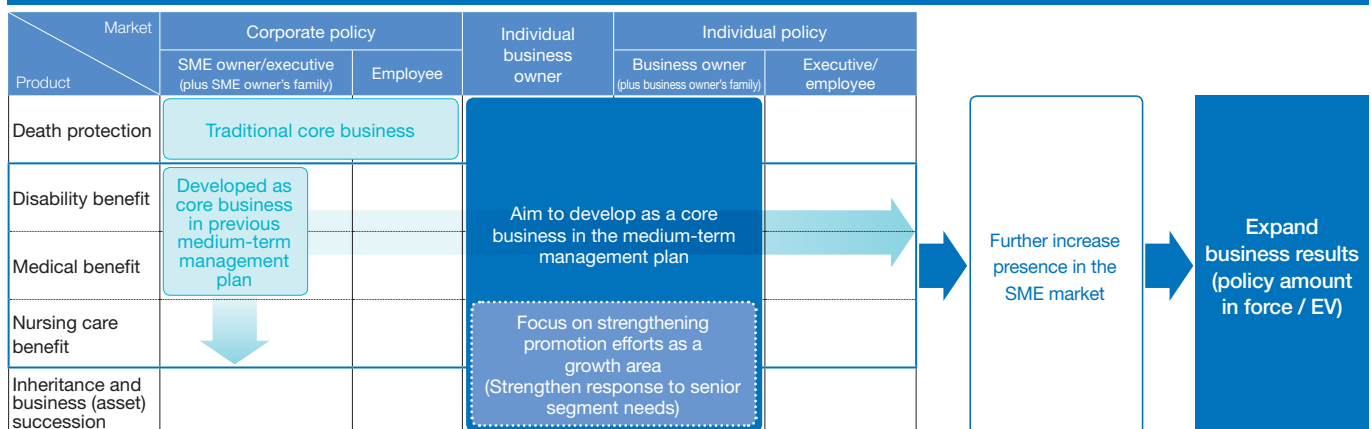
Looking ahead, Daido Life will evolve its core business by further penetrating core markets and creating and expanding new markets. At the same time, Daido Life will work to enhance and expand sales channels that can provide high-quality consulting services. The company will also strive to enhance and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

Providing a Full Range of Protection

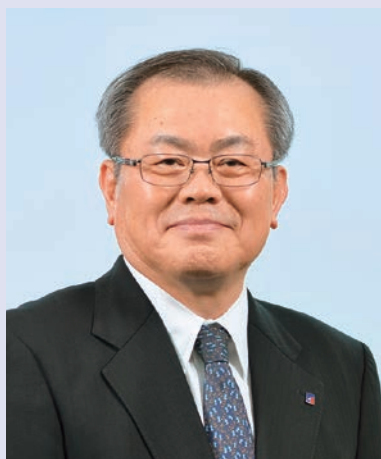


Overall Image of the Sales Strategy

To consolidate its position as the “leading company” in the SME market for life insurance, Daido Life will further evolve its core business and develop growth fields of both corporate and individual customers, thereby increasing its business results.



 T&D Financial Life Insurance Company



Kazuyoshi Shimada
Representative Director and
President

As a strategic company of the T&D Life Group which specializes in selling insurance products through independent insurance agents, T&D Financial Life is working to expand the presence of the T&D Life Group.

Management Targets

Fiscal 2016

- ▶ Policy amount in force **¥1,850** billion
- ▶ New policy amount **¥220** billion

Fundamental Strategy

- ▶ Aiming to establish a strong brand in life insurance sales through the independent insurance agent channel*, the company is working to “diversify its product lineup,” “expand its sales network of insurance agents,” and “enhance customer service.”

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

Business Model

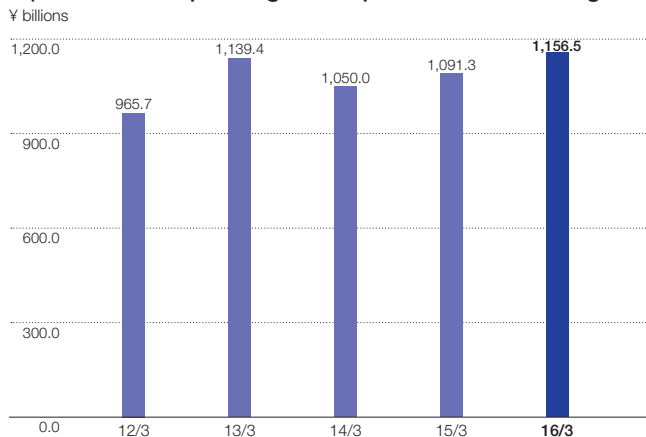
Market	Independent insurance agent market
Sales channel	Independent insurance agents (financial institutions and insurance shop agents)
Products	Single premium insurance (foreign currency reference type, etc.), loss of income protection insurance, etc.

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 2015 was ¥236.2 billion, down 26.8% year on year. The new policy amount for single premium products was ¥152.4 billion, while the new policy amount for level premium products was ¥83.8 billion. The policy amount in force for products sold through independent insurance agents was up 6.0% from the previous fiscal year-end to ¥1,156.5 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.

MCEV was ¥93.4 billion as of March 31, 2016, a decrease of ¥2.3 billion from the previous fiscal year-end. However, the value of new business was ¥3.5 billion, an increase of ¥1.1 billion from the previous fiscal year-end mainly due to the higher new policy amount of *Shogai Premium World 3*, a foreign currency-linked single premium whole life insurance product.

T&D Financial Life's Policy Amount in Force (Portion corresponding to independent insurance agents)



Fundamental Strategy

T&D Financial Life is a strategic company in the T&D Life Group focusing on sales through independent insurance agents.

Insurance sales through this independent insurance agent channel are expected to grow, and by expanding its presence in the independent insurance agent market, the company aims to grow as well.

Under the medium-term management plan running from April 2016, the company will “diversify its product lineup,” “expand its sales network of insurance agents,” and “enhance customer service” to become the company of choice for customers and agents in the independent agent market, thereby encouraging the growth of EV and the increase of the new policy amount.

Strategy for 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 *Shogai Premium*, a 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

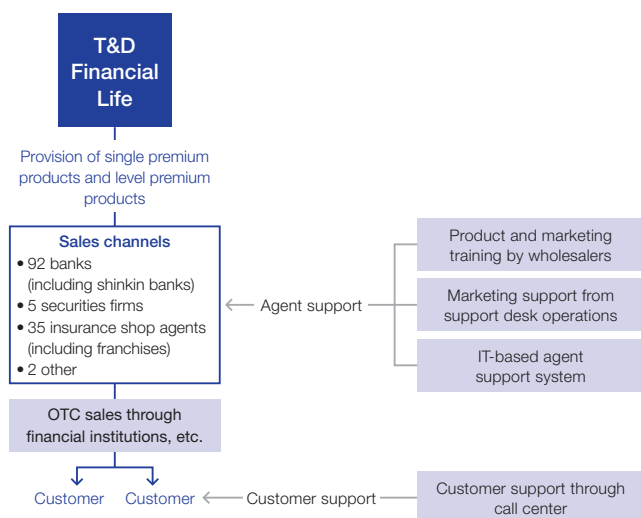
introduced a lineup of single premium whole life insurance products as the *Shogai Premium Series* by regularly revising the range of benefits in line with market needs.

Transition of *Shogai Premium Series*

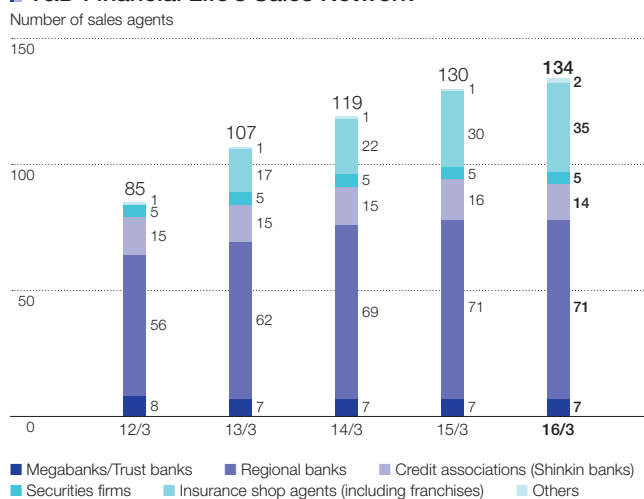
April 2010	Sales release of <i>Shogai Premium</i>
June 2011	Sales release of <i>Shogai Premium World</i>
August 2011	Sales release of <i>Shogai Premium Japan</i>
July 2013	Sales release of <i>Shogai Premium World 2</i>
August 2013	Sales release of <i>Shogai Premium Japan 2</i>
September 2014	Sales release of <i>Shogai Premium Japan 3</i> and <i>Shogai 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.

T&D Financial Life's Business Model



T&D Financial Life's Sales Network



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 *Shogai 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 Shunyuhosho*. 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 terms, including funding for post-retirement living expenses and children's education.

In addition, in December 2015, the company developed and introduced *Hataraku Anata Ni Yasashii Hoken*, which provides coverage in the event of prescribed conditions due to specific diseases, including cancer, acute myocardial infarction and stroke.

Going forward, T&D Financial Life will continue to develop and launch products that have something different to offer than other insurers' products, with the aim of increasing its presence in the market for independent insurance agents.

Lineup of Main Products

Single Premium Products	<i>Shogai Premium Series</i>	
	<p><i>Shogai Premium Japan 3</i> [non-participating whole life insurance (accumulation rate renewing type I)]</p> <p><i>Shogai Premium World 3</i> [non-participating foreign exchange rate linked whole life insurance (accumulation rate renewing, multi-currency type III)]</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>Shogai 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>Shogai 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 JGB yields as the reference rate. <i>Shogai 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).
Level Premium Products	<p><i>Kakei Ni Yasashii Shunyuhosho</i> [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 payment 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><i>Kazoku Wo Tsunagu Shushinhoken</i> [non-participating special whole life insurance (type 1)]</p>	<p>Main Features:</p> <ul style="list-style-type: none"> The customer selects whole life insurance from two plans: the “basic plan” that secures death benefits from the beginning of the contract, or the “simple plan” in which death benefits are held to the initial insured amount at the time the contract was made and to which users can subscribe with a simple declaration. A product that secures death benefits and at the same time addresses a wide range of asset formation and other needs of customers in the medium and long terms, including funding for post-retirement living expenses and children's education.
	<p><i>Hataraku Anata Ni Yasashii Hoken</i> [non-participating specified illness income protection insurance (no surrender value type I)]</p>	<p>Main Features:</p> <ul style="list-style-type: none"> Pays an annuity (with a choice of either fixed term annuity or annuity certain) for prescribed conditions resulting from specific diseases (cancer, acute myocardial infarction, and stroke). Because this eliminates a death benefit and specializes in living benefit coverage, it is possible to provide required living expenses tailored to each customer's needs.

Future Growth

Under the previous medium-term management plan, T&D Financial Life worked to promote the multi-tracked development of products, sales channels, and sources of profit, thereby enhancing corporate value by ensuring stable profits.

Under its current medium-term management plan, the company aims to achieve further growth by expanding sales of single premium investment formation-type products and level premium protection type-products through diversification of its product lineup, by expanding its network of sales agents, including financial institutions and insurance shop agents, and by strengthening its product development, systems, sales and operational infrastructure through investment of corporate resources in the necessary areas.

In terms of product strategies, T&D Financial Life will launch a single premium investment formation-type product that differentiates in benefits and a level premium protection-type product that is competitive in terms of price. In terms of sales strategy, the company will move forward to develop and expand its sales channels, working to further penetrate those channels by expanding agency managers and installing dedicated teams in insurance shop agents.

T&D Financial Life's Marketing Strategy

		Financial institutions and other agents	Insurance shop agents
Product	Main target	<ul style="list-style-type: none"> Retirement generation (upper mass market segment aged 60s and over) 	<ul style="list-style-type: none"> Working and parenting generation (20s–40s)
	Product concept	<ul style="list-style-type: none"> Single premium wealth accumulation products differentiated by type of benefit 	<ul style="list-style-type: none"> Level premium and protection-type products with competitive pricing, etc.
Sales	Sales structure	<ul style="list-style-type: none"> Develop and expand agents 	
		<ul style="list-style-type: none"> Expand structure for agent support staff and staff responsible for agent headquarters 	<ul style="list-style-type: none"> Establish a team dedicated to insurance shop agents
Services	Administration system	<ul style="list-style-type: none"> Enhance customer service (especially services for seniors) Strengthen comprehensive capabilities through use of administration and systems as well as IT to contribute to sales support Realize efficient administrative processes (deploy new systems by rebuilding the administration system) 	

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 customers.

Management Targets

Fiscal 2016

▶ Adjusted operating income **¥2.4 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

- ▶ Execute differentiated strategies under the "Make a Difference" slogan, and work to further strengthen competitiveness with a strategic policy of implementing customer-oriented management based on fiduciary duty
- ▶ Strengthen growth areas by strategically allocating management resources
- ▶ Continue to transform the earnings structure to further improve management efficiency

Business Segments

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

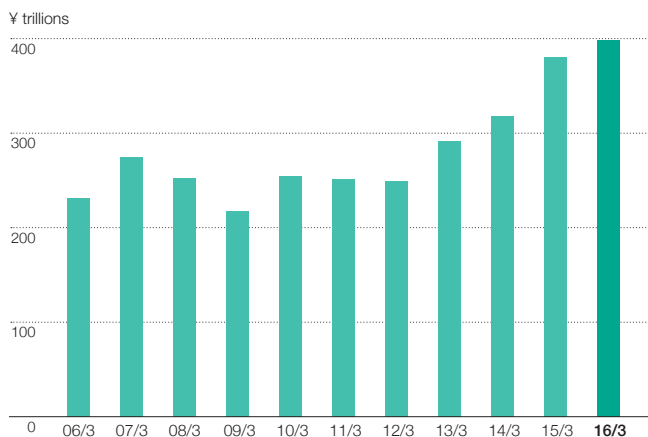
Performance and Operational Review

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 2015, the assets under management of T&D Asset Management's investment trust business decreased to ¥613.4 billion from ¥731.3 billion as of March 31, 2015. This mainly reflected the surrender of existing funds and falls in market value. The assets under management of the investment advisory business also decreased to ¥803.4 billion from ¥992.2 billion as of March 31, 2015, due to surrenders.

On the earnings front, adjusted operating income was down 15.4% year-on-year to ¥2.4 billion, due to a decline in the balance of assets under management. While efforts were made to streamline business operations, head office relocation costs and other factors resulted in a net loss for the fiscal year.

Asset Management Market in Japan



Future Growth

T&D Asset Management has been conducting its business resting on two core businesses: investment of life insurance assets as the T&D Life Group's asset management company and investment of assets for non-Group customers.

Looking ahead, T&D Asset Management will continue to engage in these businesses, 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.

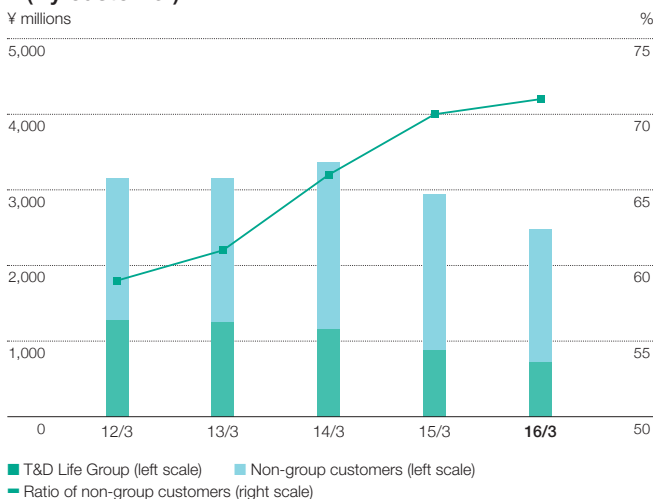
Through the strategic allocation of business resources, T&D Asset Management will further strengthen its organization to develop and offer outstanding investment products tailored to customer needs in a timely manner. At the same time, the company will upgrade its information provision capabilities for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

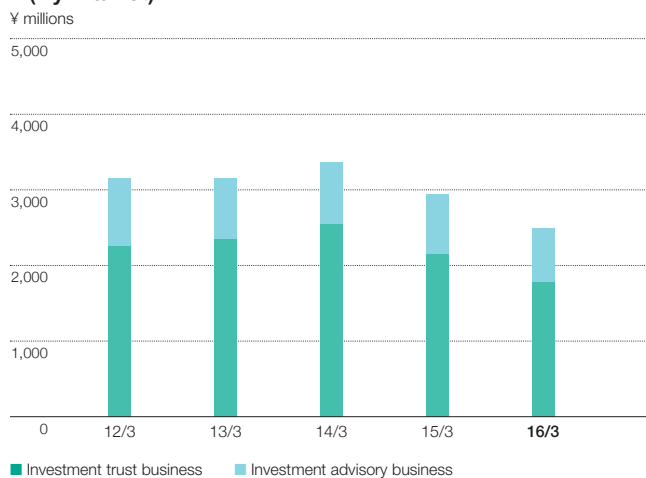
The domestic pension market faces maturity with the ongoing aging of society, and business conditions continue to hinder any expectations for growth. T&D Asset Management is aiming to win long-term trust by remaining strongly committed to providing suitable solutions to customers with a variety of challenges.

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

Adjusted Operating Income (By customer)



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 2016

- ▶ Number of policies in force **112,200**
- ▶ Number of new policies **29,500**

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 2015, 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. As a result, the number of new policies in fiscal 2015 increased to 30,985, compared with 25,558 in fiscal 2014 and the number of policies in force as of March 31, 2016 increased to 96,434 from 76,430 as of March 31, 2015. The net premium income of fiscal 2015 increased steadily to ¥2,943 million from ¥2,312 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 products and by 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)

