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We continue to
expand growth areas to
increase corporate value
steadily and sustainably.

Tetsuhiro Kida

Representative Director
and President



Results of the First Year of the Medium-Term Management Plan

We have now entered the second year of our three-year medium-term management plan, which began in April 2016. For the first year of the plan, the key performance indicators progressed steadily even under a severe environment of continuing ultra-low interest rates. These were the results of the affiliated three life insurance companies' steady development and cultivation of each company's market in focus in the domestic life insurance business, which the T&D Life Group considers as its core business.

In particular, we have steadily generated results by transforming our product portfolio through the expansion into third sector and disability benefit insurance and suchlike, a priority measure since our previous medium-term management plan. In addition, we've strengthened initiatives for the senior market as a measure for expanding growth areas, and this has also produced good results. Thanks to these efforts, the value of new business increased significantly, and corporate value (EV) saw steady growth.

With regard to shareholder return, we increased the cash dividend and bought back shares in line with our basic policy of returning 40% and above of adjusted net income each fiscal year through a combination of stable cash dividends and flexible share buybacks.

Contribute to Solutions for Social Issues Through the Life Insurance Business

Japan's population of seniors aged 65 and above is expected to further increase as the country's ultra-aging trend advances. Against this backdrop of changes in the social environment, there is expected to be an increasing need among customers in preparation for longevity, specifically, comprehensive coverage including pensions, medical care and nursing care. In conjunction with this, we believe our societal role as a private-sector life insurer which supplements public insurance will increase further.

Under these circumstances, the Group will contribute to the solution of these concerns by carefully accommodating the diverse needs of customers in the respective markets served by the three core life insurance companies. For example, Taiyo Life is conducting initiatives which integrate products, services and sales representative, including deploying its staffs to each sales office who will visit homes of the customers to support claims and other procedures, together with providing insurance for the peace of mind and security of seniors. In addition, Daido Life is providing nursing-care insurance products which meet the comprehensive coverage needs of SME owners and individual business owners and is also strengthening initiatives for its inheritance and business succession services.

Further, we have started initiatives for the customers of each of the companies to provide support for disease prevention and health promotion in order to realize a fulfilling elderly society.

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Foundations
Supporting the
Management

1. ERM (Enterprise Risk Management)

We have promoted Enterprise Risk Management (ERM) to integrally manage profit, risk and capital for the Group as a whole on an economic value basis since fully instituting the system in 2013.

As the risks surrounding insurance companies become increasingly diverse and complex, the Group intends to pursue capital efficiency (profitability) while ensuring capital adequacy (financial soundness) through integrated risk management, with the aim of increasing corporate value steadily and sustainably.

By utilizing the ERM, we have transformed our product portfolio and achieved high profitability while ensuring financial soundness even in an ultra-low interest rate environment.

2. Corporate Governance

We regard the development of an appropriate governance system as a fundamental precondition for conducting corporate management and we have continued to strengthen and enhance our governance system.

In June 2017, we added an outside director to further strengthen and enhance corporate governance and now have a system of three outside directors among the 12 directors.

Going forward, we will continue to strengthen and enhance corporate governance with a view to increasing corporate value over the medium- to long-term.

3. CSR (Corporate Social Responsibility)

In order to more fully fulfill our social responsibilities as a corporation, we have selected “Providing Better Products and Services,” “Respect for Human Rights,” and “Global Environmental Protection” as our CSR priority areas.

In addition, in order to further strengthen our foundations supporting the management, we are working to nurture a corporate culture where diverse human resources can feel job satisfaction and reach their potential through work style transformation, diversity initiatives which include the promotion of the active participation of women, and work-life balance initiatives.

Aiming for Steady and Sustainable Growth in Corporate Value

Under the T&D Life Group's Corporate Philosophy of "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies," our goal is to contribute to solutions for social issues through the life insurance business, while pursuing the maximization of the satisfaction of all stakeholders.

Going forward, we will promote initiatives for expanding growth areas through the unwavering practice of "Try & Discover," and continue to achieve steady and sustainable growth in corporate value.

In closing, I would appreciate your continued understanding and support.

September 2017

Tetsuhiro Kida

Representative Director
and President