

Corporate Responsibility Report 2016



I	Top Message/Organizational Profile	1
II	CSR Management	8
III	Governance and Internal Control	20
IV	Management Control	27
V	Priority Areas	
	(1) Providing Better Products and Services	31
VI	Priority Areas	
	(2) Respect for Human Rights	43
VII	Priority Areas	
	(3) Global Environmental Protection	49
VIII	Social Contribution Activities	56
IX	Responsible Institutional Investor	60
●	Third-party Opinion	65
●	Index: G4 GRI Guidelines	66

Top Message

G4-1



Tetsuhiro Kida
Representative Director and President,
T&D Holdings, Inc.

Aiming to be a corporate group
that contributes to all people
and societies through the
life insurance business.

The T&D Life Group is a corporate group made up of the holding company T&D Holdings, Inc. and its 16 subsidiaries and 2 affiliates. Among these companies are the Group's three core life insurance companies, Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company.

The T&D Life Group has embraced as the foundation of its business activities the corporate philosophy that "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." Based on this philosophy, each of the Group's companies has confronted changes in society, creating value by providing the products and services society needs and working toward the sustainable growth of the Group.

Against that backdrop, the T&D Life Group launched a new three-year medium-term management plan in April 2016. The new plan is positioned as the first stage in a vision for the next 10 years, with the goal of further expanding growth areas over a period of three years. Over the next decade, a further drop in the country's birthrate and increased aging will see the population of young people decline, while the number of seniors increases. This change in the demographic makeup of the population is expected to further increase the need for life security in preparation for the future, including in the areas of pensions, medical care and nursing care. To meet these needs, the Group plans, through its life insurance business, to expand in those fields which benefit society. Given this understanding of our business environment, our goal under the new medium-term management plan is to contribute to solutions for social issues through the life insurance business, while aiming to maximize the satisfaction of all shareholders.

To achieve this goal, we have positioned the following three points as priority areas.

The first point is "Providing Better Products and Services." By allowing each Group company to fully exploit its unique, specialized strategies in the Group's core life insurance business, we will deliver the products our customers need, along with the services they require.

The second is "Respect for Human Rights." This will focus on initiatives for promoting changes in the way people work, facilitating the active participation of women and other diversity initiatives, and promoting a better work-life balance.

The final point is "Global Environmental Protection." Through efforts to reduce electricity consumption and office paper use and increase the Group's green purchasing ratio, and through forest preservation and other activities, the T&D Life Group will promote initiatives to conserve resources and prevent global warming.

In addition to these priority areas, the Group companies will work together to contribute to societies in a variety of other ways, including support for and promotion of senior sports and para-sports, regional beautification activities, Group-wide blood drives, and educational assistance for children in developing countries.

Along with these initiatives, in July 2015, the T&D Life Group became a participant in the United Nations Global Compact (UNGC), a cooperative framework between the UN and corporate entities aimed at achieving sustainable growth as advocated by the UN. The UNGC comprises 10 principles applying to the four areas of human rights, labor, the environment and the prevention of corruption. The T&D Life Group aims to fulfill its role as a member of society by committing to these principles.

While the T&D Life Group moves forward with these and a variety of other initiatives, the Group's individual employees are the ones who will actually put them into practice. In that effort, nothing is more important than ensuring that each and every employee continues to bring a sense of mission and pride to the work of helping to resolve social issues through business. The Group will continue to cultivate this corporate culture even further, redoubling its efforts toward the goal of contributing to people and societies.

About Corporate Responsibility Report 2016

Report Publication Information

G4-28 G4-29 G4-30

Published in	October 2016 (Previous Issue: November 2015; Next Issue: Scheduled for October 2017)
Scope of report	All companies and foundations in the T&D Life Group * Contents of this report are selected taking into account the importance of each item, and we indicate the scope of each item as necessary.
Period covered	April 2015 to March 2016 (annual) * Also includes reports on some significant activities and events having occurred in and after April 2016.

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G4-31

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Regarding Third-party Opinion

Professor Takeshi Mizuguchi was asked to offer his opinion and advice about the contents of CR Report 2016 from the standpoint of a third party. As a professor in the Faculty of Economics at Takasaki City University of Economics, where his primary area of research is responsible investment and the disclosure of non-financial information, Professor Mizuguchi possesses extensive knowledge about CSR.

Editorial Policy

The T&D Life Group has prepared this report to provide a wide range of stakeholders with a picture of the Group's concepts of and approach to CSR, as well as its CSR initiatives. In fiscal 2016, the Group is disclosing information in the form of two different reports in order to let a wider range of stakeholders get to know the Group's initiatives. In addition to CR Report 2016, we are releasing a digest edition of CR Report 2016. In the digest edition, we present the Group's thinking about CSR and the main CSR initiatives taken by the T&D Life Group in a clear, well-organized format. It is an approachable, easy-to-read report with only a small number of pages and many photographs and illustrations. CR Report 2016 conforms to the Global Reporting Initiative's G4 Sustainability Reporting Guidelines (Core), and reports on the wide-ranging management, social, and environmental initiatives the Group is advancing.

Overview of the Digest Edition of CR Report 2016

- Top Message ● T&D Life Group CSR Philosophy
- The T&D Life Group's Businesses
- Products and Services That Address Social Needs
- Toward a Society in which Everyone Can Work Vibrantly
- Initiatives to Protect the Environment ● Together with Society
- Responsible Investment/Participation in Initiatives
- Progress in Group CSR and State of Activities ● Third-Party Opinion

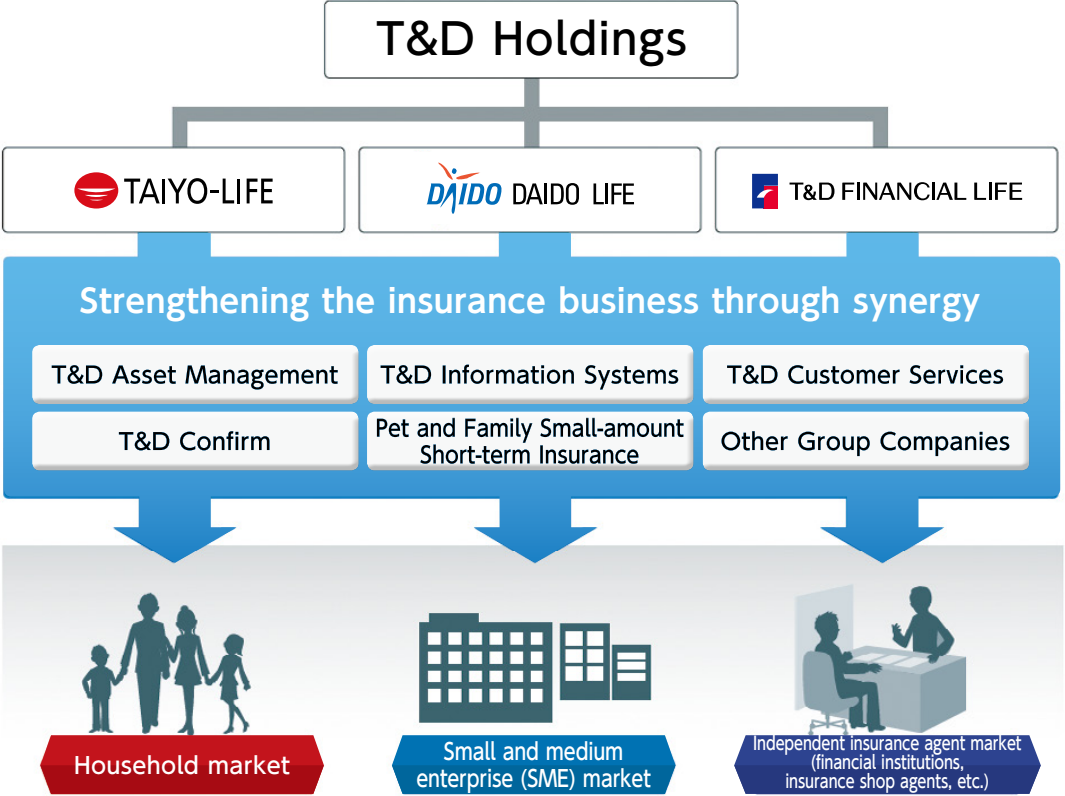
1. Organizational Profile

1-1 Outline of the T&D Life Group's Business

G4-4

The T&D Life Group is a corporate group mainly comprising three life insurance companies (Taiyo Life, Daido Life, and T&D Financial Life) under a group holding company, T&D Holdings. The three companies of Taiyo Life, with its strength in the household market; Daido Life, with its strength in the small and medium enterprise (SME) market; and T&D Financial Life, with its strength in the independent insurance agent market (financial institutions and insurance shops) work to fully exploit the strengths and uniqueness of their respective business models, in support of their customers' lives and businesses.

● Group Structure



1-2 T&D Life Group Companies and Foundations

G4-4

G4-6

G4-8

G4-17

● Organizational Structure

The T&D Life Group consists of T&D Holdings, 16 consolidated subsidiaries and 2 affiliated companies that are engaged in life insurance and other businesses as described below.

(○: Consolidated subsidiaries ◇: Equity method affiliate companies)

T&D Holdings, Inc.		http://www.td-holdings.co.jp/en/
Insurance & Insurance-related Businesses	Insurance	○ Taiyo Life Insurance Company http://www.taiyo-seimei.co.jp/
		○ Daido Life Insurance Company http://www.daido-life.co.jp/
		○ T&D Financial Life Insurance Company http://www.tdf-life.co.jp/
		○ Pet and Family Small-amount Short-term Insurance Company http://www.petfamilyins.co.jp/
	Insurance-related	○ T&D Confirm Ltd.
		○ Toyo Insurance Agency Co., Ltd. http://www.sonpo.co.jp/toyohkdaiko/
Investment-related Businesses	Investment Management and Advisory, etc.	○ Daido Management Service Co., Ltd. http://www.dms-hp.co.jp/
		○ T&D Asset Management Co., Ltd. http://www.tdasst.co.jp/en/
	Other Investment-related	○ T&D Lease Co., Ltd. http://www.td-lease.co.jp/
		○ Taiyo Credit Guarantee Co., Ltd. http://www.taiyo-sinyo-hosyo.co.jp/
		◇ Alternative Investment Capital, Ltd. http://www.aicapital.co.jp/english/
Administration-related Businesses	Administration-related	○ T&D Customer Services Co., Ltd.
	General Affairs and Calculation-related	○ T&D Information System Ltd. http://www.td-system.co.jp/
		○ Nihon System Shuno, Inc. http://www.nss-jp.com/
		○ Zenkoku Business Center Co., Ltd. http://www.zbc-jp.com/
Foundations	The Taiyo Life Welfare Foundation http://www.taiyolife-zaidan.or.jp/	
	Daido Life Welfare Foundation http://www.daido-life-welfare.or.jp/	
	The Daido Life Foundation http://www.daido-life-fd.or.jp/	

Note: Includes main Group companies and foundations as of May 31, 2016.

1-3 Corporate Profile (as of March 31, 2016)

G4-3 G4-5 G4-16

《T&D Holdings, Inc.》

Established	April 2004
Head office location	2-7-1 Nihonbashi, Chuo-ku, Tokyo 103-6031, Japan
Capital stock	207.1 billion yen
No. of employees	93
Independent auditor	Ernst & Young ShinNihon LLC
Description of business	Holding company for the T&D Life Group as well as for a small-amount short-term insurance company, conducting the following: <ul style="list-style-type: none"> • Management control of life insurance subsidiaries and affiliates under the Insurance Business Act and other laws and regulations • Other businesses associated with the above

《Taiyo Life Insurance Company》

Established	February 1948 (Founded May 1893)
Head office location	2-7-1 Nihonbashi, Chuo-ku, Tokyo 103-6031, Japan
Capital stock	62.5 billion yen
No. of employees	<div> <div>Sales:</div> <div>Customer service:</div> <div>Administrative:</div> <div>Total:</div> </div> <div> <div>8,631</div> <div>203</div> <div>2,380</div> <div>11,214</div> </div>
Note that as of April 1, 2016, customer service personnel have transitioned to administrative personnel.	

《Daido Life Insurance Company》

Established	July 1947 (Founded July 1902)
Head office locations	1-2-1 Edobori, Nishi-ku, Osaka 550-0002, Japan 2-7-1 Nihonbashi, Chuo-ku, Tokyo 103-6031, Japan
Capital stock	110 billion yen
No. of employees	<div> <div>Sales:</div> <div>Administrative:</div> <div>Total:</div> </div> <div> <div>3,867</div> <div>3,092</div> <div>6,959</div> </div>

《T&D Financial Life Insurance Company》

Established	July 1947 (Founded April 1895)
Head office location	1-1-1 Shibaura, Minato-ku, Tokyo 105-0023, Japan
Capital stock	56 billion yen
No. of employees	236

● Industry Association to which the Three Life Insurance Companies Belong

The Life Insurance Association of Japan

1-4 Taiyo Life Insurance Company

● Supporting Households through Comprehensive Life Security

In the household market, Taiyo Life offers life security through price-competitive products that respond to the changing needs of individual families and trustworthy services that provide peace of mind to its key customers, homemakers who are in charge of family budgets. Specifically, in-house sales representatives, who are themselves housewives, visit customers at home and learn about their individual needs. They are then able to propose products that will provide the necessary security for the family from the point of view of the homemaker. Aiming to become a trusted lifelong partner of individual customers, we are continuing our efforts to offer optimal life security to families through carefully crafted face-to-face consulting sales.

《Taiyo Life's Business Model》



As of March 2016

1-5 Daido Life Insurance Company

● Supporting Small and Medium Enterprises, Which Form the Backbone of the Japanese Economy

Daido Life positions sales of partner-specific insurance products to its partner organizations in the SME market as its core business, and has developed an effective marketing system that links markets, sales channels and products organically. Daido Life develops insurance products specially designed for each partner organization and those partner-specific products are proposed to member enterprises of the partner organizations as benefit programs for owners and employees of those enterprises. These products are also introduced to corporate clients by tax accountants belonging to the partner organizations as a part of their management advice. In fiscal 2015, over 90% of our new contracts were made with corporate clients, and as of the end of fiscal 2015 the number of corporate clients with whom Daido Life had contracts amounted to approximately 360,000 companies. We will continue developing and offering insurance products that meet the needs of corporate clients in the SME segment.

《Daido Life's Business Model》



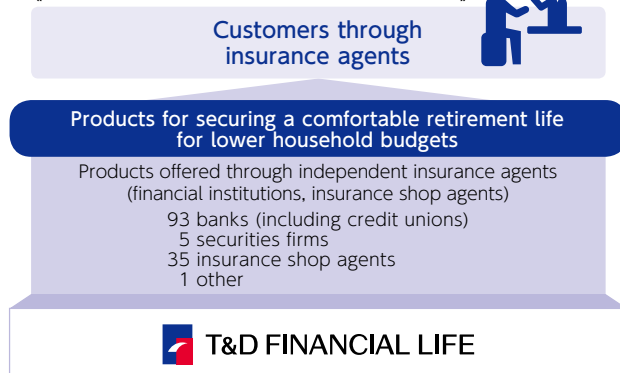
As of March 2016

1-6 T&D Financial Life Insurance Company

● Supporting Customers with Lower Household Budgets in Securing a Comfortable Retirement Life

T&D Financial Life specializes in sales of life insurance through the independent insurance agent channel (financial institutions and insurance shop agents). We maintain our management policy to: strengthen our compliance and internal control system to fully protect our customers' interests; to develop and offer new product packages that are highly appreciated by customers, thereby achieving continuous growth; and to increase the amount of insurance policies in force and improve profitability while maintaining sufficient financial soundness. We are working to develop new products in order to offer differentiated benefit packages, broaden our product line-up to meet diversifying customer needs, and provide quality services through our communicators, who handle customer inquiries and benefit applications. While maintaining a customer-oriented perspective, we will continue working hard to improve customer satisfaction.

《T&D Financial Life's Business Model》



As of March 2016

1-7 T&D Asset Management Co., Ltd.

T&D Asset Management is engaged in asset management for the T&D Life Group. Aiming to become one of the most trusted companies in this sector in Japan and upholding the slogan “Make a Difference,” the company is working to offer unique, valued services in a variety of categories, including investment trust and investment advisory. We are making efforts to strengthen our own asset management capabilities while seeking effective alliances with leading overseas asset management institutions, thereby providing competitive products and services that respond to investors’ needs in a timely manner.

1-8 Pet and Family Small-amount Short-term Insurance Company

Pet and Family Small-amount Short-term Insurance specializes in pet insurance that compensates for a certain percentage of the costs incurred when a pet, often considered a member of the family, receives treatment at an animal hospital. With the acceleration of Japan’s declining birthrate and aging population and the rise in the number of single-member households, the attitude of pet owners is changing as they see their pets as family members. Against this backdrop, the pet insurance market is expected to continue growing. In such an environment, Pet and Family Small-amount Short-term Insurance will strive to enhance its products and services more than ever so that pets and pet owners can enjoy healthy and affluent lives with peace of mind.

1-9 Number of Employees

G4-9

G4-10

G4-LA1

G4-LA12

● Number of Employees (T&D Holdings, Consolidated)

Business sector	March 31, 2014		March 31, 2015		March 31, 2016	
Insurance & insurance-related businesses	18,595	(1,506)	18,156	(1,427)	18,423	(1,252)
Investment-related businesses	471	(31)	483	(32)	466	(29)
Administration-related businesses	802	(160)	779	(157)	790	(161)
Total	19,868	(1,697)	19,418	(1,616)	19,679	(1,442)

* The number of employees shows the number of employed staff excluding executive officers. The number of part-time workers is shown in parentheses as an annual average, which is not included in the number of employees.

* The figures for part-time workers differ from the Financial Report due to the rounding process.

● Number of Employees and Number of People Hired by the Group’s Three Life Insurance Companies

	No. of employees			No. of employees hired		
	March 31, 2014	March 31, 2015	March 31, 2016	FY2013	FY2014	FY2015
No. of employees	18,806	18,319	18,409	3,802	3,727	3,935
Male	3,852	3,702	3,622	111	113	148
Female	14,954	14,617	14,787	3,691	3,614	3,787
Sales representatives	12,436	12,222	12,498	3,650	3,565	3,701
Male	376	335	324	26	23	37
Female	12,060	11,887	12,174	3,624	3,542	3,664
Customer service	369	301	203	0	0	0
Administrative	6,001	5,796	5,708	152	162	234
Male	3,476	3,367	3,298	85	90	111
(Managers)	(2,065)	(2,063)	(2,062)			
Female	2,525	2,429	2,410	67	72	123
(Managers)	(263)	(275)	(319)			

* Managers include section heads at head offices and other executives.

For details of Group performance, solvency margin ratio, credit ratings, etc., please refer to the CSR library on our website.

[WEB www.td-holdings.co.jp/en/csr/library/](http://www.td-holdings.co.jp/en/csr/library/)

1-10 Dialogue and Consultations with Labor Unions

G4-11

Each of the three life insurance companies in the T&D Life Group has an independent labor union, and on this basis and having established tie-ups with cooperative groups, the companies have proactively discussed with the unions on a wide range of issues including business management, corporate policies, wages, working hours, holidays, personnel management systems, fringe benefits and so forth. We believe that a truly meaningful cooperative relationship between companies, one that is based on the spirit of trusting each other, can be built only through straightforward discussions based on their respective viewpoints, and that kind of relationship will motivate employees and bolster the competitiveness of the companies.

● Labor Unionization of the Administrative Personnel of the Three Life Insurance Companies

	FY2013	FY2014	FY2015
Labor unionization rate (%)	81.4	82.5	81.9

2. Supply Chain

DMA

2-1 Definition of Supply Chain

G4-12

T&D Holdings defines its supply chain as shown in the table below, and works toward widespread CSR through that supply chain.

Activities		Supply chain
Sales of products and services	Media	Manufacturing of media to be used in the sales of products and services
	Sales agents	Sales agents
Contracting work		IT systems, consulting, auditing
Office buildings	Buildings	Construction, maintenance, administration of office buildings
	Energy consumed	Petroleum refining and distribution, electric power providers
	Waste	Waste disposal companies
Delivery		Delivery company
Movement of employees	Business trips	Airplane, rail, bus, taxi, accommodation
	Commuting	Rail, bus
Investment		Investees

2-2 Cooperation with Suppliers

G4-SO9

● Management of Outsourcing of Business Operations

The T&D Life Group outsources some business operations to third parties. In order to maintain our management soundness and strengthen our management control capability, we have prepared the appropriate management system for outsourcing, specifically by formulating the methodology to select outsourcing partners and supervise them.

T&D Holdings has formulated a Pre-checklist to Scrutinize Outsourcing Partners as a part of the Guidelines for Outsourcing and Detailed Rules on Risk Evaluation for Outsourcing, based on the Procedural Guidelines for Implementation and Management of Outsourcing. The Group examines the risk-related issues, and assesses the suitability of each outsourcing partner with covered in the note respect to the issues including social aspects* such as human rights, labor conditions, environmental pollution, etc.

* Social aspects refer to the occurrence of human rights violation, labor problems such as forced labor, excessive work hours, health and safety, etc., as well as measures to prevent and mitigate environmental pollution and climate change.

After the commencement of outsourcing, the Group checks the outsourcing partner more than once a year, monitors the performance of the outsourced operations, and, if necessary, asks for improvements.

● Initiatives for Green Purchasing and Procurement

The T&D Life Group takes various initiatives to protect the global environment, based on the T&D Life Group CSR Charter and the T&D Life Group Environmental Policy. As one facet of these efforts, the T&D Life Group has formulated its Group-wide Green Purchasing Standards to be applied when the Group procures or purchases the goods or services needed for its business operations. The Group promotes green purchasing and green procurement, giving priority to the purchase of goods or services that help reduce its environmental impact.

Green purchasing mainly targets office furniture, equipment and consumable supplies, while green procurement targets printing of product brochures and policy documents and procurement of real estate facilities and system equipment. Results of these activities are reported to the Group CSR Committee and its upper organization, the Board of Directors, every six months.

We will contribute to people and societies by creating value through our activities to address social issues.

T&D Life Group's Corporate Philosophy

With our "Try & Discover" motto for creating value, we aim to be a group that contributes to all people and societies.

Group CSR Charter

(Preamble)
The T&D Life Group is firmly committed to fulfilling the public mission of life insurance and other businesses and to undertaking its corporate social responsibilities based on its management philosophy and by achieving sustainable growth along with society.

Our Priority Areas (2016)



Providing Better Products and Services



Respect for Human Rights



Global Environmental Protection

We have selected three priority areas from among those areas material to an expansive range of stakeholders and those areas material to our corporate philosophy and growth. We are implementing activities targeting each priority area.

1. CSR Basic Policy

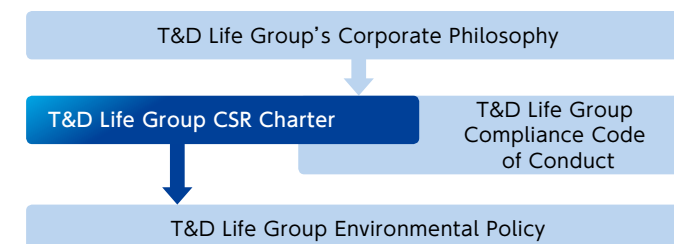
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1-1 Philosophy and Policy of the T&D Life Group

The T&D Life Group has embraced the following corporate philosophy as the starting point for the Group and the bedrock of all of its business activities: "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies."

The T&D Life Group is centered on the life insurance business, which attaches fundamental importance to the principle of mutual assistance. Therefore, we believe that contributing to people and society as a whole through our businesses constitutes our fundamental guiding principle as a business enterprise and the very rationale for our existence.

[Other Related Basic Policies]



[Structure of CSR Basic Policies]

- Basic Policy on Corporate Governance
- Group Risk Management Policy
- Group Basic Policy on Internal Audits
- etc.

● T&D Life Group's Corporate Philosophy

With our "Try & Discover" motto for creating value, we aim to be a group that contributes to all people and societies.

● T&D Life Group CSR Charter

The T&D Life Group is firmly committed to fulfilling the public mission of life insurance and other businesses and to undertaking its corporate social responsibilities based on its management philosophy and by achieving sustainable growth along with society.

1. Providing Better Products and Services

The T&D Life Group will offer well-suited and high-quality products and services that meet customer needs.

2. Strict Compliance

- The T&D Life Group will strictly observe laws, regulations and rules, and act with integrity.
- The T&D Life Group will maintain and promote fair and free competition.
- The T&D Life Group will stand firmly against antisocial forces and groups that may threaten the order or safety of civil society.

3. Respect for Human Rights

- The T&D Life Group will respect human rights, and make efforts to enlighten all its employees on human rights.
- The T&D Life Group will respect the individuality of all its employees, ensure a safe and rewarding work environment, and develop its human resources.
- The T&D Life Group will respect privacy, and will strictly control and protect personal information.

4. Communication

The T&D Life Group will widely disclose its management information in an appropriate and timely manner to the public as well as to its customers and shareholders, and will actively strive to maintain a dialogue with all its stakeholders.

5. Contribution to Communities and Societies

The T&D Life Group will implement social action programs as a good corporate citizen, and will make contributions to the sound development of regional communities and society.

6. Global Environmental Protection

The T&D Life Group will carry out its activities with full awareness of the importance of environmental concerns, and with sufficient consideration given to global environmental protection.

● The T&D Life Group Compliance Code of Conduct

With our “Try & Discover” motto for creating value, we aim to be a group that contributes to all people and society. Guided by this corporate philosophy, the T&D Life Group has established the T&D Life Group Compliance Code of Conduct to conduct fair and appropriate business activities with integrity and sincerity for all stakeholders, including customers.

In the course of conducting business activities, the Group’s corporate officers and employees must conduct business fairly in accordance with the T&D Life Group Compliance Code of Conduct by correctly understanding laws, regulations and other rules pertaining to business activities and ensuring strict compliance with them.

Moreover, the T&D Life Group will endeavor to foster a corporate culture that respects the purpose and spirit of this code of conduct.

1. Rigorously Enforcing Compliance

- (1) **Ensuring Compliance**
We shall adhere to not only the laws and regulations of countries around the world, but also international rules, social norms and internal rules. Moreover, we shall seek to understand the underlying spirit of those rules, and act accordingly with integrity.
- (2) **Maintaining and Promoting Fair and Free Competition**
We shall not engage in any unfair competitive practices, including conduct that would put our customers at a disadvantage through cartels or other forms of collusion with competitors in connection with the products and services we provide, and conduct that would put our business counterparts at a disadvantage using our bargaining power.
- (3) **Prevention of Conflicts of Interests**
We shall always consider separating our professional and private lives in the course of conducting our duties. We shall not engage in conduct that promotes our own self-interest or the interests of third parties at the expense of the Company’s interests.
- (4) **Prohibition of Insider Trading**
As members of a publicly listed corporate group, we shall not use the non-public material information of the Company, or such information obtained in the course of performing our duties, for asset management purposes for the Company or privately, nor shall we use such information for private economic gain.
- (5) **Protection of Intellectual Property Rights**
We shall respect the copyrights, patents and other intellectual property rights of third parties, and shall not infringe upon those rights in the course of our business activities.

2. Addressing Society

- (1) **Responding to Antisocial Powers**
We shall reject and stringently respond to any antisocial powers that threaten the order and safety of civil society.
- (2) **Prevention of Corruption through Restrictions on Business Entertainment and Other Activities**
We shall work to prevent corruption in our relationships with business counterparts, civil servants and other parties by refraining from providing or receiving any business entertainment within reasonable bounds under normal social conventions, as well as refraining from giving or receiving gifts, in connection with our business activities worldwide.
- (3) **Political Activities and Funding**
We shall comply with laws and regulations and maintain an impartial stance when conducting political activities.

3. Appropriateness and Transparency in Management

- (1) **Appropriate Disclosure and Explanation of Information**
We shall accurately disclose and explain the details of the products and services we provide and the Group’s management information to stakeholders, including customers and shareholders and other investors.
- (2) **Appropriate Information Management**
We shall handle the information we obtain from customers, including personal information, appropriately in accordance with laws, regulations and other rules. Moreover, we shall appropriately manage information that the Group has not published. Corporate officers and employees shall not disclose this information to others even after they retire from the Company.

4. Respect for Human Rights and Consideration for the Environment

- (1) **Respect for Human Rights**
We shall support the protection of internationally declared human rights and show respect for those human rights. Moreover, we shall endeavor to maintain a sound workplace environment that is free of discrimination and harassment by protecting workers by upholding legal and regulatory compliance.
- (2) **Consideration for the Environment**
We shall consider the global environment in the course of conducting business activities.

《Duties of Managers》

Recognizing their duty to implement the spirit of the T&D Life Group Compliance Code of Conduct, the T&D Life Group’s managers shall endeavor to set a good example through their own conduct, and strive to make the code of conduct known throughout the Group and provide guidance to ensure Group-wide compliance.

● T&D Life Group Environmental Policy

The T&D Life Group will carry out business activities with full awareness of the importance of environmental concerns and will give sufficient consideration to global environmental protection based on the T&D Life Group CSR Charter. The Group will achieve sustainable growth along with the society while fulfilling the public mission of life insurance and other businesses, and undertaking its corporate social responsibilities.

The Group established the following environmental policy and is committed to complying with it in all of its business activities.

- 1. Environmental Conservation Efforts through Business Activities**
We will contribute to the protection of the global environment in all of our business activities.
- 2. Reduction in Environmental Impact**
Recognizing the environmental burden of resource or energy consumption and waste emissions, we will work toward reducing environmental impact by conserving energy or resources, recycling resources, and promoting green purchasing.
- 3. Compliance with Environmental Laws**
We will observe all environmental laws and regulations.
- 4. Promotion of Environmental Awareness-Raising Activities**
We will raise environmental awareness among all Group members through awareness-raising activities to promote environmental protection initiatives.
- 5. Continuous Improvement in Environmental Initiatives**
By setting environmental objectives and reviewing them regularly, we will endeavor to continuously improve our environmental performance.

All members of the T&D Life Group are notified of this environmental policy, which is also publicly disclosed.

● Basic Policy on Corporate Governance

T&D Holdings has committed to all the provisions of the Corporate Governance Code that has applied to listed companies since June 2015 for the purpose of ensuring the T&D Life Group’s sustained growth and the enhancement of its corporate value over the medium to long term. T&D Holdings has also disclosed a Basic Policy on Corporate Governance on its website setting forth the Group’s initiatives and policies as they pertain to the salient principles and rules in the Corporate Governance Code.

WEB Basic Policy on Corporate Governance
(URL: http://www.td-holdings.co.jp/en/company/group/governance/pdf/e_governance_policy.pdf)

WEB For reference: Information related to the Corporate Governance Code
(URL: <http://www.jpx.co.jp/english/equities/listing/cg/>) (Website of the Tokyo Stock Exchange)

1-2 Principles That the T&D Life Group Endorses and Supports G4-15

● The UN Global Compact

The T&D Life Group has become a participant of the United Nations (UN) Global Compact (UNGC), a cooperative framework between the UN and corporations to realize sustainable growth advocated by the UN.

The UNGC proposes ten principles applying to the four areas of the protection of human rights, the elimination of unfair labor practices, the protection of the environment and the prevention of corruption, and encourages companies to act in a responsible manner.

The T&D Life Group endorses the UNGC’s philosophy, and T&D Holdings, representing the Group, has signed a memorandum declaring its support for the ten principles.

《UNGC’s Ten Principles》

Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights;
	Principle 2	and make sure that they are not complicit in human rights abuses.
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	the elimination of all forms of forced and compulsory labor;
	Principle 5	the effective abolition of child labor;
	Principle 6	and the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;
	Principle 8	undertake initiatives to promote greater environmental responsibility;
	Principle 9	and encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

● Principles for Responsible Investment (PRI)

In the T&D Life Group, Taiyo Life and T&D Asset Management have endorsed and signed the Principles for Responsible Investment (PRI)*. PRI are guidelines that encourage global financial institutions and institutional investors to promote investment activities in consideration of Environmental, Social and Governance (ESG) issues.

* The UN Principles for Responsible Investment (PRI) were formulated by the UNEP Finance Initiative and the UN Global Compact as a set of principles that would facilitate the reflection of the ESG viewpoint in the decision-making processes of financial investors.

《The Six Principles of PRI》

- Principle 1: We will incorporate ESG issues into our investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

● Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

T&D Holdings and all of its direct subsidiaries (5 companies) endorse the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)*, and have become signatories to this voluntary initiative organized by Japanese financial institutions.

* The Principles for Financial Action for the 21st Century were formulated as guidelines for financial institutions that wish to fulfill their social responsibilities and play a role in the formation of a sustainable society. The principles were formulated by the Ministry of the Environment's Drafting Committee for Environmental Finance Principles, in which financial institutions from wide-ranging areas within the sector voluntarily participated.

《Principles for Financial Action for the 21st Century》

1. We will recognize our roles and responsibilities, taking into account the precautionary approach, and promote those actions that contribute towards shaping a sustainable society.
2. We will contribute to the formation of a sustainable global society through the development and provision of financial products and services leading to the development and increased competitiveness of "industries contributing to a sustainable society" as represented by the environmental technologies and services sector.
3. From the perspective of regional development and improvement in sustainability performance, we assist the environmental programmes of small and medium enterprises. We will also back activities that will raise environmental awareness amongst citizens and support disaster readiness and community activities.
4. In the formation of a sustainable society we will recognize the importance of cooperation with diverse stakeholders and will not only participate in its activities but will endeavor to take a proactive role.
5. We will not be limited to complying with environmental laws and regulations but will take active steps to reduce our own environmental footprint through resource and energy savings as well as encouraging our suppliers to do likewise.
6. We will recognize activities that will further profile sustainability as a business issue and will endeavor to disclose information on our activities.
7. In order to implement the above actions we will aim to raise the awareness of environmental and societal issues of our own board and support them to take an active role through their normal duties.

2. CSR Promotion Framework

2-1 Promotion Framework of CSR

DMA

The T&D Life Group has established the Group CSR Committee consisting mainly of directors in charge of CSR at each Group company. The CSR promotion system has been reinforced to facilitate coordinated efforts by way of deliberation by the Group CSR Committee of Group-wide CSR policies and initiatives, while still allowing for independent activities at each Group company.

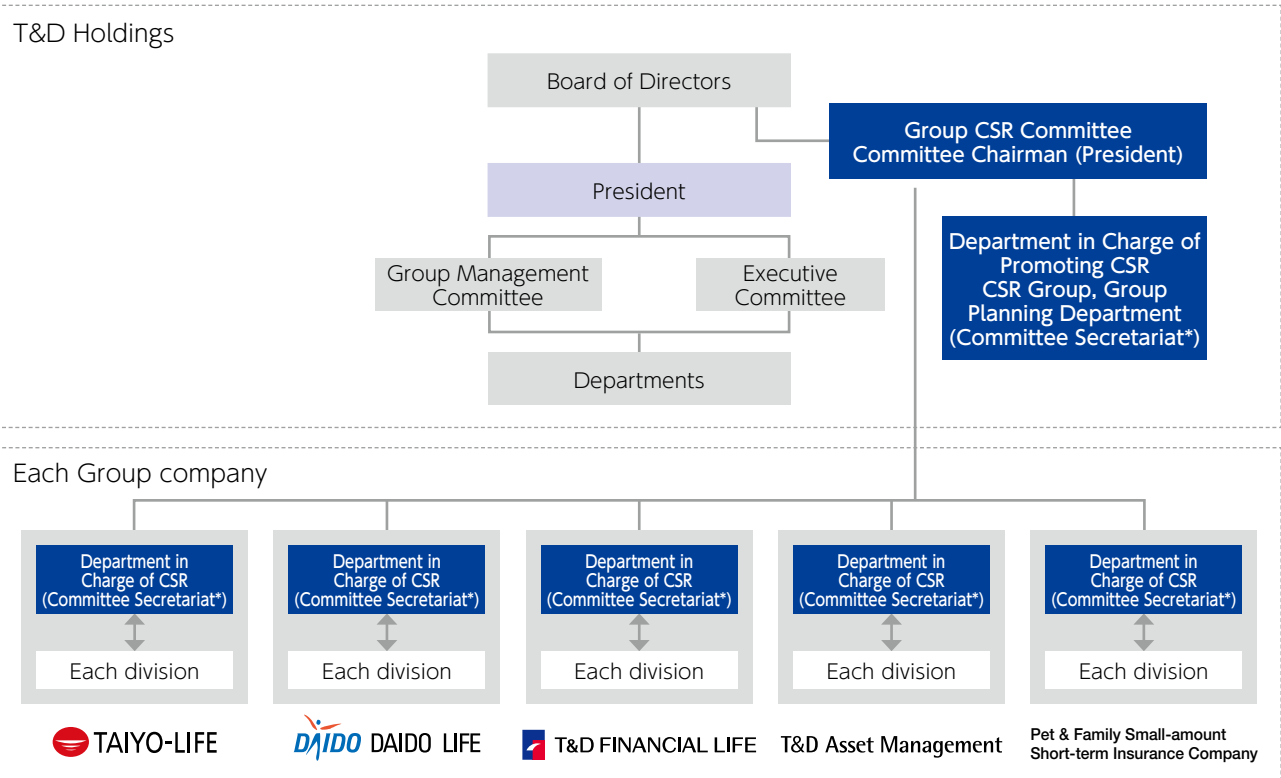
● Group CSR Committee

To further strengthen Group cooperation in CSR activities, the Group CSR Committee was established directly under the Board of Directors with the goal of advancing efforts across the Group as a whole. The committee serves as the cornerstone for promoting the Group's CSR activities. It formulates basic policies for the Group's CSR activities and selects important focus areas, along with drawing up annual plans and regularly confirming the implementation status of those plans. The Group CSR Committee is chaired by the president of T&D Holdings (representative director and chairman of the Board of Directors) and vice-chaired by the executive officer in charge of business planning units. In fiscal 2015, the committee met five times. All the information shared and the issues deliberated and discussed are reported to the Board of Directors.

Moreover, the Group CSR Committee Secretariat comprises the CSR departments of T&D Holdings and the Group companies. The secretariat promotes CSR activities by sharing information on the CSR activities of each Company, in conjunction with assisting with the management and activities of the Group CSR Committee.

- Director in Charge of CSR at T&D Holdings Sonosuke Usui, Director and Executive Vice President
100% attendance at Board of Directors in fiscal 2015
100% attendance at Group CSR Committee in fiscal 2015
- Department in Charge of CSR at T&D Holdings CSR Group, Group Planning Department
- Departments in Charge of CSR at Group companies Establishment of departments in charge of CSR in planning departments of Group companies

《CSR Promotion System in the T&D Life Group (as of March 31, 2016)》



* Committee Secretariat = Group CSR Committee Secretariat

2-2 Management Approach

DMA

T&D Holdings is promoting activities for each of the core subjects and themes of ISO 26000, through the meeting structure shown in the table below.

Core Subjects and Themes of ISO 26000		Meeting Structure (Chairperson)
Organizational governance	Organizational governance	Executive Committee (President of T&D Holdings) Group Management Committee (President of T&D Holdings)
Human rights	Due diligence, human rights risk situations, avoidance of complicity, discrimination and vulnerable groups	Group Compliance Committee (President of T&D Holdings)
Labor practices	Employment and employment relationships, conditions of work and social protection, social dialogue, health and safety at work, human development and training in the workplace	Human Resources Strategy Council (Executive officer in charge of personnel at T&D Holdings)
The environment	Prevention of pollution, sustainable resource use, climate change mitigation and adaptation, protection of the environment, biodiversity and restoration of natural habitats	Group CSR Committee (President of T&D Holdings)
Fair operating practices	Anti-corruption, responsible political involvement, fair competition, respect for property rights	Group Compliance Committee (President of T&D Holdings)
	Social responsibility in the value chain	Group Risk Management Committee (Executive officer in charge of risk at T&D Holdings)
Consumer issues	Consumer service, support, and complaint and dispute resolution, education and awareness	Customer service department and product development department of each major group company
	Consumer data protection and privacy	Group Risk Management Committee (Executive officer in charge of risk at T&D Holdings)
Community involvement and development	Community involvement	Group CSR Committee (President of T&D Holdings)

The activities of the core subjects and themes of ISO 26000, other than Group CSR committees, are described below.

● Executive Committee and Group Management Committee

T&D Holdings has established an Executive Committee and a Group Management Committee. The Executive Committee is composed of the chairman, president, executive vice president and executive officers, and primarily discusses important business and management issues related to T&D Holdings and the Group. The Group Management Committee consists of the president, executive officers in charge of the business planning units and business management units, and the presidents of the Group's three life insurance companies, who are also members of the Group's Board of Directors. The Group Management Committee discusses the Group's strategy and important matters associated with it.

● Group Compliance Committee

Positioned directly under the Board of Directors, this committee is charged with enhancing the compliance of both T&D Holdings and the entire T&D Life Group. The committee chairman is the representative director and president, and the vice chairman is the executive officer in charge of the Risk Management Department. In addition to promoting, supervising and improving Group compliance, this committee surveys, plans and discusses issues regarding promotion of fair business practices as well as violations of human rights and other issues. In fiscal 2015, the committee held five meetings, and reported all of the information shared and matters deliberated and discussed to the Board of Directors.

● Human Resources Strategy Council

T&D Holdings and the three life insurance companies share information about labor-related matters regarding the workers employed by the Group. The Group has established the Human Resources Strategy Committee in order to cooperate in conducting surveys, formulating plans and holding consultations regarding important matters of policy to which the Group should respond.

The chairperson of the committee is the T&D Holdings director responsible for human resources, and the committee members are the heads of the human resource departments of the three life insurance companies. The committee meets every month. The T&D Life Group is promoting efforts to create a corporate culture that diverse human resources will find engaging to work in and that enables them to reach their full potential. The Group does this by conducting surveys, formulating plans and holding consultations regarding policies and management methods concerned with the Group's labor-related matters. These include promoting the active participation of women and other forms of diversity, developing human resources, promoting a good work-life balance, and ensuring the health and safety of employees.

● Group Risk Management Committee

Positioned directly under the Executive Committee, the Group Risk Management Committee manages and controls risks that T&D Holdings and the T&D Life Group are exposed to and ensures thorough risk management. The committee chairman is the executive officer in charge of the Risk Management Department. The committee also engages in conducting surveys, formulating plans and holding consultations as regards risks associated with third-party service provider business operations.

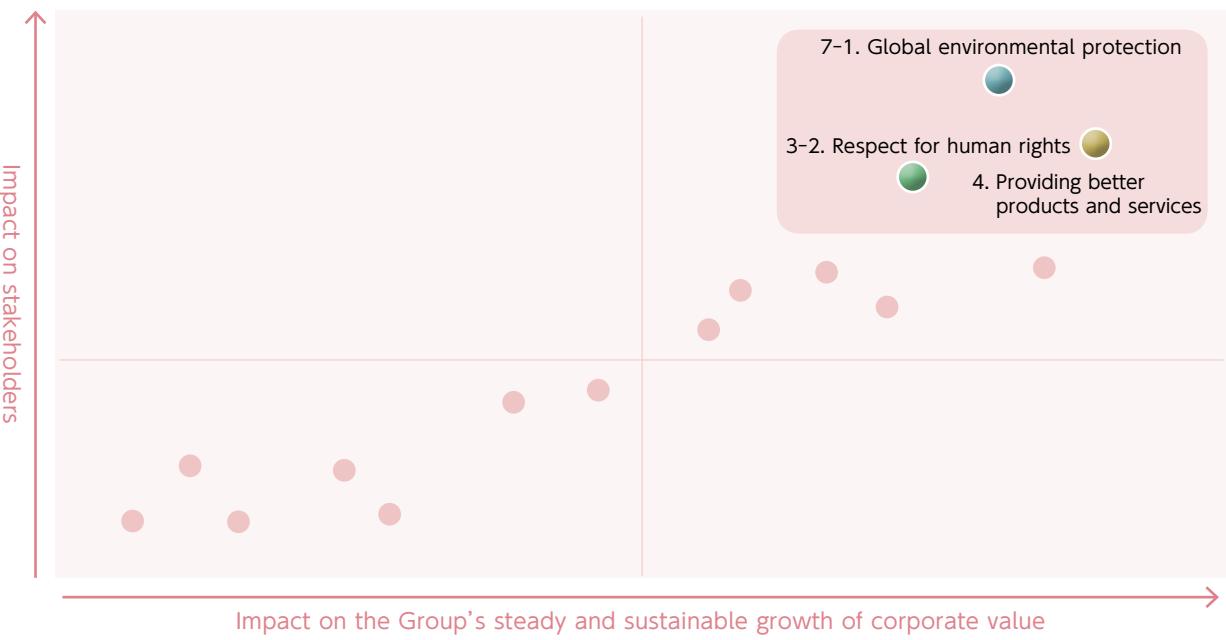
In fiscal 2015, the committee held 20 meetings and reported the results of deliberations to the Executive Committee and the Board of Directors.

3. CSR Priority Areas

3-1 CSR Priority Areas

G4-18 G4-19 G4-20 G4-21

The T&D Life Group has identified CSR priority areas that have a large impact on stakeholders and should be prioritized by the T&D Life Group in order to enhance its corporate value in a steady and sustainable manner. The CSR priority areas are selected from among various fields of CSR activity related to the Group's business activities, as outlined below. In fiscal 2016, the Group selected "Providing Better Products and Services," "Respect for Human Rights" and "Global Environmental Protection" as its priority areas, and is conducting Group-wide CSR activities with a special emphasis on them.



● Process for Selecting Priority Areas

《Categorize Fields of Activity》

Referencing the ISO 26000 standard and the GRI guidelines, the Group has categorized its CSR activities into 15 areas (see the following page).

《Prioritizing Each Field》

The three fields were selected as priorities based on a quantitative assessment of both their impact on stakeholders*1 and their impact on the Group's steady and sustainable growth of corporate value*2.

*1 Assessed based on findings from stakeholder dialogues, criteria of SRI assessment organizations, and the status of other companies' CSR efforts.

*2 Assessed based on relevance to T&D Life Group's corporate philosophy, management vision and Group CSR Charter, and the nature of the Group's CSR activities.

《Evaluate and Select Priority Areas》

The three areas were also assessed qualitatively, in terms of public interest and strength of demand in each area and in terms of the Group's corporate philosophy, management vision, and achievement of the Group CSR Charter, before being selected as priority areas.

《Verifying the Appropriateness of Priority Areas》

- After answering questions from a third-party organization regarding the priority area selection process and receiving a verification check of the evidence, the Group received a report on the results of that review.
- The Group CSR Committee (chaired by the president of T&D Holdings) then deliberated on and approved the selection of priority areas, which were reported to the Board of Directors.

● Progress Management and Verification of Initiatives

- The Group CSR Committee formulates an annual plan for priority area activities, and regularly checks progress with its implementation. Those developments are regularly reported to the Board of Directors.

● Categorize Fields of Activity

Category of Priority Aspects	ISO 26000 core subjects	Indicators by aspects of the GRI G4 (including social issues)*	Impact
1. Economy (allocation of value)	Organizational governance	—	T&D Life Group
	—	EC Economic performance	T&D Life Group
2-1. Compliance	Fair operating practices	SO Anti-corruption	T&D Life Group
		SO Anti-competitive behavior	
		SO Compliance	
2-2. Compliance	Human rights	HR Human Rights Grievance Mechanism	T&D Life Group and supply chain
2-3. Compliance	Consumer issues	PR Customer privacy	T&D Life Group and customers
3-1. Human rights	Human rights	HR Investment	T&D Life Group and supply chain
3-2. Respect for human rights	Labor practices	LA Employment	T&D Life Group
		LA Occupational health and Safety	
		LA Training and Education	
		LA Diversity and Equal Opportunity	
4. Better products and services	Consumer issues	PR Marketing communication	T&D Life Group and customers
		PR Compliance	
		PR Product and Service Labeling	
5. CSR procurement	Fair operating practices	SO Supplier Assessment for Impacts on Society	Supply chain
6. Contribution to regional communities and societies	Community involvement and development	SO Local communities	Local communities
6-1. Contribution to health	Community involvement and development	Promotion of health of communities	Local communities
		EN Raw materials	
		EN Energy	
		EN Water	
		EN Atmospheric emissions	
		EN Wastewater and waste	
7-1. Protection of the global environment	The Environment	EN Compliance	Insurance groups and the global environment
		EN Biodiversity	
		EN Biodiversity	
		EN Biodiversity	
		EN Biodiversity	
7-2. Protection of the global environment	The Environment	EN Biodiversity	Global environment
8. Financial: Environmental investing and lending; ownership	CSR in financial products	FS10, 11 Environmental investing and lending; Active ownership	Recipients of investment and lending
9. Measures against demographic change and aging	Other	Measures against demographic change and aging	T&D Life Group, customers and regional communities
10. Not applicable due to nature of industry	Other	Respect for property rights, economic impact on communities, etc.	—

* EC = economy; EN = environment; LA = labor practices and decent work; HR = human rights; SO = society; PR = product responsibility

4. Progress of CSR Activities

DMA

4-1 FY2015 Group CSR Activities Progress Report

The T&D Life Group has established the Group CSR Committee, chaired by the president of T&D Holdings and consisting mainly of directors in charge of CSR at each Group company. Under this committee, we are pushing ahead with unified Group-wide CSR activities. The Group CSR Committee serves as the cornerstone for promoting the Group's CSR activities. It formulates basic policies for the Group's CSR activities and selects important focus areas, along with drawing up annual plans and regularly confirming the implementation status of those plans. In fiscal 2016, the Group CSR Committee positioned "Providing Better Products and Services," "Respect for Human Rights" and "Global Environmental Protection" as high priority areas as it advances the Group's CSR activities.

FY2015 Group CSR Activities Progress Report (Partial Account of the Activities)

Plan Initiatives

Do Results/Performance

Check/Act Activities planned for FY2016

● Providing better products and services

(Three life insurance companies)

- Provide the best comprehensive coverage to households
- Respond to the diversifying needs of SMEs comprehensively
- Provide differentiated products through independent insurance agents such as financial institutions

- Launch of dementia treatment insurance
- Launch of nursing care products (*Shunyu Relief, Kaigo Relief*)
- Launch of income protection insurance for specific diseases (*Hataraku Anata Ni Yasashii Hoken*)
- Began offering *Kaketsuke-Tai* in-person assistance with payment procedures

- Develop and provide products that meet changing customer needs
- Further promote the Best Senior Service initiative to enhance convenience and satisfaction for elderly customers

● Respect for human rights

[Human resource development initiatives]

Practices instituted to encourage more widespread employee understanding of Group initiatives, and to achieve more highly effective exchanges between Group companies.

[Promoting the active participation of women]

Further upgrade measures for promoting the active participation of women

- Personnel exchanges implemented between four Group companies (14 divisions, 39 people a year).
- Seminars held for Group executives and general managers on the theme of working with individuals with disabilities (approximately 230 people have attended).
- Formulation and announcement of an action plan for the active participation of women
- Formulation of a unified Group next-generation support law action plan. Three life insurance companies obtain special "Platinum Kurumin" certification
- Continued to implement training of female employees and their supervisors in pairs

- Group interactions enhanced to leverage Group synergies and develop the next generation of human resources.
- Work style reforms promoted to ensure all Group executives and employees can grow.
- Measures implemented to promote healthy Group executives and employees.

● Global environmental protection

Reduction in power consumption

Period: FY2013-FY2017 (Baseline year: FY2009)

Scope: Buildings owned, leased and used by T&D Holdings and core Group companies

Target: More than 10% reduction in power consumption per floor space

- Implemented a multitude of measures, including lights-out before business hours and during lunch break, and turning off office appliances, as well as setting a "no overtime day" and implementing Cool Biz and Warm Biz campaigns plus a Lights Down campaign

- Steady progress from FY2013 to FY2015: Reduced by 18.8% from the baseline year
- Continue to implement the measures shown on the left in order to further reduce power consumption

Reduction in office paper use

Period: FY2014-FY2018

Baseline: Average of office paper usage between FY2009 and FY2013

Scope: Paper used at T&D Holdings and head offices of core Group companies

Target: 9% reduction from baseline

- Promoted reduction in office paper use primarily by introducing paperless meetings, reducing meeting materials, utilizing 2-in-1 and two-sided printing and enforcing stricter control over use of copies

- Steady progress: from FY2014 to FY2015: Reduced by 15% from the baseline year
- Continue to implement the measures shown on the left to reduce office paper use

Green purchasing ratio

Target: A green purchasing ratio for stationery and other office supplies of 80% or more

Scope: T&D Holdings and core Group companies

- Established Group-wide Green Purchasing Standards and promoted preferential purchasing of green products

- Continued to achieve target, with an actual FY2015 green purchasing ratio of 95.9%
- Continue to implement initiatives that give priority to purchasing eco-friendly products

● Communication

- Enhance CSR awareness among corporate officers and employees
- Provide CSR information to stakeholders

- Conducted Group CSR seminars for corporate officers and general managers.
- Issued Group CR Report primarily for investors and Group CR Report "Digest Edition" for customers and general public. Obtained third party assurance for environmental data.
- CSR Library added to the CSR section of the website.

- Conduct multiple seminars focused on themes tailored to the corporate officer and general manager level and the section manager level
- Issue CR reports that address the interests and needs of readers

● Contribution to local communities

- Clean campaigns (local community clean-up activities)
- Group-wide blood donation activities

- Group companies participated in Taiyo Life's Nationwide Clean Campaign and the Tokyo Shiba District Clean Campaign.
- Head office divisions (Tokyo) of each Group company held biannual blood donations. (A total of 382 people showed up for the blood donations in fiscal 2015.)

- Continue to participate in clean campaigns as a Group
- Continue to hold biannual blood donations

16

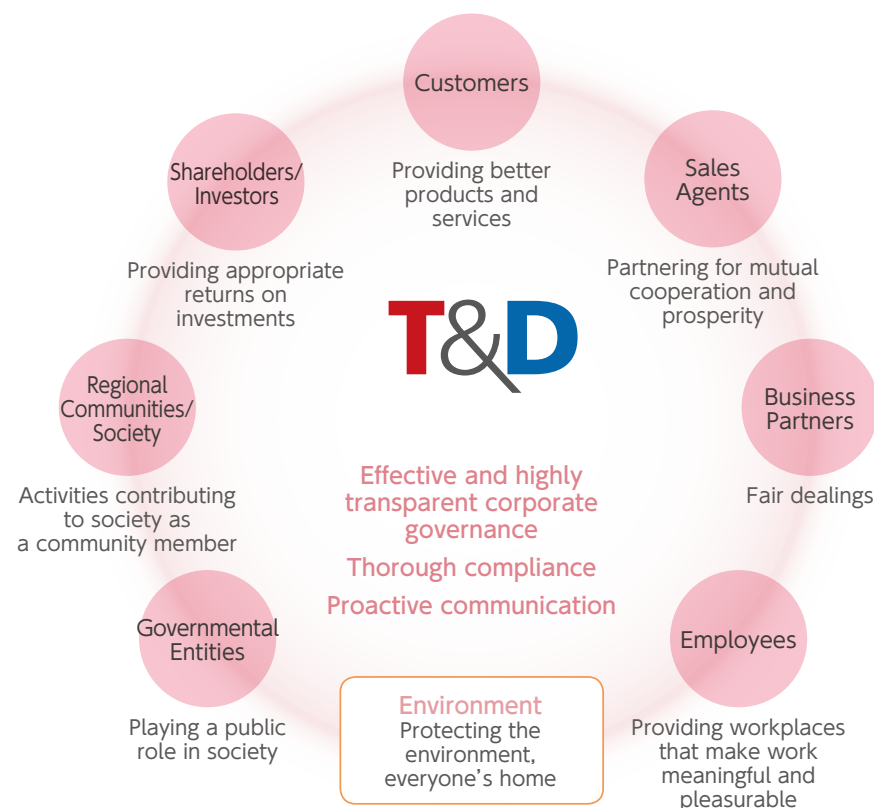
17

5. Stakeholder Engagement

G4-24 G4-25 G4-26 G4-27

5-1 Communication

The T&D Life Group and Its Stakeholders



Management Reflecting Stakeholders' Opinions

At the T&D Life Group, proactive communication with stakeholders is set out in the T&D Life Group CSR Charter (see page 9, "4. Communication"). By taking every possible opportunity to interact, the Group's three life insurance companies collect the opinions of policyholders, sales agents and other stakeholders and reflect them in their respective business management.

Proactive Information Disclosure

The T&D Life Group pursues proactive communication activities and works to make comprehensible information disclosures to customers, shareholders, investors, and all other stakeholders. To maintain and even heighten our trustworthiness in the eyes of society, T&D Holdings and the Group's three life insurance companies have formulated Disclosure Rules*. In keeping with these rules, we are striving to secure the transparency of management and to practice Group-wide and well-managed information disclosure in a timely, fair and accurate manner especially in the event of an emergency.

* Based on its Disclosure Rules, T&D Holdings has prepared and makes available its Disclosure Policy.

Stakeholder Dialogues

Dialogues with Outside Experts and Specialists

The Group creates opportunities for dialogues that enable a mutual exchange of opinion among experts and specialists in each field as a means of ensuring that stakeholder opinion is reflected in Group management.

Protection of the Global Environment

The Group held a dialogue and invited Takahiko Hiraishi (former co-chair of the IPCC Task Force on National Greenhouse Gas Inventories) to discuss global environmental protection issues. The dialogue covered the advancement of global warming and global-scale initiatives, as well as an exchange of opinions on environmental protection efforts as a life insurance group and the risks corporate management should understand. (July 2016)

Takahiko Hiraishi

- Bureau Member, Intergovernmental Panel on Climate Change (IPCC) and Co-chair, Task Force on National Greenhouse Gas Inventories (until October 2015)
- Advisor and Senior Fellow, Institute for Global Environmental Strategies (IGES)
- Director, Japan Association for UNEP



From front right:
Yoshihisa Tanaka, Executive Officer and General Manager, Group Planning Department, T&D Holdings
Sonosuke Usui, Director and Executive Vice President, T&D Holdings
Yuuji Doi, Deputy General Manager, Group Planning Department, T&D Holdings
Tomoko Tajiri, Assistant Manager, Group Planning Department, T&D Holdings

Dialogues with Main Stakeholders

Shares and investors	Shareholders' meetings, Financial results briefings, dialogues with securities analysts, publication of shareholder newsletters, etc. In addition to shareholders' meetings, Taiyo Life holds information meetings, teleconferences, and in-person visits for institutional investors. T&D Holdings informs its shareholders, numbering 246,434 as of March 31, 2016, of the status of Group operations and other matters twice a year, in June and December, through shareholder newsletters.
Customers	Customer feedback, customer surveys, Fureai Club (policyholder meetings), business reporting meetings, Service Quality Improvement Committee, Service Supervision Committee, etc. The Group has set up many points of contact with its customers, including sales representatives, agents, call centers and the Internet, as well as a new policy procedures survey that focuses on the attitudes of sales representatives and the understandability of application forms and other documents and customer satisfaction surveys, giving the Group access to a wide range of customer feedback. A committee has also been established to improve customer satisfaction, and the Group incorporates the opinions of outside committee members, including attorneys and experts in consumer issues, in its management.
Employees	Education and training, human rights training, employee awareness surveys, dialogues and consultations with labor unions, etc. Education and training are provided through on-the-job training and group training, and through support for self-education efforts. The Group also conducts human rights awareness training that addresses discrimination, harassment and other issues as a way of deepening employees' understanding of the importance of respecting human rights. Awareness surveys are conducted to collect information on employee opinions and requests regarding job satisfaction and enhancing motivation. Through dialogues with its labor unions, the Group has an opportunity to discuss a wide range of subjects, including Group management and policies, wages, working hours, leave, human resource systems and benefits.
Protecting the environment and contributing to regional communities	Participation in the Principles for Financial Action in the 21st Century, the United Nations Global Compact, and Japan UNEP Association; support for the Japan Down Syndrome Society; and working with the Japan Philanthropic Association, Forests of Taiyo Life activities, etc. The T&D Life Group is a participant in the Principles for Financial Action in the 21st Century, the UNGC and other initiatives, and through opportunities to attend member company seminars and dialogues, engages in a broad exchange of opinions. Through its support for and participation in NPOs active in various fields, the Group gains opportunities to understand the expectations of stakeholders and the potential of the Group's contributions.

1. Corporate Governance

G4-34 G4-LA12

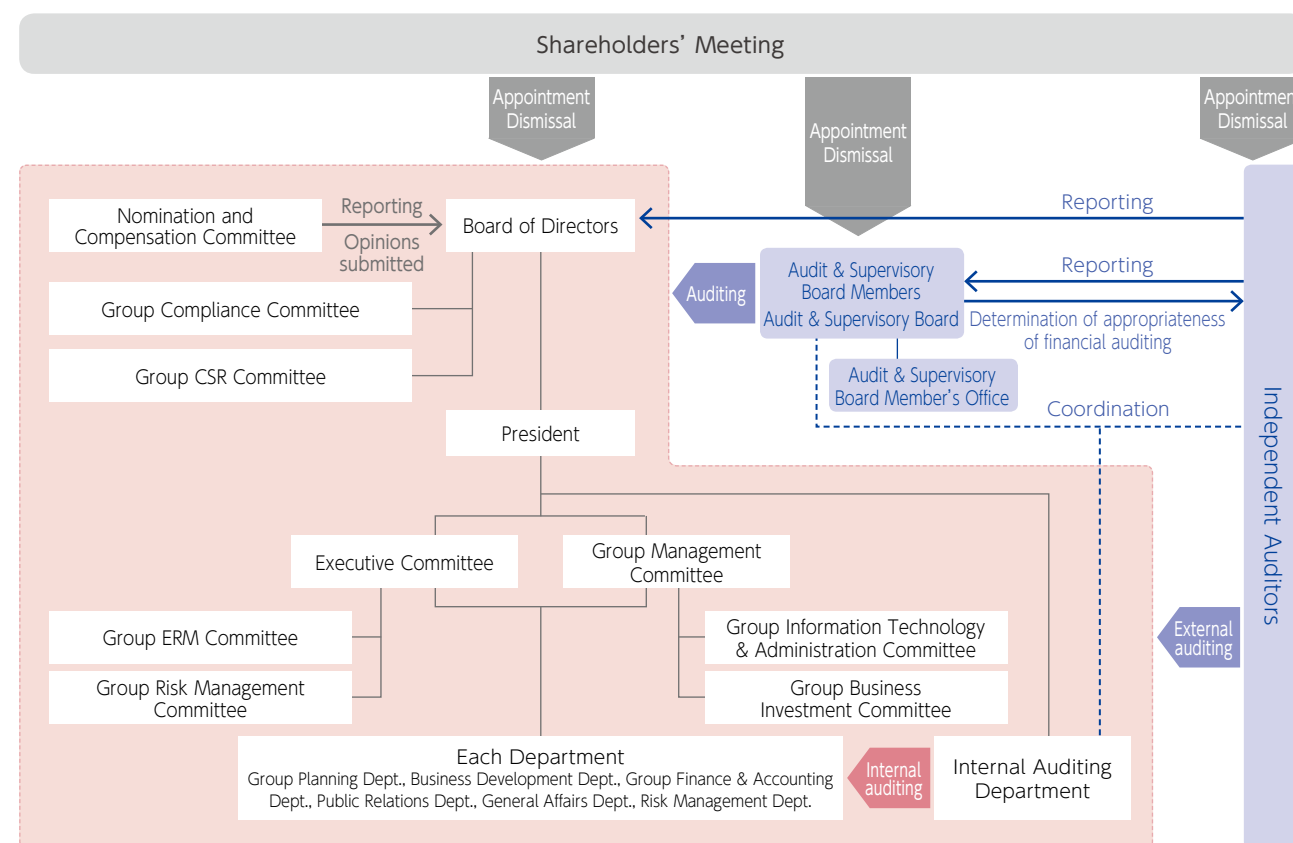
1-1 Basic Concept of Corporate Governance

The basic concept of corporate governance at the T&D Life Group is to pursue an efficient and transparent business management structure capable of implementing flexible and united Group management. Based on this concept, T&D Holdings determines the Group's business strategies, appropriately allocates management resources and sets capital policies. In addition, T&D Holdings appropriately identifies the business risks of its five direct subsidiaries centered on the three life insurance companies of Taiyo Life, Daido Life, and T&D Financial Life, together with T&D Asset Management and Pet and Family Small-amount Short-term Insurance, to create a system for supervising Group management by thoroughly managing revenues and risks for the entire Group. Meanwhile, the subsidiaries, which have their own business strategies, develop marketing strategies leveraging their strengths and conduct business operations autonomously, thereby increasing the Group's corporate value. In this way, the Group is committed to management that clarifies the respective roles and responsibilities of T&D Holdings and its direct subsidiaries.

For details about corporate governance, please refer to the Report Regarding Corporate Governance that T&D Holdings submitted to the Tokyo Stock Exchange. (Japanese)

WEB (URL: http://www.td-holdings.co.jp/company/group/governance/pdf/280901_governance.pdf)

1-2 Outline of Corporate Governance Structure



1-3 Corporate Governance Framework

● Shareholders' Meeting

The Ordinary Shareholders' Meeting is the highest decision-making entity for T&D Holdings. At Shareholders' Meetings, reports are made about the T&D Life Group's operations as well as consolidated and non-consolidated financial performance. Moreover, decisions are made on important matters regarding the disposal of retained earnings, rules for the nomination of directors and Audit & Supervisory Board members, and amendments to the Articles of Incorporation. The Ordinary Shareholders' Meeting is held once a year.

● Board of Directors

The Board of Directors decides on important issues regarding its own operations, and as the holding company, on business strategies and allocation of management resources with regard to the entire Group. It also oversees the performance of directors and executive officers. Director candidates are appointed through assessments of their qualifications by the Board of Directors following the deliberations at the Nomination and Remuneration Committee, which consists of the President and Director and external directors. The Board of Directors conducts an annual performance review of the Board of Directors as a whole, based on the self-evaluations of individual directors. The performance review examines whether the Board of Directors is functioning appropriately and producing results, and how the Board of Directors is contributing to increasing the Company's corporate value over the medium and long term.

● Audit & Supervisory Board

T&D Holdings has established an Audit & Supervisory Board. The Audit & Supervisory Board members monitor the operating performance of directors and executive officers by means of attending important meetings, such as those of the Board of Directors, Executive Committee, Group Management Committee, Group Compliance Committee, Group Risk Management Committee and Group CSR Committee, as well as by other means. Outside Audit & Supervisory Board members are appointed as independent auditors who meet the criteria for independence set by the Company and the Tokyo Stock Exchange, and do not present any risk of conflict of interest with general shareholders. The Audit & Supervisory Board receives reports from individual auditors on important audit issues, and discusses or makes decisions on them.

● Selection of Director and Audit & Supervisory Board Member Candidates

We select candidates for directors and Audit & Supervisory Board members primarily based on the following criteria. Candidates for director positions are required to have sufficient knowledge and experience to oversee the management of T&D Holdings in a proper, fair and efficient manner, and to have earned the trust of society. Audit & Supervisory Board member candidates are required to have sufficient knowledge and experience to conduct audits of the operating performance of directors in a proper, fair and efficient manner and to have earned the trust of society.

● Director and Audit & Supervisory Board Member Compensation

The compensation for directors, excluding part-time directors and external directors, comprises monthly compensation, bonuses, and compensation-type stock options. The compensation for part-time directors and external directors comprises monthly compensation only.

The upper limit of annual compensation for directors was decided at the 8th Ordinary Shareholders' Meeting held on June 27, 2012. The upper limit of the total amount of bonuses paid to directors each year is decided by the Board of Directors. In addition to the compensation described above, the upper limit of compensation via a stock option program is decided each year. The amounts of monthly compensation and bonuses paid to individual directors are discussed and determined by the Nomination and Compensation Committee, based on a review of the corporate performance as well as on the performance of the department in charge, and in accordance with the assessment criteria determined by the Board of Directors.

In regard to compensation-type stock options, stock acquisition rights shall be allocated to directors, excluding part-time directors and external directors, according to their rank, with the aim of boosting their motivation to further contribute to the improvement of corporate value.

Compensation for Audit & Supervisory Board members consists of monthly compensation only. The upper limit of annual compensation was decided at the 8th Ordinary Shareholders' Meeting held on June 27, 2012. Actual compensation is determined through discussion by the Audit & Supervisory Board members within the predetermined upper limit.

● Executive Committee and Group Management Committee

Please see "Executive Committee and Group Management Committee" under "2-2 Management Approach" on page 14.

● Executive Officer System

The Company has introduced an executive officer system for the purpose of bolstering its business execution capabilities. By sharply delineating responsibilities for oversight and execution, the Company shall strengthen the governance function of the Board of Directors.

1-4 Participation in Management by Outside Experts

The Group's three life insurance companies work toward ensuring appropriate and transparent business management through the participation of outside experts in some internal committees dealing with key management issues.

● Service Quality Improvement Committee (Taiyo Life)

Outside expert committee members: Physicians, attorneys, academic experts and consumer affairs experts

Main themes examined: Management system for examination and payment of insurance claims and insurance benefits; understandability of various documents, including documents needed when insurance claims are made; appropriateness of insurance claim payment operations; status of customer feedback and of initiatives to improve operations responding to customer feedback

● Advisory Council for Insurance Payment (Daido Life)

Outside expert committee members: Attorneys and consumer affairs experts

Main themes examined: Appropriateness of responses to complaints about payments and handling of payment disputes, appropriateness of examinations and results of examinations that are judged ineligible for payment, and clarity of notification and explanatory documents provided to customers

● Service Supervision Committee (T&D Financial Life)

Outside expert committee members: Attorneys, consumer affairs experts and media representatives

Main themes examined: Comprehensive deliberations on protection of the interests of policyholders by securing appropriate systems for the payment of insurance claims and on actions for improving customer satisfaction

1-5 Committees

● 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 committee chairman of the Nomination and Compensation Committee is one of the outside directors and the committee members comprise the president and outside directors.

In fiscal 2015, the committee held three meetings and reported the results of the deliberations to the Board of Directors.

● Group Compliance Committee

Please see "Group Compliance Committee" under "2-2 Management Approach" on page 14.

● Group CSR Committee

Please see "Group CSR Committee" under "2-1 Promotion Framework of CSR" on page 13.

● Group Risk Management Committee

Please see "Group Risk Management Committee" under "2-2 Management Approach" on page 14.

● Group ERM Committee

Positioned under the Executive Committee, this committee is charged with pursuing the steady and continuous growth of the Group's corporate value through the promotion and improvement of Enterprise Risk Management (ERM), a practice that integrates the management of profit, risk and capital on an economic value basis.

The committee chairman is the executive officer in charge of the Group Planning Department and the vice chairmen are the executive officers in charge of the Group Finance & Accounting Department and the Risk Management Department.

In fiscal 2015, the committee held 17 meetings and reported the results of deliberations to the Executive Committee, the Group Management Committee and the Board of Directors.

● Group Business Investment Committee

In regard to the business investments of the T&D Life Group, the Group Business Investment Committee is positioned directly under the Group Management Committee, and aims to conduct highly efficient and effective business operations by means of unified promotion and management of the Group. The committee chairperson is the executive officer in charge of the Business Development Department.

● Group Information Technology & Administration Committee

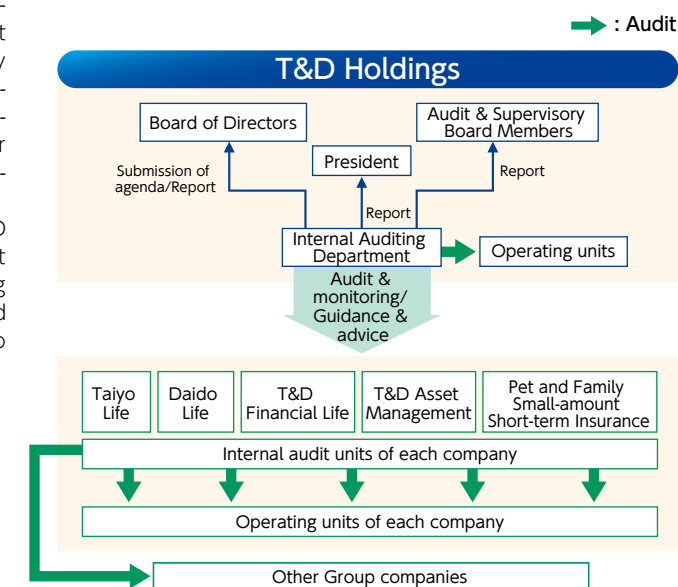
Positioned directly under the Group Management Committee, this committee responds to Group-wide issues involving information technology and administrative matters. The committee chairman is the executive officer in charge of the Group Planning Department and the vice chairman is the president of T&D Information Systems, Ltd. In fiscal 2015, the committee held six meetings and reported the items of deliberation to the Group Management Committee.

1-6 Internal Audit System

At the T&D Life Group, T&D Holdings and each of its subsidiaries have separate internal audit units operating independently from other business units. These internal audit units conduct audits of the operating units, specifically by examining and assessing the appropriateness and effectiveness of the internal management, identifying and raising issues, and providing the necessary advice for improvements to help the effective achievement of management objectives.

Meanwhile, the Internal Auditing Department of T&D Holdings grasps the status of the internal management system of the entire Group through auditing and monitoring of the internal audits implemented by its subsidiaries, and provides them with guidance and advice as necessary to strengthen the Group's internal audit systems.

● Outline of the Group's Internal Audit System



1-7 Internal Control

● Establishment and Operational Status of the Internal Control System

In light of the social and public nature of the Group's core insurance business, the T&D Life Group believes it is important to properly control the execution of its business operations and minimize the management impact of unforeseeable events arising from its operations to ensure sound, appropriate management and respond to the trust and mandate of society. Based on this thinking, T&D Holdings and its subsidiaries are establishing and improving an internal control system, as stipulated in No. 6, Section 4, Article 362 of the Companies Act, Article 362 Section 4, No. 6, including by periodic validation by each company's Board of Directors and resolutions for modifications based on appropriate review.

Each company's Board of Directors also conducts regular monitoring of these internal control systems to confirm the operation of the internal control system.

● Responding to the Internal Control and Reporting System

In accordance with the internal control and reporting system described in the Financial Instruments and Exchange Act, the Group established a proper internal control system to ensure the reliability of accounting and financial reporting in the form of financial reports and so forth. Top management assesses and reports the system's effectiveness, and the appropriateness of the assessments is then verified through external auditing typically performed by certified public accountants.

1-8 Number of Directors

Chairman of the Board of Directors	President
Directors	11
Male	10
Female	1
Outside directors	2 (including one female)
Outside directors' role	At meetings of the Board of Directors, the outside directors offer advice, as needed, from the viewpoint of their specialized knowledge, gained in their respective capacities as a university professor with experience in corporate legal affairs and as a lawyer, as well as their experience in corporate management. As the chairperson or as a member of the Nomination and Compensation Committee, an advisory body to the Board of Directors, the outside director offers useful opinions regarding matters such as the selection of directors of the Company and its key subsidiaries, the compensation of corporate officers, and so on. In addition to the above, they are regularly involved in exchanges of opinion with the representative director, the Company's independent auditors, the heads of each department, and the directors and executive officers of major subsidiaries, and also visit the offices of those subsidiaries, among other activities.

1-9 Number of Audit & Supervisory Board Members

Audit & Supervisory Board members	4
Male	4
Female	0
Outside Audit & Supervisory Board members	2
Outside audit & supervisory board members' role	The outside Audit & Supervisory Board members offer advice, as needed, at meetings of the Board of Directors and the Audit & Supervisory Board based on their specialized knowledge as lawyers. In addition to the above, they are regularly involved in exchanges of opinion with the representative director, the Company's independent auditors, the heads of each department, and the directors and executive officers of major subsidiaries, and also visit the offices of those subsidiaries, among other activities.

2. Disclosure of Information to Shareholders and Investors

2-1 Shareholder Return Policy

T&D Holdings' basic policy is to provide stable returns to shareholders as part of enhancing shareholder value, while retaining sufficient internal reserves to ensure the business soundness of T&D Holdings and its Group companies. On this basis, the Group flexibly returned profits to shareholders, based on the status of profits and expenses together with equity capital, through a combination of paying cash dividends, with an awareness concerning maintaining stability, and conducting share buybacks.

2-2 Information Disclosure

T&D works proactively to disclose information to all stakeholders so that they can understand the current situation and future business development of the T&D Life Group.

● Annual Reports

An annual report is published in English every year for overseas institutional investors. T&D Holdings also publishes a Japanese version of its annual report on its website so that it can be read by Japanese investors, including individual investors, as well as securities analysts. Moreover, from fiscal 2015, the Group will publish an integrated version of its annual report.

● Disclosure Documents

The disclosure documents of each company that have been produced in accordance with the Insurance Business Act of Japan have been posted on our website.

● Shareholder Newsletters

The newsletters that we have sent out to our shareholders reporting our business performance and circumstances along with various topics, etc., have been posted on our website.

● Annual Securities Report

Annual securities reports and suchlike made and submitted based on the provisions of the Financial Instruments and Exchange Act have been posted on our website.

WEB For more details about these reports, please visit "Investor Relations" on our website.
<http://www.td-holdings.co.jp/en/ir/>

2-3 IR Activities

T&D Holdings proactively engages in IR activities based on the principles of timeliness, fairness, and accuracy in information disclosure, and works to make continuous and comprehensible information disclosure on the Group's management and financial situations. More specifically, we hold business results briefings, teleconferences, in-person visits for institutional investors and actively engage in exchanging opinions with securities analysts. Valuable feedback from investors received through IR activities is regularly communicated to the management team.

● Details of Activities

Main Activities

《Presentations for Individual Investors》

We held presentations for individual investors where the representative director and chairman, the representative director and president, and/or the executive in charge of IR made a presentation.

《Presentations for Institutional Investors and Securities Analysts》

We held conference calls chaired by the executive in charge of IR for each quarterly earnings announcement and IR meetings by the representative director and president for each interim and yearly earnings report. The representative director and president and the executive in charge of IR also held individual meetings with institutional investors and securities analysts.

《Presentations for Overseas Investors》

In Europe, the US and Asia, the representative director and president and the executive in charge of IR made individual visits to overseas institutional investors, and also conducted individual meetings such as conferences for overseas institutional investors organized by securities companies.

《IR Information Posted on Our Website》

On our website, we have posted IR information for individual investors, financial information, timely disclosure materials other than financial information, IR presentation materials, and video and audio materials of IR presentations.

2-4 Shareholders' Meeting

T&D Holdings views Shareholders' Meetings as important opportunities for communicating with its shareholders and endeavors to make these events sufficiently accessible and open to all shareholders. Prior to the Shareholders' Meeting, we strive to send out the convocation notice as early as possible, posting it on our website before sending it out, and we prepare an English translation on our website so that shareholders can sufficiently examine the resolutions in advance. In addition, we have introduced an online electronic voting system to improve shareholder convenience. At the Shareholders' Meetings, a large screen is used to report on agenda items and display charts and images. In the Q&A session that follows, the directors respond to questions and opinions from the floor respectfully and appropriately, with the intention of enhancing shareholders' understanding of our business.

2-5 Inclusion in SRI Indexes

T&D Holdings is included in various socially responsible investment (SRI) indexes. SRI is an investment approach to select investment targets not only on the basis of financial considerations but also corporate responsibility performance, including contributions to the global environment and society. We aspire to be a corporate group trusted by global long-term investors.

● T&D Holdings Is a Member of the Following SRI Indexes (as of September 1, 2016)

FTSE4Good Index Series (UK)

MSCI Global Sustainability Indexes (US)

Morningstar Socially Responsible Investment Index (Japan)



FTSE4Good



2016 Constituent
MSCI Global
Sustainability Indexes



MSCI ESG Research logo disclaimer:
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2-6 Shareholders

G4-7 G4-9

● Proportion of Shares Held (as of March 31, 2016)

Shareholder category	Financial institutions	Financial product dealers	Other corporations	Foreign corporations, etc.	Individuals and others	Total
No. of shares held (1,000 shares)	182,254	22,534	139,448	264,392	72,850	681,480
Proportion of shares held (%)	26.74	3.31	20.46	38.80	10.69	100.00

* Figures for the proportion of shares held are rounded off to two decimal places.

● Principal Shareholders (as of March 31, 2016)

Name of shareholders	Number of shares held (1,000 shares)	Percentage of total shares outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	24,702	3.62
The Master Trust Bank of Japan Ltd. (Trust Account)	22,349	3.28
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,650	3.03
THE BANK OF NEW YORK MELLON, SA/NV 10	14,162	2.08
Japan Trustee Services Bank, Ltd. (Trust Account 9)	12,641	1.86
STATE STREET BANK AND TRUST COMPANY 505225	9,329	1.37
Japan Trustee Services Bank, Ltd. (Trust Account 7)	8,869	1.30
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	8,859	1.30
Trust & Custody Services Bank, Ltd. (Investment Trust Collateral Account)	8,703	1.28
STATE STREET BANK WEST CLIENT-TREATY 505234	8,344	1.22
Total	138,613	20.34

Note: In addition to the above, the Company holds 32,723 thousand shares [4.80%] in treasury.

1. ERM

G4-14

1-1 Promotion of ERM Approach

ERM stands for Enterprise Risk Management and refers to a strategic method of corporate management that seeks to maximize corporate value and profits while ensuring the soundness of business through integrated management of profit, risk and capital.

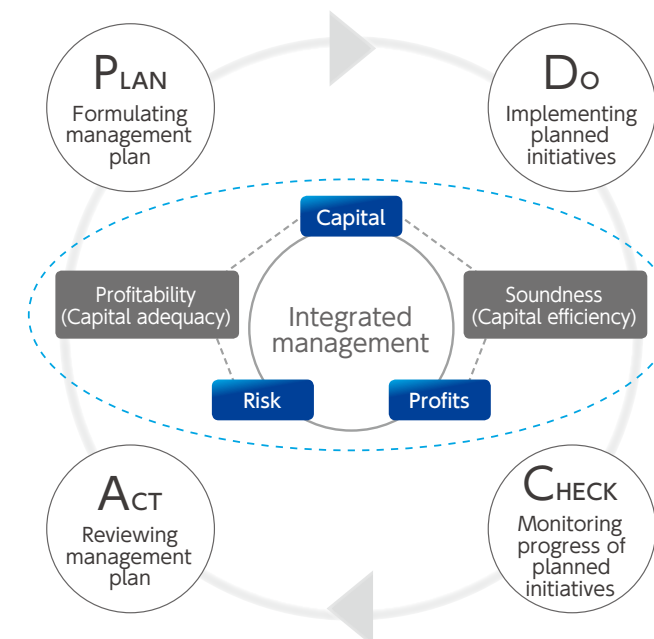
As opposed to conventional approaches designed primarily to avoid risks (losses), ERM takes a strategic stance with respect to risks, viewing them as a factor to be actively taken on in order to increase return (profit) and, as such, not something that should necessarily be reduced or eliminated. Using this new method, businesses can quantify profit, risk and capital on a uniform evaluation standard, helping manage these elements in an integral fashion and incorporate them into management decision-making, thereby allowing pursuit of growth in profitability while maintaining sound management of business operations.

The T&D Life Group has established the Group ERM Committee to implement ERM as a Group-wide initiative. With the committee providing leadership in promoting ERM throughout the Group, we will enhance the Group's corporate value in a stable and continuous manner while maintaining a sound business foundation. More specifically, we have built a system based on a PDCA cycle to promote ERM under which the Group's management plan is formulated (Plan) so as to meet the risk appetite set out in terms of soundness and profitability based on the assessment of profit, risk and capital on an economic value basis; a range of initiatives developed under the plan are implemented (Do); the progress of implementation of the plan is monitored (Check); and the plan is reviewed and revised as necessary (Act).

● Integrated Risk Management Activities

In order to promote ERM, it is critical to have a proper understanding of types and magnitude of risks. The T&D Life Group promotes the integrated risk management approach to achieve the management objectives by quantifying the risks affecting the Group by type of risks and assessing the impacts when making losses, and also by controlling all the risks associated with its operations, including unquantifiable risks.

● PDCA Cycle



2. Risk Management

G4-14 DMA

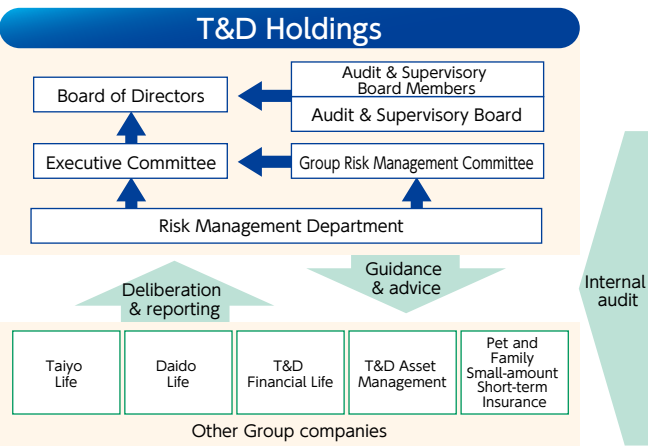
2-1 Basic Concept for Risk Management

At the T&D Life Group, T&D Holdings has formulated a Group Risk Management Policy setting forth the Group's basic approach to risk management and, based on this policy, the three life insurance companies and other Group members have developed their risk management system that covers their affiliates as well. T&D Holdings has established a Group Risk Management Committee and manages risks within the Group. The committee receives reports, regularly and as required, on risks assessed using uniform economic value-based risk management indicators, from the three life insurance companies and other Group members, in order to identify and manage the various types of risks faced by Group companies. Based on the report received, T&D Holdings reports on these risks to the Board of Directors and provides guidance and advice to the Group companies as necessary, thereby ensuring that appropriate risk control is implemented at each company and strengthening the risk management system for the entire Group.

2-2 Risk Management System

In light of the social and public nature of the life insurance business, the T&D Life Group views risk management as a key priority issue in order to ensure sound and appropriate business management. Under overall control by the holding company, T&D Holdings, each Group company implements the necessary risk management suited to their respective business model based on the principle of self-responsibility.

● Outline of the Group's Risk Management System



2-3 Risk Classification and Responses

The T&D Life Group classifies major management risks as shown below. Risk management policies have been established for each of these risks, and efforts are made to prevent these risks from occurring or to confine them within certain acceptable levels.

Insurance Underwriting Risk	Investment Risk	Liquidity Risk
Operational Risk*	Reputation Risk	Affiliate-related Risk

* Operational risks above are classified into sub-categories, i.e. administrative risk, system risk, legal risk, labor and personnel risk, and hazard risk, and are managed separately.

WEB Please visit the T&D Holdings website for details of risk classification and measures taken.
(URL: <http://www.td-holdings.co.jp/en/company/group/governance/risk/index.html>)

2-4 Risk Awareness and Assessment (Risk Profile)

G4-SO3

In order to respond to risks that are becoming more diverse and complex, the T&D Life Group is comprehensively sorting out the risks surrounding our Group's business using the risk profile*. By exhaustively sorting out all risks by category, the Group identifies and assesses those risks and comprehensively examines the criticality, potential impact and status of control for each risk. Through such a process, identified risks and necessary actions are prioritized and incorporated into management plans as necessary. In principle, the Group reviews the risk profile quarterly to capture and adequately understand the emergence of new critical risks and major changes in known risks. The results of the quarterly review are reported to the Group Risk Management Committee and the Board of Directors.

* Risk profile is a general risk management tool to characterize risks from various factors such as nature, magnitude, etc.

* The T&D Life Group's risk profile includes responding to issues surrounding sustainability, including the environment, society (human rights, labor practices and corruption prevention) and governance.

2-5 Risk Review (ESR)

To determine risk appetite and tolerance, other than the statutory solvency margin ratio, the T&D Life Group uses the economic solvency ratio (ESR), a risk management indicator based on economic value. The ESR is calculated by dividing surplus, an economic value based net asset, by economic capital, which is the economic value-based risk volume computed by an internal model on the basis of insurance underwriting risk, investment risk, operational risk, etc. We implement economic value-based risk management by controlling EC within a certain range of surplus. ESR and the statutory solvency margin ratio are monitored on a monthly basis and reported to the Group Risk Management Committee and the Board of Directors every month like other risk reviews.

2-6 Optimization of the Risk Portfolio

(Risk Measurement by Internal Models and Complemental Efforts by Stress Test, etc.)

The T&D Life Group optimizes its risk portfolio by measuring quantifiable risks using internal models as well as by drawing up risk profiles, including qualitative aspects of risks and performing stress tests for unquantifiable risks. To complement the risk quantification model, stress tests are conducted with multiple scenarios reflecting long-term macro- and micro-economic projections.

2-7 Crisis Management

The T&D Life Group has formulated the Rules on the Group's Crisis Management, which address basic matters related to the Group's response to crisis situations. In case of major natural disasters or similar emergency events, the rules place top priority on securing the lives and safety of our staff, and then on continuity or early restart of insurance claims and benefit payment operations to support affected people and areas, with the recognition that such efforts are our social mission. To make this possible, the rules set forth basic policies for developing systems that enable the Group to respond promptly and take appropriate actions. The Group has also implemented a number of measures to improve the effectiveness of crisis management. These include introducing a system for confirming the safety of our executives and employees individually and Group-wide emergency drills as a preparation for a possible large-scale disaster.

3. Compliance

DMA

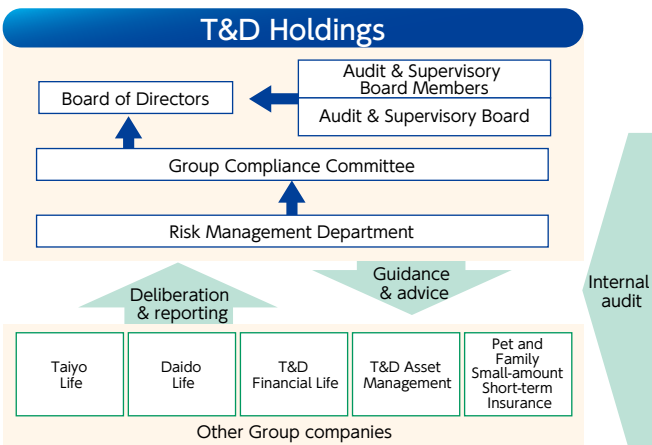
3-1 Basic Concept of Compliance

The T&D Life Group defines compliance as a key theme of corporate management, publicly stating that we will strictly observe laws, regulations and rules, and act with integrity, as provided in the T&D Life Group CSR Charter. Based on the understanding that compliance is a vital concept indispensable to carry out corporate responsibility activities, the Group promotes compliance by ensuring that all Group executives and employees thoroughly understand the T&D Life Group Compliance Code of Conduct and act accordingly.

3-2 Group Compliance Promotion Structure

T&D Holdings has established a compliance promotion structure based on the T&D Life Group Basic Policy for Strengthening the Compliance Structure. The Group Compliance Committee was established to oversee and improve the Group's compliance arrangements. T&D Holdings also has a Risk Management Department, which has overall responsibility for promoting compliance. In coordination with the compliance units of the Group's three life insurance companies and other Group members, this department performs regular monitoring and provides guidance and advice. The Group's three life insurance companies and other Group members also have a compliance promotion system mainly consisting of a compliance committee and a compliance control department.

● Outline of the Group Compliance Promotion Structure



V Priority Areas (1) Providing Better Products and Services

1. Basic Concept

1-1 Basic Concept

The T&D Life Group has positioned “Providing Better Products and Services” as the first principle of the T&D Life Group CSR Charter. The Group clearly states its commitment to fulfilling its responsibilities to society through the life insurance business by offering well-suited, high-quality products and services that meet customer needs.

The T&D Life Group believes that its most basic responsibility to society is to provide products and services that respond to the needs of society and the Group’s customers that are changing in a variety of ways with the acceleration of Japan’s declining birthrate and aging population.

2. Offering Products and Services That Address Social Needs

2-1 Taiyo Life’s Products and Services

《Innovative products that anticipate contemporary changes》

As a result of the aging population, problems associated with a rise in dementia patients and an increase in the number of family members leaving their jobs to care for such patients have become a more familiar phenomenon. Fractures due to osteoporosis, common among elderly women, and a rise in lifestyle diseases associated with advancing age are also known to increase the risk of needing nursing care.

Given these circumstances, Taiyo Life has developed *Himawari Dementia Treatment Insurance*, the life insurance industry’s first product to offer coverage for dementia care, aimed at seniors with health concerns and available with just a simple declaration. The product offers protection that places a priority on the concerns of seniors, including dementia, fractures and hospitalization and surgery due to the seven major lifestyle diseases, reflecting the company’s desire to give seniors peace of mind and help them lead rich, positive lives.

ひまわり
認知症治療保険



Ayako Hachisu
Product Section, Product Department

《Delivering security to households》

At Taiyo Life, request for payment of insurance claims and benefits are accepted at branch offices and its customer service centers. The sales representative in charge will then bring the required paperwork, assist customers with completing documents and offer information about filing procedures.

In addition, to make it comfortable and more convenient for seniors to submit claims for benefits and other payments, office workers with specialized knowledge will visit customers and their families at home to provide assistance with procedures. Taiyo Life began offering this *Kaketsuke-Tai* Service in April 2016.

At the same time, the company began offering other related services, including allowing office workers to fill out benefit payment claim forms on behalf of senior customers, upon confirming their intent to file a claim, as well as obtaining the medical certificates needed when submitting a claim.



《Private residential care home completed》

Taiyo Life is moving ahead with a variety of initiatives to assist the elderly in response to issues associated with an increasingly aging society.

One such initiative involves a dormitory for schoolgirls in Yokohama that the company had owned for many years, which, in response to changes in the demographic makeup of the local population, Taiyo Life has rebuilt as a care home offering a secure, comfortable place for seniors.

The facility will be operated by Benesse Style Care Co., Ltd., which offers residential nursing care services nationwide. With nursing staff on duty 24 hours a day, 365 days a year, the facility will offer peace of mind to seniors ranging from those capable of independent living to those requiring Level 5 nursing care.

In an effort to serve even more seniors, Taiyo Life plans to make effective use of its assets, working with Benesse Style Care to expand its residential facilities for the elderly.



3-3 Compliance Promotion Activities

G4-SO4

● Compliance Programs

Each Group company in the T&D Life Group takes measures to raise awareness of compliance in a way appropriate for the respective companies in terms of size and business characteristics, based on the Group’s basic compliance policies. For example, T&D Holdings and the Group’s three life insurance companies as well as other Group members have put in place their compliance programs as detailed and actionable plans aiming at having all executives and employees act in compliance with laws and regulations, and compliance training is provided to reinforce compliance in the course of business operations.

● Compliance Manual

The T&D Life Group has prepared separate compliance manuals for different parties such as sales representatives, administrative personnel, agents and others which serve as a daily business operation manual and are also utilized as a textbook for compliance training.

3-4 Prevention of Bribery and Corruption

The T&D Life Group emphasizes a strict adherence to laws and rules, and also to the restrictions on business entertainment and other activities in the T&D Life Group Compliance Code of Conduct as items that must be absolutely complied with. With respect to the restrictions on business entertainment, the code states that we shall refrain from providing or receiving any business entertainment beyond reasonable bounds under normal social conventions. Through compliance programs and the compliance manual, the Group ensures that all Group executives and employees thoroughly understand the importance of preventing bribery and corruption as well as the measures in place to prevent money laundering and corruption, including the embezzlement and diversion of funds. The Group’s reward and punishment regulations stipulate bribery and corruption as being subject to the highest level of disciplinary action in view of the significant maliciousness and grave impact involved. All acts of wrongdoing (and concerns about possible wrongdoing), including bribery and corruption, are reported to the Board of Directors.

《Extract from a Compliance Manual》

[Risks Related to Bribery and Corruption]

In today’s world, bribery and corruption impede the development and economic growth of the country or region in which they occur. Bribery and corruption not only have an undue negative impact on poor regions, they also give rise to serious legal and reputational risks for companies. Many of the acts that involve corruption, such as bribery, are not only illegal in the place where a company performs them, but there is an increasing number of cases where these acts are also illegal by the laws of the home country of the company. As regards reputational risks, even if a company is judged to not be involved with corruption by the final judgment of the court concerned, there are many cases in which the reputation of the company has been damaged merely because it was suspected of corruption. A company must also pay attention to the fact that they not only take responsibility for their own actions but also for the actions of any agents that are conducting business on their behalf in other countries.

3-5 Whistleblower System

G4-HR12

At the T&D Life Group, each of the Group’s three life insurance companies and other Group members used to operate their own whistleblower systems. In April 2005, however, the T&D Life Group Helpline was established for use by all executives and employees in the Group. Compliance-related reports are submitted by phone or online through an external independent company to help preserve anonymity. The helpline provides a venue for reporting actions that are problematic as regards compliance, that are violations or suspected violations of internal rules, or that damage the credibility or prestige of the Group.

● T&D Life Group Helpline

As a rule, our executives and employees who report information through the T&D Life Group Helpline shall not suffer negative consequences for having done so. To ensure the effectiveness of the system, the Group has made it possible for executives and employees to report information to a contracted third-party company by phone, via website, and through other channels, and to do so anonymously as well.

● Number of Calls Received by the T&D Life Group Helpline

FY2013	FY2014	FY2015
143	130	188

* Numbers shown above include inquiries about the system and reports on issues that reporters may find difficult to discuss with superiors such as harassment-related issues. Reports from whistleblowers are properly treated and reported to Group management by the third-party service provider in accordance with the legally prescribed procedures.

2-2 Daido Life's Products and Services

《Providing total support for the burdens of nursing care》

The number of people who require nursing care has grown yearly as a result of the population aging, and a large number of people are concerned about the nursing care problems they and their family members will be facing in the future.

Given this social situation, in October 2015, Daido Life launched *Shunyu Relief*, a policy for small and medium enterprise (SME) owners and sole proprietors that protects against loss of income in the event they require nursing care, and *Kaigo Relief*, which covers nursing care costs.

At the same time, Daido Life began offering *Kaigo Concierge*, a free nursing care consultation service through which care managers and other specialists in nursing care offer advice on the use of public long-term care insurance, introduce care facilities tailored to the customer, and even arrange for tours of those facilities.

With *Shunyu Relief*, *Kaigo Relief*, and *Kaigo Concierge* as an integrated offering, Daido Life offers total support not just for the economic burden of nursing care, but for addressing the physical and emotional burdens as well.

《Providing easy-to-understand, highly convenient services》

In response to an increasingly aging society, Daido Life is promoting its Best Senior Service, an initiative focused on ensuring that every process with which the customer becomes involved is easy to understand and highly convenient. This is part of an effort in working with seniors to encourage better understanding, verify the customers' wishes, and take their living conditions into consideration. As part of this initiative, Daido Life is working to provide clear, easily understood product documentation and paperwork, and its new PC-based policy application form, pension payment claim form and information pamphlet, policy confirmation notice, and policy overview form have all been certified for their design by the Universal Communication Design Association (UCDA).

《Supporting SME business succession and expansion》

A majority of small and medium enterprises (SMEs) have no successor in place, and many SME owners recognize that business succession is an important management issue. By introducing its M&A Support Service, which provides expert assistance in utilizing M&A for business succession and expansion, Daido Life offers its customers consistent support with everything from initial consultation to the actual contract process and other issues.



Naoki Morimoto
Assistant Manager
CS Promotion Division



Eri Koyama
Assistant Manager
Marketing Planning Division



Keiko Takagi
Assistant Manager
Customer Service Division

2-3 T&D Financial Life's Products and Services

《Unique products with a customer perspective》

T&D Financial Life specializes in developing the unique products its customers expect, differentiated from competitors and offered on a timely basis through insurance agents.

In fiscal 2015, T&D Financial Life developed the "regular payment rider," enabling customers to regularly receive a prescribed amount under their *Shougai Premium Series* coverage and to prepare for death protection and post-retirement living expenses. It also introduced *Kazoku Wo Tsunagu Shushinhoken*, which offers death protection and addresses a wide range of asset formation needs, and developed *Hataraku Anata Ni Yasashii Hoken*, which provides living benefit coverage for living expenses over a prescribed period for particular conditions associated with the three major diseases (defined as cancer, acute myocardial infarction and stroke).

In August 2016, T&D Financial Life revised its *Kakei Ni Yasashii Shunyuhosho* and *Hataraku Anata Ni Yasashii Hoken* products, which provide death and disability income protection in the form of a monthly annuity, as part of an effort to expand coverage for carcinoma in situ.

《Efforts to enhance services for seniors》

T&D Financial Life is strengthening its initiatives to address the needs of its senior customers. For example, to prevent various procedures from becoming too drawn out and ensure they are completed smoothly, the company encourages applicants to register a second contact in advance, so that family members or others can be reached. The company has also revised the forms used in the application process, and has colorized and improved the layout of its claim forms. In addition, T&D Financial Life is working to improve customer satisfaction by omitting some of the paperwork needed for payment of claims and by expanding its acceptance of proxy signatures.

In addition, the Group endeavored to improve the skills of communicators at its call centers by providing appropriate training based on the theme of "improving customer service for elderly people."

《Aiming to offer an improved service to customers》

T&D Financial Life collects and analyzes feedback from customers regarding the various forms it sends out and the skills of communicators at its call centers. Each year, it conducts a Customer Satisfaction Survey to further improve customer satisfaction.

According to the results of the fiscal 2015 survey, more than 90% of customers gave a positive rating to the way forms were to be filled out and to the response of call center communicators.

At the same time, many customers also responded that procedures for submitting corrections and changes to the policyholder name and registered seal were complicated, and the company subsequently began simplifying those procedures by accepting unregistered seals and so on.

T&D Financial Life will continue to listen to its customers as it works toward achieving an even more customer-oriented operation.

2-4 T&D Asset Management's Products and Services

《Products that contribute to the formation of a sustainable society》

T&D Asset Management has established and manages the T&D Japan Equities ESG Research Fund. This fund selectively invests in companies with outstanding ESG (Environmental, Social and Governance) performance through ESG research. In doing so, the fund seeks to generate investment returns that outperform the medium- to long-term market average. Moreover, by investing in companies that seek to reduce environmental impact and help achieve a sound society, the fund aims to play a part in forming a sustainable society.

《As a responsible institutional investor》

T&D Asset Management believes that the essence of CSR is to contribute widely to society through asset management, its original field of business, and to that end engages in a vigorous exchange of opinion and the communication of information. The company has participated in the proof of concept under the Ministry of the Environment's project to build a system for environmental information disclosure, and is active as a member of expert workshops. The company also continues to hold investment seminars on the subject of ESG investing, with the goal of providing investors with useful information.



Kiyoshi Yamanaka
Executive Officer
Investment Division

2-5 Pet & Family Small-amount Short-term Insurance's Products and Services

《Providing for an important part of the family》

Against a background of social issues such as an advance in low birth rates and an aging population, as well as an increase in one-person households, pet ownership has remained stable. Changes in the way pet owners view their pets as a member of the family have also brought increased interest in issues such as medical care for pets and the associated costs. Given this background, Pet & Family Small-amount Short-term Insurance is responding to pet healthcare costs by offering products that cover a certain portion of the cost of veterinary care for pet illness and injury, including *Genki Number One* and *Genki Number One Slim*, ensuring peace of mind for both pet owners and their pets when treatment is needed.

《More convenient procedures》

In November 2015, Pet & Family Small-amount Short-term Insurance began offering new tablet-based contract procedures through its pet shop agencies. While traditional paper-based procedures and application forms often resulted in inadequate documentation, the introduction of tablets has led to shortened times for contract completion and reduced the burden on customers.



Mai Takai
Contract Management
Department
Customer Service Division

3. Activities to Respond to Customer Feedback

G4-PR5 DMA

● Obtaining Customer Feedback through Daily Business Activities

To respond to society's changing needs by providing better products and services, the Group's three life insurance companies collect a variety of feedback from their customers in the course of daily business activities. By establishing a multitude of customer contact points through their sales representatives, agents, call centers (Customer Service Centers), the Internet and so on, they work to collect as much customer feedback as possible.

They also work to proactively confirm our customers' satisfaction through regular, as well as ad hoc, surveys and other means.

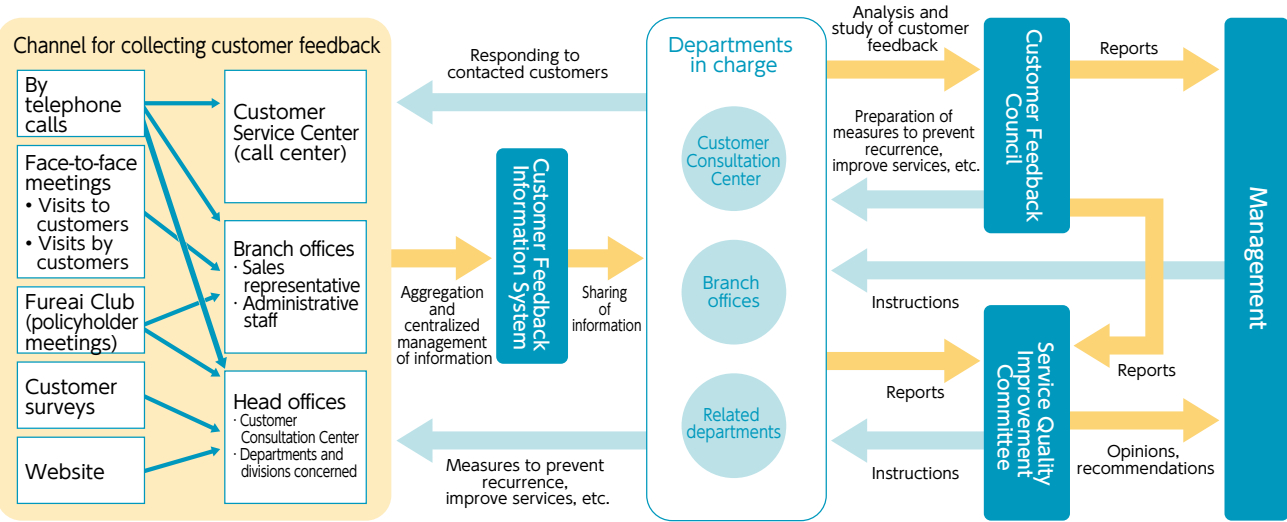
● System to Reflect Customer Feedback in Operations

The Group's three life insurance companies have set up dedicated departments and committees with external members in charge of customer satisfaction management. We developed a total system ensuring customer satisfaction at all stages of interaction with customers, from making contracts to payment of insurance claims and benefits, based upon a clearly stated policy for customer satisfaction and specific guidelines for the handling of customer complaints. All the feedback collected from customers is input into a centrally managed database and shared by the relevant units for the development and quality improvement of products and services, as well as for the improvement of business practices.

3-1 Measures Taken by Taiyo Life

● System for Reflecting the Customer Feedback in Operations

《Workflow for Reflecting Customer Feedback in Operations》



● “Fureai Club”

Taiyo Life holds regular meetings with policyholders called the “Taiyo Life Fureai Club” in order to help them gain a deeper understanding about Taiyo Life and life insurance, as well as to ask them for their opinions and requests regarding our products and services. In fiscal 2015, meetings were held at 68 branches and 46 other venues in September and attended by 486 clients. Taiyo Life made presentations on its business and services and received 215 opinions from the participants concerning a broad range of its business operations. The feedback from policyholders was shared within the Group as valuable information and utilized to achieve improvements in various business practices.

● Acquiring a Third-party Opinion on ISO 10002 Compliance

In March 2008, Taiyo Life declared the introduction of ISO 10002, an international standard for handling complaints as regards quality management, customer satisfaction and guidelines for complaints handling in organizations, and since then has been committed to continually enhancing customer-oriented service and operations by utilizing customer feedback (including complaints). In March 2016, following on from March 2015, we obtained a third-party opinion on ISO 10002 compliance that recognized our complaint management system as complying with ISO 10002 and functioning effectively. We have been working to improve our business processes based on ISO 10002 and educate employees through training programs.

● Customer Complaints by Type

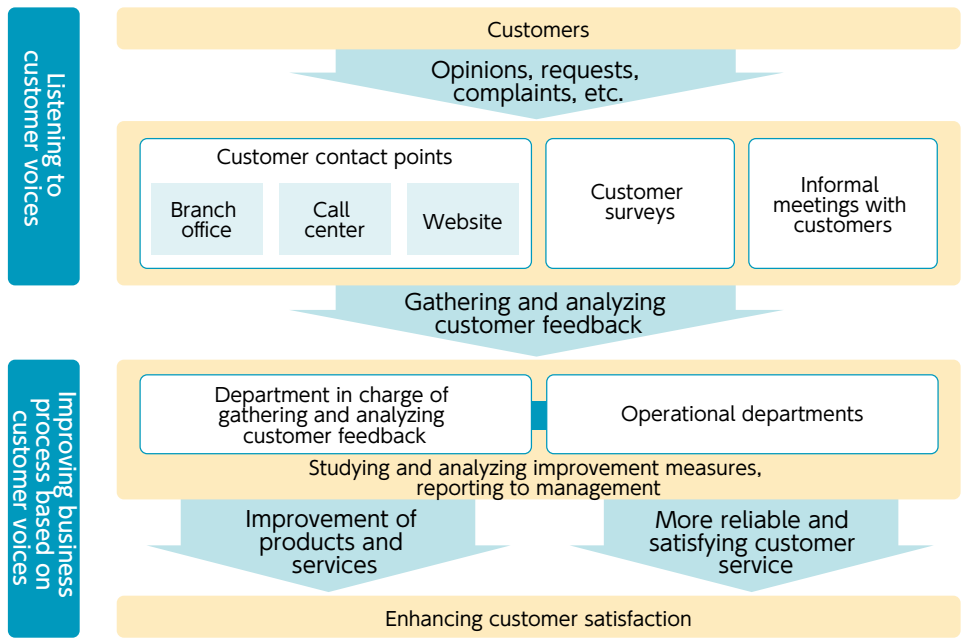
(Units: no. of complaints received; proportion: %)

Type of feedback	FY2013		FY2014		FY2015	
	No. received	%	No. received	%	No. received	%
New contracts	2,813	31.6	2,637	34.3	1,918	31.1
Payment of premiums, etc.	631	7.1	473	6.1	395	6.4
Conservation work	1,396	15.7	1,202	15.6	920	14.9
Insurance claims and benefits	2,304	25.9	1,681	21.9	1,258	20.4
Others	1,735	19.5	1,673	21.8	1,658	26.9
Total	8,879	100.0	7,666	100.0	6,149	100.0

* “Complaint” refers to an expression of dissatisfaction by customers.

3-2 Measures Taken by Daido Life

● System for Reflecting Customer Feedback in Operations



● Customer Surveys

Conducting surveys is useful in identifying hidden issues related to business that are difficult to uncover by passively receiving customer opinions and requests. Major examples include the new policy procedures survey filled out by new policyholders after the completion of the contract procedures, with a focus on the attitudes of sales representatives and the understandability of application forms and other documents, as well as customer satisfaction surveys filled out by business owners/managers that inquire about the level of satisfaction provided by our products, services and after-sale services.

● Response to Customer Complaints

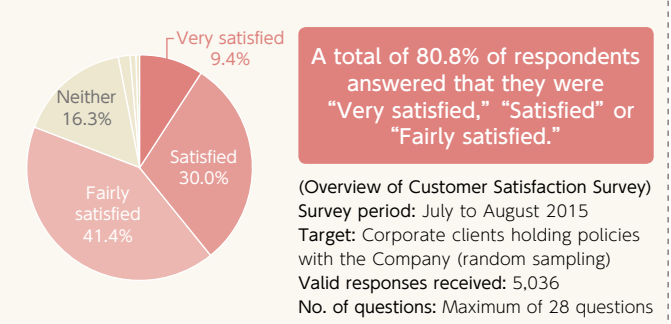
We define “complaint” as an expression of dissatisfaction by a customer regarding the company’s operations. Upon receiving complaints, we immediately respond in a sincere manner, setting out to resolve such issues. At the same time we take these complaints as valuable information to be used for improving our business processes.

● Customer Complaints by Type

(Units: no. of complaints received; proportion: %)

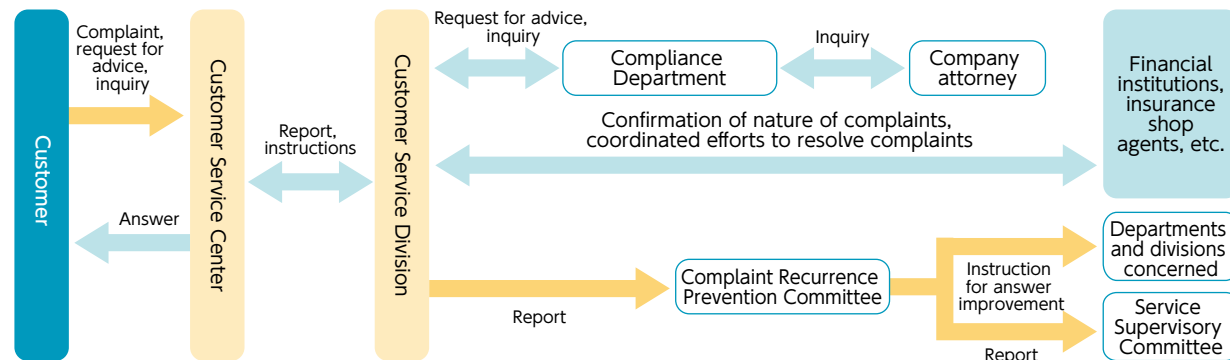
Type of feedback	FY2013		FY2014		FY2015	
	No. received	%	No. received	%	No. received	%
Purchase of life insurance policy	1,698	14.6	1,698	14.1	1,537	13.2
Payment of premiums	1,143	9.8	1,036	8.6	835	7.2
Procedures after making a contract	4,077	35.0	4,803	39.8	4,754	40.7
Payment of insurance claims and benefits	2,149	18.4	2,134	17.7	2,028	17.4
Other	2,598	22.3	2,412	20.0	2,524	21.6
Total	11,665	100.0	12,083	100.0	11,678	100.0

《Overall Satisfaction with Daido Life
(When Applying for a New Policy)》



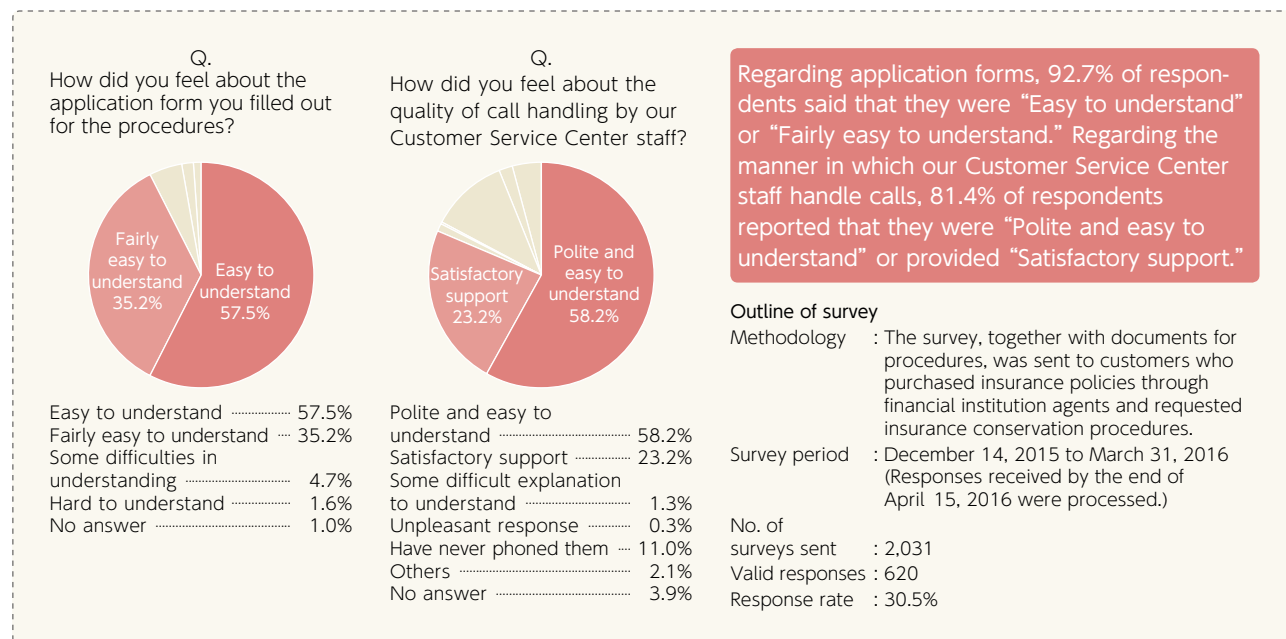
3-3 Measures Taken by T&D Financial Life

● System for Rapidly Responding to Customer Feedback



● Customer Survey

T&D Financial Life conducts a customer satisfaction survey to proactively reflect customer feedback in its operations. This survey includes questions about the quality of call handling by the Customer Service Center staff and understandability of application forms and documents involved in various procedures. Results of customer surveys are available on our website.



● Provision of Information on the Internet

T&D Financial Life discloses a summary of information regarding to customer feedback, such as frequently made complaints, comments and requests, on its website.

● Customer Complaints by Type

(Units: no. of complaints received; proportion: %)

Type of feedback	FY2013		FY2014		FY2015	
	No. received	%	No. received	%	No. received	%
New contracts	152	11.5	243	16.0	220	19.0
Payment of premiums, etc.	32	2.4	65	4.3	50	4.3
Procedures after making a contract	415	31.4	534	35.2	385	33.3
Insurance claims and benefits	516	39.1	412	27.1	305	26.4
Others	205	15.5	264	17.4	197	17.0
Total	1,320	100.0	1,518	100.0	1,157	100.0

* "Complaints" refers to customers' complaints and dissatisfaction about products and services, and expressions of dissatisfaction.

4. Improving Convenience and Satisfaction for Senior Customers

4-1 Best Senior Service

Based on the social situation that the aging of society is progressing, we are carrying out Group-wide efforts to improve the convenience and satisfaction of our elderly customers. At Taiyo Life and Daido Life, this initiative was named the Best Senior Service, and through this initiative, we are developing a variety of service improvements.

《Main Initiatives of Taiyo Life》

① Home visit service

From July 2014, we began our customer support activities to give security and relief to seniors, those who are 70 years old or older, by visiting their homes more than once every year. Through this activity, we explain insurance matters carefully and comprehensively, including confirmation of policy details and examination of missed insurance claims, in order to deliver security and relief to each individual senior customer.

② Development of new products for senior customers

In March 2016, Daido Life launched *Himawari Dementia Treatment Insurance*, the industry's first relaxed-underwriting-type dementia treatment insurance. In addition to providing a benefit to help cover the economic burden of dementia treatment and other expenses, the product responds to the needs of senior customers by providing coverage for the diseases and illnesses to which seniors are particularly vulnerable.

③ Efforts to provide greater peace of mind during contract signing and renewal

In addition to strongly encouraging family members to be present during contract signing for senior customers, Daido Life sales representatives carry mobile devices and utilize video conferencing to enable head office staff to reconfirm the customer's intent to enter into the contract and verify matters for declaration (offered with some products).

Daido Life has introduced a Family Registration Program, and encourages family members to sign up for this program under which family members of the policyholder can register their contact information in advance, in case the policyholder cannot be contacted in the event of a major disaster or other event. Registered family members can also inquire about coverage and claims procedures on behalf of the policyholder.

《Main Initiatives of Daido Life》

① Establishment of a system by which customers can perform necessary procedures reliably and quickly regardless of the environment

<Designated proxy application option>

We propose the addition of a designated proxy application option to an insurance policy, under which a person who has been designated in advance (a preregistered proxy) may file claims for payment, etc., if the insured person eligible for receiving insurance benefits is unable to make claims due to an illness or accident.

<Family Registration Program>

We propose that our individual customers register their family members in the Family Registration Program, under which a family member registered in advance may make an inquiry about policy details when the policyholder is unable to do so, and will be answered in the same manner as the policyholder would have been answered.

② Provision of easy-to-read, easy-to-understand guidance and procedural documents

We have reviewed our internal standards for guidance and procedural documents, and are making improvements such as increasing font sizes. Through these efforts, the Company has obtained the *Tsutawaru Design Mark* from the UDCA for contract application website and insurance claim leaflet (individual annuity), as well as for its notification of policy details and insurance specification document (contract summary).

③ Improvement of treatment of customers and hospitality

In order to provide courteous and careful service in response to customers' situations, we formulated and use a service manual taking into account the general characteristics of our senior customers, such as changes in physical abilities and psychological aspects, as well as visual aides. Through these means, we are striving to provide an environment in which our customers can complete necessary procedures with peace of mind.

5. Providing Wholehearted Reassurance

5-1 Fairness in Offering Insurance Products to the Broader Public

Life insurance is a mutual aid system in which costs paid to insured deaths, hospitalizations, nursing care, etc., are covered by premiums statistically calculated by mortality and accident rates according to the law of large numbers. Life insurance companies maintain the fairness of the life insurance system by adding some conditions such as additional premiums, or in the worst cases by not offering coverage, for those whose expected mortality rates or insurance accident rates exceed certain limits, rather than accepting them unconditionally. Having said so, the Group's three life insurance companies and other Group members respect customers' human rights and their needs for insurance, and develop and offer many unique insurance products which meet a wide variety of customer needs, health conditions, gender, enrollment age and other specific circumstances.

5-2 Establishment of Solicitation Policy

The Group's three life insurance companies and other Group members have established individual solicitation policies for offering life insurance and other products. Under these policies, each Group company strives to develop and offer appropriate products that meet customers' needs and circumstances.

《Solicitation Policies (In the Case of Taiyo Life)》

The following are Taiyo Life's basic solicitation policies for offering financial products, including life insurance, to customers. We always endeavor to develop and offer products in a proper and appropriate manner in due consideration of customers' desires, circumstances and privacy in order to provide customers with proper services through consultation.

- We will comply with the applicable laws, rules and regulations in solicitation activities.
- We will endeavor to carry out appropriate solicitation activities in consideration of the customer's circumstances.
- We will give due consideration to the time and the place for solicitation activities.
- We will explain the important issues appropriately.
- We will make efforts to enhance employee education and our training program.
- We will safeguard customer information strictly in confidence.
- We will make continuous efforts to establish an internal structure ensuring appropriate solicitation activities.

5-3 Protection of Personal Information

The Group's three life insurance companies and other Group members have formulated Personal Information Protection Declarations (Privacy Policies) and publicly disclose them on their websites. In addition, T&D Information System, a Group company that supports the information system of the T&D Life Group, appropriately handles various data, including personal information, and keeps it strictly confidential. In May 2005, T&D Information System obtained Privacy Mark certification, which is given to the enterprises that take appropriate measures to protect personal information. In addition, in March 2007, the company acquired a certification for ISO 27001, an international standard for information security management systems, and in March 2015, it moved to the new standard. The information service firm has continued to renew both of these certifications as part of its efforts to maintain a high level of information security.



5-4 Efforts to Offer Customer-oriented Services

From contract procedures and after-sales service to payment of insurance claims and benefits, the three life insurance companies endeavor to provide services with an emphasis on understandability as an approach to earn trust from customers.

● Awards for Customer Service

《Winner of the 2015 UCDA “Easy-to-Understand” Award (Taiyo Life)》

Taiyo Life is working to improve all of its documents, including pamphlets and contract overviews, with the goal of creating easy-to-read, easy-to-understand documents and forms. As a result of these initiatives, Taiyo Life won the Easy-to-Understand Award, an award of excellence, in the life insurance contract overview (specification) division of the 2015 UCDA Awards, sponsored by the Universal Communication Design Association (UCDA). The company also revamped its website from the viewpoint of senior customers, making it easier to read, and the usability of its system for requesting materials captured the highest score on the Accessibility For Seniors assessment conducted by Tribeck Strategies Inc., an outside assessment company.

* Daido Life also won an award.

《Obtained the *Tsutawaru Design* certification from the UCDA (Daido Life)》

Daido Life has obtained the *Tsutawaru Design* certification from the UCDA for its three primary forms and website, including its contract application website, notification of policy details*1, and its insurance claim leaflet (individual annuity)*2. Daido Life was the first company in the life insurance industry to receive this certification for non-paper media, namely for its device-based contract application procedure website. (Refer to “4-1 Best Senior Service” for details.)

*1 A form sent out annually informing all life insurance policyholders of the details of their policies.

*2 A form offering information on claim forms and procedures for receiving annuities, as well as instructions for filling out claim forms.

● Initiatives of Each Group Company

《At the Time of Making a Contract》

Major Documents

- Clearly worded “Product Pamphlet”
- “Insurance Specification Documents” (contract summary) describing insurance plans tailored to individual needs of customers
- “Notifications of Important Matters,” as a reminder, and “Warning Information,” for calling the customer's attention to particularly important points
- “Policy Leaflet and Policy Provisions” describing the various procedures when making a contract, and the structure of the product
- “Confirmation of Intent” as a final step to ensure that the customer's needs are met by the insurance product offered

《After-sales Services》

We work to ensure customer satisfaction by providing various kinds of information after contracts. We also work to enhance our services so that the policyholders can make insurance and benefit claims more easily.

Major Information Provision Services

- Notification of policy details
- Distribution of service guidebooks
- Notification of account transfer payment
- Accounting method guidance service
- Confirming policy details by visiting customers

Examples of Measures to Facilitate Making Insurance and Benefit Claims

- Distribution of booklets and leaflets that comprehensively describe insurance and benefit claims procedures as well as payable case examples
- Reimbursement of expenses for obtaining a medical certificate in the event that the related insurance claim is completely rejected despite that insurance and benefit claims
- Waiving the requirement of submitting medical certificates for claims in cases in which certain criteria are met
- Improvement of explanation and advice at Customer Service Center (call center) and branch offices
- Introduction of designated proxy application option to allow the pre-registered proxy to file insurance claims in the event that the policyholder is unable to file the claim for a certain reason
- Periodic follow-up of customers who take a long time to submit claim documents despite having declared an intention to make insurance claims
- Services include confirmation of senior customer intent to file a claim, after which office staff may fill out claim forms on behalf of the customer, as well as obtaining medical certificates needed for benefit claims. (Taiyo Life)
- Made it possible to designate a signing proxy other than a family member in the event that a customer has physical difficulty in signing, filling out or affixing their seal to claim forms due to illness or suchlike. (T&D Financial Life)

5-5 Working toward Better After-sales Service

The Group's three life insurance companies have each set up various systems aiming at providing quality after-sales services. At Customer Service Centers, professionally trained staff handles inquiries and insurance claims from customers nationwide over the telephone in a considerate, polite, prompt, and accurate manner. Also, all our branch office staff and sales representatives, fully aware of the importance of post-contract support, attend to individual customers, offering the best possible service to each of them. At Taiyo Life, representatives visit senior customers at least once a year to confirm the details of their policies and check that no claims have been missed. For customers living farther away with whom there is less direct contact, a call center representative will conduct follow-up calls to check if any procedures need to be completed and to ask the customer about any opinions or requests they may have. At Daido Life, sales representatives and agents visit customers to confirm the details of their current policies and confirm the amount of protection needed. They also provide meticulous advice and suggestions to help customers address a range of risks, including introduction of risk management measures.

5-6 Other Services

As shown below, the Group's three life insurance companies offer diverse services to meet the requests of customers.

● T&D Club Off

T&D Club Off provides a range of services for promoting health and off-time activities to the policyholders of the three life insurance companies and Pet and Family Small-amount Short-term Insurance. T&D Club Off members may use domestic and overseas hotels, leisure facilities, car rentals, etc., at special preferential rates.

《Example from Daido Life》

- Domestic hotels and Japanese inns: about 20,000 locations
- Overseas hotels: about 200,000 locations
- Leisure facilities: at about 700 locations
- Nursing and childcare services (nursing homes, babysitters, etc.)
- Living support services (a wide variety of services useful in daily life, including phone-based consultation regarding pets, health, pensions and diet).

* For more details about these services, please visit each company's website.

● Customer Service Center Open for Inquiries on Saturdays and Sundays **Taiyo Life**

In order to provide services to customers who are busy on weekdays, Taiyo Life's Customer Service Center, or call center, is open and handles inquiries on Saturdays and Sundays from 9:00 to 17:00 as well.

● Provision of Services through a Support Center **Taiyo Life**

Taiyo Life established its Support Center in December 2011. Using video calls on portable devices carried by sales representatives, the Support Center can respond in real time to inquiries concerning specific details and other matters originating from customers. The Support Center is available seven days a week.

● Services Useful for SMEs **Daido Life**

Daido Life provides various services to help policyholders with business support and health support.

《Examples of Services》

- (Business Support)**
- Support for a stress check system, from initial preparation to post-deployment follow-up
 - Specialist support for use of M&A by small and medium enterprises
 - Providing reports on management strategy, industry trends, and other useful business information
 - Providing a standard form of company regulations
 - Complimentary assessment for receiving public subsidies
 - Complimentary assessment of employment regulation
 - Providing information on public support
- (Health Support)**
- Nursing care professionals provide one-stop support in resolving a variety of concerns and problems regarding nursing care
 - Health counseling and second opinion service
 - Health screening referral service

* For more details, please contact the Customer Service Center of Daido Life.

● Services through the Internet

The Group's three life insurance companies and other Group companies provide a variety of information on their websites. To improve the convenience for customers, we also offer online services for payment, inquiries and change of registered information. At Pet and Family Small-amount Short-term Insurance, customers can purchase pet insurance on the company's website.

《Examples of Internet Services》

Taiyo Life

- Change of information related to contract, such as change of address, request for adding designated proxy application option, change of password
- Request for application forms for change of account, change of first/family name, loan repayment
- Used for making loans to policyholders or for the withdrawal of accumulated dividends or various types of deferred funds
- Reissue of insurance certificates, annuity payment certificates, deferred fund payment certificates and life insurance premium payment certificates
- Inquiries about insurance policy details

Daido Life

- Change in contract and insurance claim such as change of address, account, etc.
- Web-ATM for making loans to policyholders, withdrawal of accumulated dividends, etc.
- Inquiries about insurance policy details, inquiries about accounts for automatic withdrawal of insurance premiums, various inquiries about guidance (guidance on insurance premiums accounting method, etc.)

T&D Financial Life

- Inquiries about summary and details of policies such as coverage details and change in accumulated funds
- Transfer of accumulated funds, set up transfer ratio in case of contracts with periodic increase of amount
- Requests for various forms for procedures, change of address, reissue of certificates for life insurance premium payment, etc.

* For more details, please contact the respective Customer Service Centers of the Group's three life insurance companies.

6. Nurture Our Staff and Develop Better Services Together with Our Staff

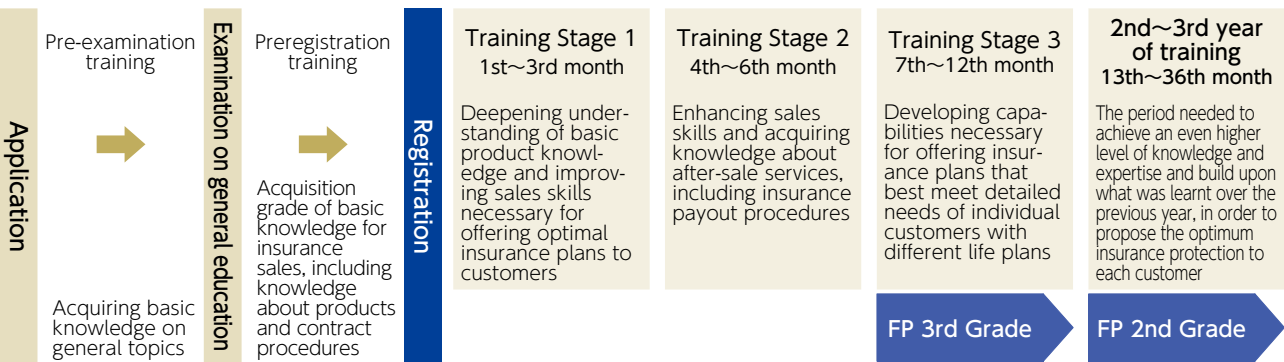
6-1 Development of Service Staff Skills

The Group's three life insurance companies are working to enhance the skills of their customer service staff to increase customer satisfaction focusing on basic and specialist knowledge about life insurance as well as compliance. The three life insurance companies have diverse staff members such as sales representatives, customer service staff, agents and wholesalers who are engaged in duties to provide the most suitable services to customers depending upon each individual business model. We have developed human capital training programs for such diverse staff, and always work to provide them with the best educational and training opportunities.

6-2 Education Program for New Employees **Taiyo Life**

Taiyo Life has a system in place to train sales representatives to develop their capabilities to design and offer optimal insurance plans that meet each customer's needs depending on a variety of factors, including family structure, occupation, income, plan for children's education, insurance already purchased and so on, aiming to increase each customer's satisfaction. Our sales personnel undertake internal training programs and work to obtain external qualifications to gain specialist knowledge on insurance products as well as tax affairs and financial planning expertise.

《Education Programs for New Sales Representatives (New-employee Education Programs and Financial Planner Education Programs)》



VI Priority Areas (2) Respect for Human Rights

1. Basic Concept

1-1 Basic Concept

The T&D Life Group has positioned “3. Respect for Human Rights” as a key principle of the T&D Life Group CSR charter. The charter clearly states that the T&D Life Group will respect human rights, and make efforts to enlighten all its employees on human rights; the T&D Life Group will respect the individuality of all its employees, ensure a safe and rewarding work environment, and develop its human resources; and the T&D Life Group will respect privacy and strictly control and protect personal information. The T&D Life Group believes that supporting the protection of and showing respect for internationally declared human rights and the ongoing process of creating a comfortable work environment where employees are able to work to meet society’s needs are important corporate responsibilities that lead to the growth of the company and vitalization of society.

2. Utilization and Development of Human Resources G4-LA10

2-1 Human Resources Development Policy

Since its establishment, the T&D Life Group has been promoting the “creation of a corporate culture that encourages demonstration of diverse talents” under the Group policy of pursuing the improvement of corporate value by allowing each Group company to pursue its own unique and specialized business strategies. Under these shared goals, each Group company has formulated its training programs to develop and enhance the skills and capabilities of employees.

2-2 Initiatives to Offer Employees Opportunities for Growth

The Group’s three life insurance companies provide employees with education and training through on-the-job training, group training, and supporting self-educational efforts. The Group encourages personal career improvement efforts of individual employees by actively supporting their efforts to earn professional qualifications and offering a broad array of courses through correspondence study, e-learning and so forth.

The three life insurance companies also carry out a systematic job rotation so that employees can enhance their ability to work with a broad company-wide perspective by experiencing various jobs within the organization. Young employees acquire basic knowledge and improve their skills through experiencing different positions, for example, through transfers from the head office to branches or changing jobs from sales to administrative work, or vice versa, for a certain interval after joining the company. At the managerial level, employees who have served as head office division managers are to serve as branch general managers, or branch managerial staff are transferred to head office positions in a job rotation in order to strengthen their managerial skills. In addition, the Group’s three life insurance companies provide employees with opportunities to actively develop their own skills and offer support for their career development.

Taiyo Life, Daido Life, T&D Financial Life

● In-house Recruiting

Under this system, employees can take up various challenges, such as application for positions of their choice and MBA programs.

● Personnel Exchange within the Group

Personnel exchange is promoted among Group companies for facilitating the sharing of the well-developed skills and useful knowhow possessed by each Group company.

Phase I (2008–2012): Temporary transfer or transfer to other Group company for 1 to 2 years

• Number of participants 50 employees (47 men, 3 women)

Phase II (2013–): Short-term training program for a maximum period of 1 month was introduced

• Number of participants in fiscal 2013 (including long-term transfer programs) 17 employees (3 men, 14 women)

• Number of participants in fiscal 2014 28 employees (8 men, 20 women)

• Number of participants in fiscal 2015 39 employees (18 men, 21 women)

Taiyo Life

● Working Experience at Different Workplaces

Taiyo Life has developed a personnel program to offer employees an opportunity to work at different branches or at the head office, assisting employees in gaining a wider range of business experience, increasing operational efficiency and facilitating in-house communication.

Daido Life

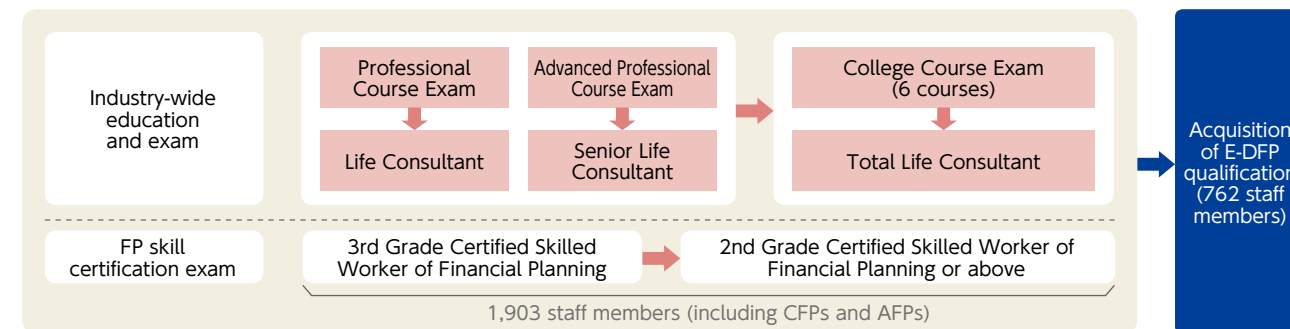
● Overseas Job Assignments and Overseas MBA

With the goal of developing human resources through diverse experiences, Daido Life offers all employees, regardless of gender or career course, the opportunity to apply for job assignments (trainee or internship) with overseas firms and for MBA study overseas.

6-3 E-DFP (Executive Daido Financial Planner) Program Daido Life

Sales representatives must get a firm grasp of customer needs, which are diversifying and becoming more sophisticated, and practice high-quality, consulting-oriented sales. For this reason, Daido Life has set up its own E-DFP (Executive Daido Financial Planner) program with the purpose of enabling its sales representatives to obtain a wide range of professional knowledge including taxation, finance, and financial products. The E-DFP qualification is awarded to those who have passed all six life insurance college course examinations and are ranked as a 2nd Grade Certified Skilled Worker of Financial Planning or above, including AFPs and CFPs.

《E-DFP Program (As of March 2016)》



6-4 Sales Agent Training Program Daido Life

At Daido Life, the head office and branches work together closely to provide high-quality support for sales agents by assisting them in responding to customers’ diversified needs. As a part of these efforts, the company develops programs to offer practical training, using its own e-learning materials and practical guides to help sales agents acquire broad knowledge on the compliance and insurance business.

6-5 Business Partner Meetings Daido Life

Daido Life has entered into partnerships with SME industry associations as well as the professional organizations of tax accountants and others, and has built a sales structure aimed at offering appropriate life insurance products tailored to the needs of various member companies, members who are tax accountants, and others. Because these partner organizations and agents are key stakeholders of Daido Life, the Company holds regular meetings with its partners to report the latest business developments and to hear their views on Daido Life’s business operations.

6-6 Wholesaler Activities T&D Financial Life

T&D Financial Life carries out elaborate support activities for its sales agents, such as financial institutions, through its staff (wholesalers) assigned to assist sales agents in order to enable them to make the best proposals to customers. In addition, in order to win the trust of customers and sales agents, the company provides practical training to wholesalers, covering a broad range of knowledge about insurance and other financial products, overall asset management, related laws and regulations as well as presentation skills for accurately explaining features of our products to customers and sales agents.

3. Diversity Promotion Initiatives

3-1 Employment of People with Disabilities and Seniors

As of the end of March 2016, a total of 336 employees with disabilities, including 40 new recruits for fiscal 2015, worked at the Group's three life insurance companies, which account for 2.27% of the total number of employees. We will continue working to create a workplace environment that encourages and supports people with disabilities to work comfortably and promote employment of the disabled.

The Group's three life insurance companies have introduced a re-employment program for employees reaching the mandatory retirement age. Under this program, individuals can be rehired up to the age of 65. In addition, Taiyo Life and Daido Life hold life plan seminars for employees of a certain age before their retirement. The seminars offer them opportunities to think about their future styles of working and living.

Daido Life

• Home Base System

To put in place a work environment in which employees can more easily achieve their life plans, Daido Life has introduced a Home Base System for personnel employed on a nationwide basis who are 55 or older that encourages assignment to positions at offices in the same location as their homes.

● Employment of People with Disabilities at the Three Life Insurance Companies

	FY2013	FY2014	FY2015
Employment rate of people with disabilities (%)	2.15	2.20	2.27

3-2 Human Rights Education

G4-HR2

The T&D Life Group holds human rights education sessions (30-minute, web-based training sessions, etc.) for all employees more than twice a year on various issues, such as discrimination due to social class or disability, sexual harassment and LGBT orientation, to deepen employees' understanding of the importance of respecting human rights.

Taiyo Life

Taiyo Life has formulated a number of human rights education programs, and holds study sessions for all employees on the topic of human rights. In fiscal 2015, workplace study sessions held for office staff included: Human Rights Issues and Harassment, Human Rights Issues and Hiring, Human Rights Issues and the Disabled, International Standards Regarding Human Rights, and other various human rights issues.

Workplace study sessions targeting branch employees were also held by outside instructors and branch office managers.

Daido Life

Daido Life conducts workplace human rights awareness training twice a year, with the goal of enhancing awareness of human rights.

In fiscal 2015, training focused on the theme of "Aiming for a More Comfortable Workplace," with each workplace taking time to think about human rights at work and in everyday life and engaging in vigorous exchanges of opinion.

3-3 Initiatives to Support Active Roles for Female Employees

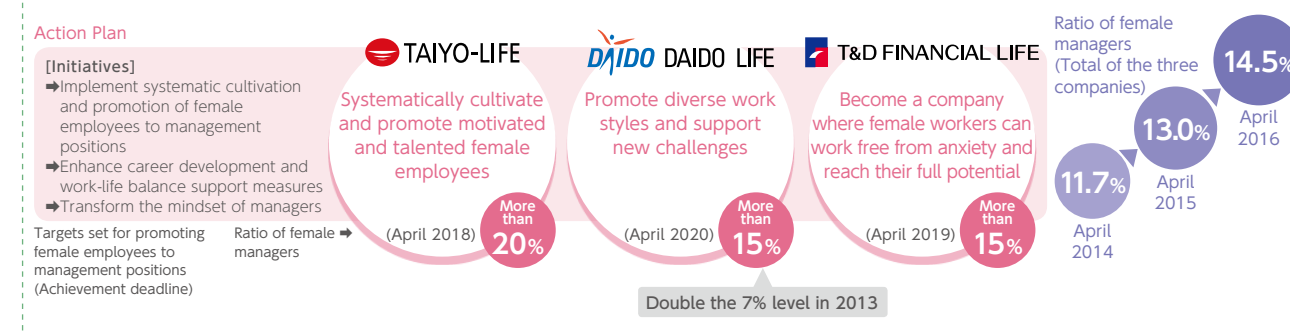
The T&D Life Group has promoted efforts to create a corporate culture that diverse human resources will find engaging to work in and that enables them to reach their full potential. Particularly given that women represent the majority of the Group's employees, enabling them to further reach their potential is an important driver of sustainable growth in corporate value, and the T&D Life Group recognizes that their active participation is a crucial management priority. With this in mind, the Group's three life insurance companies have worked to revise their respective personnel and compensation systems, as well as introducing various support systems to enhance the work-life balance.

By fostering Group-wide collaboration to encourage male employees to take childcare leave and measures to reduce total working hours, we are promoting the creation of workplace environments where everybody is motivated to play an active role.

To steadily advance these measures to promote the active participation of female employees, the Group's three life insurance companies formulated their action plans based on their respective business models.

● Action Plan: Promote Active Roles for Women at the Three Life Insurance Companies of Taiyo Life, Daido Life, and T&D Financial Life

The T&D Life Group has disclosed action plans for promoting the active participation of women and targets for promoting female employees to management positions. The ratio of female managers has been steadily increasing.



● Diversity and Work-Life Balance Awareness Day ("Awareness Day") Held

Between December 2015 and January 2016, T&D Life Group companies each held a Diversity and Work-Life Balance Awareness Day ("Awareness Day"), as part of collaborative efforts of the Group to make further progress in work style reforms underway at each company.

During the specified period, each company set one date of their choosing as "Awareness Day," with open discussions held for all employees. Each workplace established its own goals, as part of workplace reforms designed to develop work styles that contribute to individual growth.

It was held across T&D Holdings and all three life insurance companies, and in every department, section, and branch office company-wide and nationwide.

● Joint Group Co-working/Training with Supervisors for Female Employees

Training in pairs for female employees and the section managers who serve as their supervisors was held at the Group's two head offices in Tokyo and Osaka. The training provided an opportunity for female employees and their supervisors to attend the same program together, and to consider career development issues from their respective standpoints.

Taiyo Life

• Training for Manager Candidates

A management development program is in place under which group training is provided to competent managerial candidates selected from among mid-career employees at offices across the country. Candidacy for the program is not restricted to any career category (clerical versus career-track) or gender.

• Training for Newly Appointed Female Managers

The Group provides management training for newly appointed female managers to ensure that they can efficiently perform the duties of their management roles.

• Developing Diverse Personnel

Taiyo Life is aiming at expanding the roles and responsibilities of female employees from across the company, as well as promoting their appointment to management positions.

Daido Life

• The "Challenge Women's Workshop"

Daido Life created a four-month workshop attended only by female employees. Under the guidance of an outside instructor, participants worked on boosting their business skills (logical thinking and communication abilities), then used those skills in group study and research into efforts to promote the active participation of women.

• Career Challenge System

In addition to various courses to train female employees for management positions, Daido Life provides its employees with growth opportunities by gaining a wide range of business experience beyond what is available in their existing career paths. These opportunities include in-house internships that allow the area-based employees, who have very few transfer opportunities, to experience other duties away from their own workplaces for a short period of time, job assignments outside the company, and the chance to apply for posts using an in-house free agent system.

T&D Financial Life

• Training to Support Women's Active Participation

In order for female employees to gain a clear image of the leadership they should pursue and to acquire the skills required of such leaders, the company is offering periodic collective training on various themes, including "Communication with the people around you," "Demonstrating leadership" and "Guidance and cultivating subordinates and juniors."

4. Worker-friendly Work Environment

4-1 Work-life Balance Initiatives

G4-LA1 G4-LA3

Individual companies belonging to the T&D Life Group have been enhancing various efforts aimed at enabling employees to demonstrate their capabilities and improve their performance at work while at the same time fulfilling their responsibilities at home, such as childcare, nursing care and household responsibilities, by improving the childcare leave system and reducing total work hours. In order to promote the active participation of female employees, the Group as a whole is promoting work-life balance initiatives with an awareness of the need to create workplaces where female employees can continue working for a long time while experiencing life events such as marriage and childbirth.

Taiyo Life

Taiyo Life is supporting various work styles by promoting a flexible work system, for instance, through expanding the scope of employees eligible for the flextime system and improving the system, as well as introducing a short working hour system for employees engaged in childcare and nursing care, while making continuous efforts toward reducing total work hours. Men are encouraged to participate in childrearing, and in fiscal 2015, the rate of men taking childcare leave reached 100%.

Daido Life

In addition to Limit 20 and its other efforts to reduce total working hours, Daido Life has worked to promote work-life balance through its "slimmed-down" work campaign and other operational improvements, and by introducing a home-based work system. As a result, the rate of male employees taking childcare leave reached 100%, and these and other efforts to support work-life balance and reform work styles have been highly praised. In October 2015, they were recognized when Daido Life became the first life insurance company to receive the Grand Prix in the 2015 Ikumen Company Awards sponsored by the Ministry of Health, Labour and Welfare.

T&D Financial Life

Aiming at fostering a corporate culture that enhances the job satisfaction of employees, T&D Financial Life has been making efforts to provide a workplace that allows employees to realize a good work-life balance. Specific measures taken include introduction of a short working hour system, promotion of the flextime system, reduction in overtime through the establishment of a no overtime day, etc.

Acquisition of Maternity and Childcare Leave

	FY2013	FY2014	FY2015
No. of employees taking maternity leave	236	234	290
Number of employees eligible to take childcare leave	388	410	432
Male	152	176	142
Female	236	234	290
No. of employees taking childcare leave	273	366	406
Male	71	153	140
Female	202	213	266
No. of employees taking nursing care leave	11	6	8
Male	0	0	0
Female	11	6	8

* The acquisition of maternity and childcare leave at the three life insurance companies.

* The number of administrative personnel at the three life insurance companies who have returned to work after taking childcare leave is as follows.

Fiscal 2013 155 (97.5%) (Men 71 (100%), Women 84 (95.5%))
 Fiscal 2014 220 (97.8%) (Men 143 (100%), Women 77 (93.9%))
 Fiscal 2015 247 (97.2%) (Men 140 (98.6%), Women 107 (95.5%))

Number of Administrative Personnel Taking Paid Leave

	FY2013	FY2014	FY2015
Average number of paid leave days taken	10.3	11.0	11.8

* Number of Administrative Personnel of the Three Life Insurance Companies Taking Paid Leave

Turnover

	FY2013	FY2014	FY2015
Turnover (number)	365	348	334
Voluntarily turnover	206	192	202
Male	199	198	194
Voluntarily turnover	57	66	75
Female	166	150	140
Voluntarily turnover	149	126	127

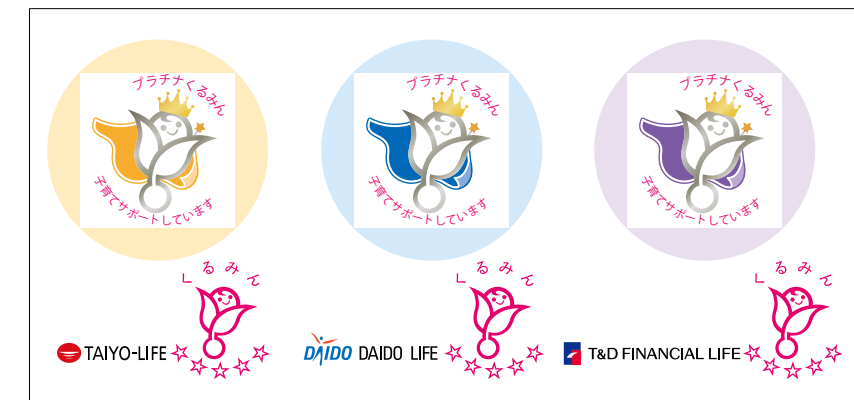
* Number of administrative staff at the Group's three life insurance companies who left.

* The number of turnover includes those who left the Company upon reaching the compulsory retirement age, took up an executive position, passed away, etc.

Measures to Support Raising the Next Generation

Since the enforcement of the Act on Advancement of Measures to Support Raising Next-Generation Children in April 2005, the T&D Life Group has formulated a unified action plan every two years to enhance the childcare support system and promote work-life balance. Regarding support for the development of young people, the Group's three life insurance companies received certification as meeting the criteria of the Act on Advancement of Measures to Support Raising Next-Generation Children (Kurumin certification) for five consecutive biennial periods starting from the first period from April 1, 2005 to March 31, 2007. T&D Asset Management has obtained the Kurumin certification for two consecutive biennial periods starting from the fourth period from April 1, 2011 to March 31, 2013. Additionally, in April 2008, T&D Information System became the first company with 300 or fewer employees in the information services sector in Saitama Prefecture to acquire the same certification. The company received certification under the same initiative for four consecutive periods after renewing its certification in May 2015. Moreover, the Platinum Kurumin System was initiated on April 1, 2015. This certification is awarded only to Kurumin-certified companies that have satisfied certain requirements by undertaking even more advanced activities. All three of the Group's life insurance companies obtained the "Platinum Kurumin" mark in recognition of their proactive initiatives as enterprises that support child raising activities.

T&D Life Group companies have been certified as being companies that support the raising of children



Sixth Action Plan (April 2015 to March 2017)

Five companies, namely T&D Holdings, the three life insurance companies and T&D Asset Management, have set a unified target and are promoting actions to achieve the target as a group.

- Target 1 Foster a corporate culture in which female employees can build careers without losing opportunities due to childbirth, child-raising or similar circumstances, and work to support such career formation.
- Target 2 Strive to entrench measures to reduce total working hours by continuously implementing the initiatives to reduce work hours and encourage staff to take paid leave, etc.
- Target 3 Strive to foster a work environment that is conducive for male employees to participate in childrearing, while instilling measures to encourage male employees to take childcare leave.
- Target 4 Establish various systems based on the laws and regulations known to employees in order to foster a workplace culture that shows consideration for childbirth and childrearing.

4-2 Initiatives Reflecting Employee Feedback

The Group's three life insurance companies conduct employee awareness surveys addressing issues like job satisfaction, working conditions and the personnel evaluation system, and have implemented various measures based on the survey results. We obtain views from employees as reference information for management, which include opinions about the current personnel system and its operation, as well as employee satisfaction, a critical element leading to greater customer satisfaction.

4-3 CSR Questionnaires for Employees

T&D Holdings attaches importance to communication within the Group, and seeks to grow together with every employee, each of whom it sees as an important stakeholder, in the course of fulfilling the Group's public mission and social responsibilities. Within the Group, the T&D Life Group's CR Report serves as a mirror that reflects the Group's situation. Therefore, the report is put to good use in improving our awareness about CSR. The Group distributed copies of CR Report 2015 to corporate officers and employees, and conducted a questionnaire in order to further improve the Group's CSR activities.

[Questionnaire respondents]

T&D Life Group corporate officers and employees * Questionnaires are completed anonymously.

About the Entire Report

《Commendable Sections》

- ① Toward a Society Where Everyone Can Work Vibrantly
(Utilization of Diverse Human Resources) 25.7%
- ② Toward a Society Where People Can Lead Their Entire Lives with
Peace of Mind (Product Development) 19.1%
- ③ Cover Story—Group Employees Discuss CSR 10.7%
- ④ Top Message 9.7%
- ⑤ Toward a Sustainable Society
(Initiatives for Reducing Environmental Impacts) 6.8%
- ⑥ Promotion of the Group's CSR Activities and Status of Activities 6.0%
- ⑦ Others 22.1%



《Conclusions drawn from the opinions and requests received》

Understanding of the Group's CSR initiatives is more widespread, with the number of responses about the T&D Life Group and its CSR initiatives increasing compared to last year and including comments such as "I'm proud to be a member of this Group" and "I hope to contribute through my work." Furthermore, the volume of information provided was reduced in response to comments received in the previous year that too much content was being provided.

《How we responded to their opinions and requests》

To further enhance employee awareness of CSR, a digest edition of CR Report 2016 was produced to make the Group's approach to CSR and its initiatives easier to understand, with key editorial policies including "present CSR in the report so that it feels like a more familiar, everyday activity" and "make the report easier to read." Moreover, the content related to contributing to society through business was expanded.

5. Health Promotion for Employees

5-1 Health Promotion for Employees

G4-LA8

Initiatives by the Human Resources Department

The T&D Life Group has a clinic at its head office, and promotes the health of its employees through periodic health committee meetings at each branch office in collaboration with industry physicians and the labor union. The Group companies also take care of the mental health of their employees and, by contracting external physicians, provide a system for consultation and medical service that employees can utilize free from anxiety.

Stress Check Program

All employees at T&D Life Group companies were invited to undergo a stress check as part of the program's goal of preventing mental health disorders. The Group encourages self-care among its employees, and has also put in place a system for employees under particularly high stress to receive in-person advice from a physician, and when necessary, to introduce such employees to specialists the Group has contracted with on a part-time basis. Each company also conducts group analysis, which is beneficial in improving the workplace environment.

Health Insurance Societies

The Group's three life insurance companies have their own independent health insurance societies, which work to prevent lifestyle diseases, promote good health and engage in other activities to help society members manage their health. The societies cover medical costs for members and their dependents, conduct campaigns to raise awareness about proper use of health insurance, pay subsidies for annual physical examinations such as complete medical check-ups and promote cancer screenings. Since fiscal 2008, the companies' health insurance societies have also been implementing specified medical check-ups and healthcare guidance with the aim of preventing lifestyle diseases.

1. Basic Concept

1-1 Basic Concept

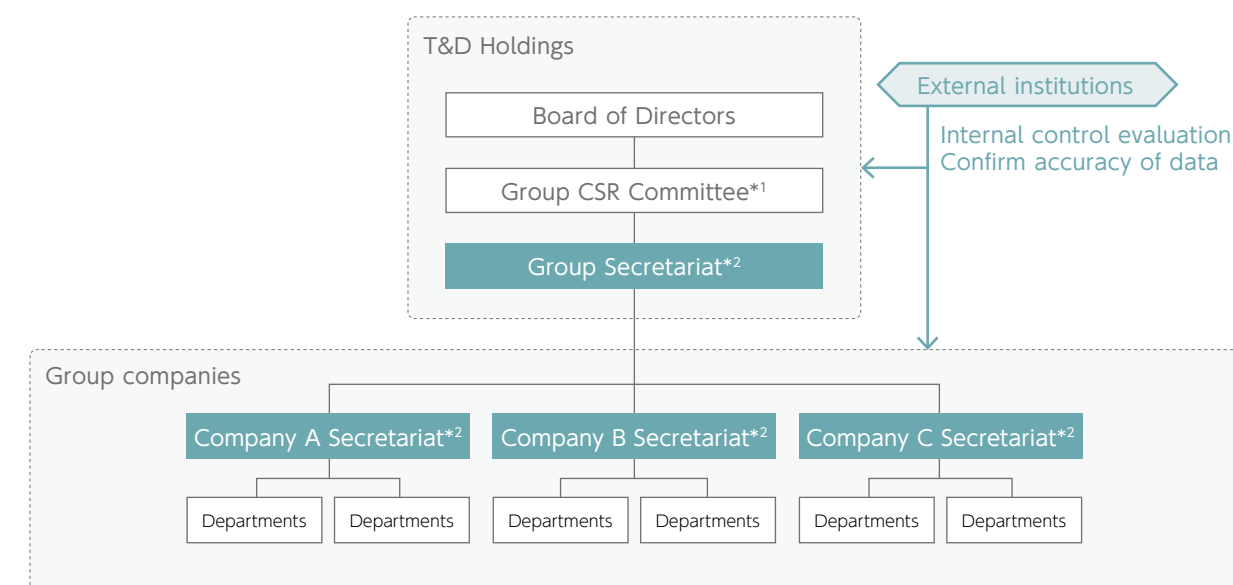
The T&D Life Group formulated the T&D Life Group Environmental Policy* to clarify the Group's stance on the environment and to publicize the policy among executives and employees and has promoted various activities to reduce our environmental impacts based on the policy. The T&D Life Group has announced that its basic policy is to carry out business activities with full awareness of the importance of environmental concerns and will give sufficient consideration to global environmental protection. In addition, based on the above environmental policy, the Group has set out its Green Purchasing Standards and Detailed Rules and gives priority to the purchase of products and services that help reduce its environmental impact in procuring a diverse group of goods ranging from office furniture, equipment and consumable supplies to real estate facilities and system equipment as well as in printing product brochures and policy documents.

* The T&D Life Group Environmental Policy is available on page 11.

2. Promotion Framework

2-1 Promotion Framework (Environmental Management)

DMA



*1 The Group CSR Committee is chaired by the representative director and president, and vice-chaired by the director and president (executive officer in charge of CSR).

*2 Secretariat = Group CSR Committee Secretariat

3. Environmental Initiatives

3-1 Environmental Initiatives

Reduction of CO₂ Emissions

As more than 90% of the CO₂ emissions derive from electricity use at the T&D Life Group, we have set targets for electricity use and are taking actions to cut our energy consumption.

Power-saving Efforts

Each year the T&D Life Group participates in a "Cool Biz" campaign from May to October (setting thermostats of air conditioners at 28°C) and a "Warm Biz" campaign from November to March (maintaining a room temperature at 20°C). In addition, as a power-saving measure to prevent global warming, the Group turns off or reduces the lighting in offices, meeting rooms, hallways and other areas when they are not in use.

● “Lights Down” Campaign

As an activity to raise the environmental awareness of each of the Group's executives and employees, the T&D Life Group has been conducting a campaign in which it calls for a simultaneous switch-off of all the lights in offices twice a year. In fiscal 2015, this activity was conducted in July and February. This initiative is being implemented in support of the “Reduce CO₂: ‘Lights Down’ Campaign” initiated by the Ministry of the Environment to address for lit up facilities and individual homes to turn off lights in order to help combat global warming.

● Efforts for Achieving Group-wide Targets

The T&D Life Group has set Group-wide targets related to environmental protection, and is working to achieve these targets in the course of its daily business activities

The Group's three targets are to reduce electricity consumption, reduce office paper consumption and improve the green purchasing ratio.

《Electricity Consumption》Targets and Results ▶ Page 51

In addition to the power-saving activities described in the preceding sections, we implement a multitude of measures to reduce electricity consumption. These efforts range from introducing a power demand monitoring system for controlling peak-time use in each building and setting a no overtime day, encouraging employees to put their computers into standby mode when they are away from their desk and turn off printers and multifunction machines when leaving offices.

《Office Paper Consumption》Targets and Results ▶ Page 52

We are promoting a campaign to reduce paper documents by 70% and increase paperless meetings. To decrease the use of office paper, we ensure efficient paper use, such as 2-in-1 and two-sided printing and test printing before printing a large quantity.

《Green Purchasing Ratio》Targets and Results ▶ Page 52

When procuring office supplies and stationery, we promote green purchasing by giving priority to products that are compliant with the Act on Promoting Green Purchasing and to Eco Mark products. In addition to establishing Green Purchasing Standards and working to prioritize purchasing of products that meet those standards, initiatives include setting up a system that requires approval when ordering office supplies online that are not environmentally compliant.

● Promoting Paperless Meetings

With the relocation of the head office to Tokyo's Nihonbashi district, efforts to introduce paperless meetings were expanded. To achieve this, progress was made in equipping conference rooms with office automation equipment and other devices, and the conversion to paperless proceedings was expanded to meetings of the Board of Directors, management meetings and so on. To enable day-to-day meetings to be conducted without paper, mobile PCs have been distributed and wireless LAN networks installed, and efforts continue to install display monitors on tables in meeting spaces and otherwise significantly reduce use of paper.

● Green Procurement Initiatives (Total Costs and Quantities of Procurement Intended for Environmental Protection)

In addition to green purchasing initiatives, which mainly target office supplies and other consumables, Green Procurement Standards that reduce environmental impact have been established for the printing of product brochures, policy documents and riders; procurement of lighting, air conditioning and other equipment for real estate; and for system equipment and office automation equipment. The Group gives priority to procurement of items that meet these standards. The results of these efforts to promote environmentally friendly procurement are not only collated in terms of amounts spent and quantities, but specific measures are also studied, shared among the Group companies and used to benefit environmental protection initiatives.

《Green Procurement Results》

	Portion known to apply/ not apply to standard, in figures				Portion for which applicability/ non-applicability is unknown		Total	
	Standard applicable		Standard non-applicable (thousand yen)		Quantity or number of orders	Amount (million yen)	Total number	Total amount (million yen)
	Number	Amount (million yen)	Number	Amount (million yen)				
Printing of product brochures, riders, etc.								
FY2013	341	224	673	134	409	36	1,423	393
FY2014	377	293	609	122	505	0.5	1,491	416
FY2015	236	320	621	103	483	0.2	1,340	424
System equipment and office automation equipment								
FY2013	1,149	108	0	0	78	78	1,227	186
FY2014	6,550	427	7,345	305	2	2	13,897	734
FY2015	5,373	476	18,797	699	228	266	24,398	1,441
Real estate equipment								
FY2013	16	1,026	0	0	5,061	5,660	5,077	6,686
FY2014	19	1,942	0	0	5,133	9,543	5,152	11,485
FY2015	12	986	0	0	5,271	5,097	5,283	6,082

(The total of T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, and T&D Asset Management.)

4. Reducing Environmental Impacts

4-1 Environmental Performance Data

G4-EN3 G4-EN8 G4-EN10 G4-EN15
G4-EN16 G4-EN17 G4-EN23

The T&D Life Group discloses its measurements of CO₂ emissions, electricity consumption, water consumption, and waste generated and recycling rate. (The applicable scope and calculation methods of this data are described on page 52 in “4-3 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results.”)

● CO ₂ Emissions			
★ indicates limited verification has been carried out by a third party.			
	FY2013	FY2014	FY2015★
Scope 1 (Direct emissions)	2,388 t	2,358 t	2,315 t
Scope 2 (Indirect emissions)	57,520 t	55,677 t	55,344 t
Scope 3 (Others)	6,654 t	6,357 t	6,412 t
Category 3 (Fuel- and energy-related activities)	3,974 t	3,751 t	3,772 t
Category 5 (Waste generated by business activities)	98 t	82 t	82 t
Category 6 (Business trips)	2,583 t	2,524 t	2,558 t
Total	66,562 t	64,392 t	64,071 t

● Electricity Consumption			
★ indicates limited verification has been carried out by a third party.			
	FY2013	FY2014	FY2015★
Electricity consumption	99,302 MWh	95,866 MWh	96,348 MWh

● Water Consumption			
★ indicates limited verification has been carried out by a third party.			
	FY2013	FY2014	FY2015★
Water consumption (Utility + reclaimed water)	73,900 m ³	71,100 m ³	64,300 m ³
Reclaimed water usage rate	25.0%	23.7%	18.2%

● Waste Generated & Recycling Rate			
★ indicates limited verification has been carried out by a third party.			
① Paper waste	FY2013	FY2014	FY2015★
Total amount	658 t	549 t	554 t
Recycling rate	78.5%	78.2%	85.4%
② Non-paper waste	FY2013	FY2014	FY2015★
Total amount	205 t	193 t	183 t
Recycling rate	66.2%	66.7%	68.2%

* From fiscal 2013, waste from the Taiyo Life Urawa Building was added to the calculation.

4-2 Group-wide Targets and Results

G4-EN1 G4-EN3 G4-EN5

The T&D Life Group has set Group-wide targets for electricity consumption, office paper consumption, and the green purchasing ratio, and is working to mitigate its environmental impact. (The applicable scope and calculation methods of this data are described on page 52 in “4-3 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results.”)

● Electricity Consumption

Baseline: FY2009 value (Electricity consumption per unit of floor space) (119 kWh/m²)

Target: Five-year average of FY2013 to FY2017 at least 10% below baseline value.

★ indicates limited verification has been carried out by a third party.					
	Baseline	FY2013	FY2014	FY2015*	Progress made (Average value of FY2013-FY2015)
Electricity consumption	72,163,000 kWh	57,873,000 kWh	56,340,000 kWh	56,573,000 kWh★	56,929,000 kWh
Total floor space	606,000 m ²	583,000 m ²	578,000 m ²	605,000 m ²	589,000 m ²
Per unit of floor space	119 kWh/m ²	99 kWh/m ²	97 kWh/m ²	93 kWh/m ²	96 kWh/m ²
Compared to baseline	—	83.3%	81.9%	78.5%	81.2% (18.8% reduction from the baseline value)

* The average floor space of the fiscal year shall be used in cases where the total floor space changes during the year.

* Some figures for the previous year adjusted to reflect additional values.

● Office Paper Consumption

Baseline: Five-year average from FY2009 to FY2013 (183.6 t)
Target: Cut five-year average from FY2014 to FY2018 by 9% compared to the baseline value.
★ indicates limited verification has been carried out by a third party.

FY2013	FY2014	FY2015★	Progress made (Average value of FY2014–FY2015)
163.2 t	160.2 t	151.8 t	85.0% (15.0% reduction from the baseline value)

* Total amount of office paper purchased.

● Green Purchasing Ratio

Target: Keep the green purchasing ratio for office stationery and supplies at a minimum of 80%.

FY2013	FY2014	FY2015
95.4%	96.0%	95.9% (Target exceeded by 15.9%)

* Applies to purchases through online purchasing systems.

● Effectiveness in Reducing CO₂ Emissions

The effectiveness of reduced CO₂ emissions resulting from the initiatives to reduce electricity and office paper use is as shown below.

FY2015	
Emissions savings from reduced electricity use	-1,401 t-CO ₂
Emissions savings due to reduced office paper use	-58 t-CO ₂

4-3 Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results

● Scope of Environmental Performance Data and Group-wide Targets and Results

Category	Environmental performance data		Group-wide targets and results	
	CO ₂ emissions	Electricity consumption	Office paper consumption	
	Electricity consumption	Green purchasing ratio		
T&D Holdings	Each business site	Each business site	Each business site	
Taiyo Life	Each business site + own building (tenant lease)	Each business site	Each business site (excluding sales offices and branch offices)	
Daido Life	Each business site + own building (tenant lease)	Each business site*	Each business site (excluding sales offices and branch offices)	
T&D Financial Life	Each business site	Each business site	Each business site	
T&D Asset Management	Each business site	Each business site	Each business site	
T&D Information Systems	Each business site	—	—	

Each business site: Refers to the head office, administrative centers, branches and sales offices (including sites occupied as tenants).
* From fiscal 2015, scope for calculating the amount electricity usage was expanded from each site in owned buildings to owned buildings and buildings occupied as tenants.

Category	Environmental performance data	
	Water consumption/Waste generated & recycling rate	
Tokyo Nihombashi Tower	Water consumption and waste generation by the T&D Group	
Shiodome Shiba-Rikyu Building	Water consumption and waste generation of the entire building (including tenants other than the T&D Life Group)	
Daido Life Osaka Head Office Building	Water consumption and waste generation by the T&D Group	
Taiyo Life Urawa Building	Water consumption and waste generation by the T&D Group	
Hamamatsucho Building	Water consumption and waste generation by the T&D Group	
Mita Bellju Building	Water consumption and waste generation by the T&D Group	


● Calculation Methods of Environmental Performance Data and Group-wide Targets and Results

Disclosure item		Calculation method	
Environmental performance data			
CO ₂ emissions	Scope 1 (Direct emissions)	The figures were calculated by multiplying the measured energy input by the predetermined coefficient in accordance with the Greenhouse Gas Emission Volume Calculation, Reporting, and Disclosing System. (The measured energy input comprises the measured gas, heavy oil, and kerosene.)	
	Scope 2 (Indirect emissions)	As above. (The measured energy input comprises the measured electric power, steam, and hot and cold water.)	
	Scope 3 (Others)	Group-wide	Basic Guidelines Ver. 2.2 regarding the measurement of greenhouse gas emissions generated by the supply chain. They are measured on the basis of directives from the Ministry of the Environment and the Ministry of Economy, Trade and Industry.
		Category 3 (Fuel- and energy-related activities)	The figures were calculated by multiplying the measured input of electric power, steam, and hot and cold water by the predetermined coefficient.
		Category 5 (Waste generated by business activities)	Calculated by multiplying the waste generated by the predetermined coefficient.
		Category 6 (Business trips)	Calculated by multiplying the number of Group personnel at the end of the fiscal year by the predetermined coefficient.
	Total	The total emissions from the sum of Scope 1 (Direct emissions), Scope 2 (Indirect emissions), and Scope 3 (Others).	
Electricity consumption		The annual amount of office-use electricity purchased from each energy-supplying company is calculated in accordance with the law on the rationalization of energy consumption.	
Water consumption		The reportable item according to the environmental reporting guidelines of the Ministry of the Environment comprises the amount used on the invoices received from the water supply authorities.	
Waste generated & recycling rate	Group-wide	Measured based on the Waste Disposal & Public Cleansing Law and other laws concerned with waste disposal and cleaning.	
	Waste generated	Calculated according to the invoices received from waste disposal companies.	
	Recycling rate	The recycled amount is calculated according to the invoices received from waste disposal companies, and the recycling rate is calculated by dividing the recycled amount by the waste generated.	
Group-wide targets and results			
Electricity consumption		The calculation excludes the amount used by tenants of the Group's buildings, and is calculated using the annual amount of office-use electricity purchased in accordance with the relevant energy-saving laws.	
Office paper use		A reportable item according to the environmental reporting guidelines of the Ministry of the Environment, and is calculated from the purchasing system data.	

4-4 Independent Assurance Report

G4-33

The T&D Life Group obtained third-party assurance from Ernst & Young Sustainability Co., Ltd. for fiscal 2015 data presented in section 4-1 Environmental Performance Data and section 4-2 Group-wide Targets and Results on page 51 in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and 3410 (International Auditing and Assurance Standards Board).



The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

September 9, 2016

Translation

Independent Assurance Report

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Kenji Sawami Executive Officer
Ernst & Young Sustainability Co., Ltd. Tokyo

We, Ernst & Young Sustainability Co., Ltd., have been commissioned by T&D Holdings, Inc. (hereafter “the Company”) to provide limited assurance on the Key Environmental Performance Indicators (hereafter “the Indicators”) of the Company and its major subsidiaries for the year ended March 31, 2016 included in Environmental Performance Data and Group-wide Targets and Results of the Company’s Corporate Responsibility Report 2016 (hereafter “the Report”). The scope of our work was limited to assurance over the information marked with the symbol “★” in the Report.

1. The Company’s Responsibilities

The Company is responsible for preparing the Indicators in accordance with the Company’s own criteria determined in consideration of Japanese Environmental Laws. The criteria represent Data in Scope and Calculation Methods of Environmental Performance Data and Group-wide Targets and Results of the Report. Greenhouse gas (GHG) emissions are estimated by using emission factors, which are uncertain because the scientific ground of the factors are not established and different instruments for measuring GHG emissions have different characteristics in terms of functions and presumed parameters.

2. Our Independence and Quality Control

We have complied with the independence requirements defined in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants in March 2013, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior. In addition, as a member of Ernst & Young ShinNihon LLC, our parent company, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board in April 2009.

3. Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board in December 2013, Practical Guidelines for the Assurance of Sustainability Information, revised in December 2014 by the Japanese Association of Assurance Organizations for Sustainability Information and, in respect of GHG emissions, the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board in June 2012.

The procedures, which we have performed according to professional judgment, include inquiries, inspecting documents, analytical procedures, agreeing with records of basic information on the Indicators, as well as the following:

- Inquiries about Company’s own criteria determined in consideration of Japanese Environmental Laws and evaluating their appropriateness;
- Inspecting relevant documents with regard to the design of the Company’s internal controls of the Indicators and inquiring of personal responsible thereof at the headquarters and one major subsidiary visited;
- Performing analytical procedures on the Indicators at the headquarters and one major subsidiary visited; and
- Agreeing to supporting documents and re-calculating with part of the Indicators at the headquarters and one major subsidiary visited on a test basis.

The procedures performed in a limited assurance engagement are more limited in nature, timing or extent than a reasonable assurance engagement.

As a result, the level of assurance obtained in a limited assurance engagement is not as that obtained if we had performed a reasonable assurance engagement.

4. Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that caused us to believe that the Indicators included in the Report have not been measured and reported in accordance with Company’s own criteria determined in consideration of Japanese Environmental Laws.

5. Forest Conservation Activities

5-1 Forest Conservation Activities Taiyo Life

G4-EN13

Forest Conservation Activities

Life insurance companies use vast amounts of paper including office paper, life insurance pamphlets, policy provisions and others in the course of its business operations. To restore forest resources and preserve greenery, Taiyo Life conducts afforestation projects. It has established the Forests of Taiyo Life in Nasushiobara (Tochigi Prefecture) and Takashima (Shiga Prefecture). The first Forest of Taiyo Life was established in March 2006 in Nasushiobara as a project under the Forestry Agency’s “Corporate Forest” program. In cooperation with the Enna District Forest Office and others, we conducted forest improvement activities including forest thinning and the maintenance of walking trails in July, September and October 2015. In addition, in May, we invited members of the Japan Down Syndrome Society and their families to take part in a forest studies class experience (total number of participants for the year: approx. 234). Our second corporate forest (Kutsuki Forest of Taiyo Life) was established in Takashima, Shiga Prefecture in November 2007. For this forest, we collaborated with the Asosatoyama Center, a local NPO, in conducting forest improvement activities, including improvement of forest roads and biotopes, in June, September and December, and hosted the “Acorn Project” in December. For the Acorn Project, local elementary students grow broad-leaf seedlings from acorns and then plant them in the forest at the time of graduation (total number of participants for the year: approximately 264).



Name of Forest	Forest of Taiyo Life (Tochigi Prefecture)	Kutsuki Forest of Taiyo Life (Shiga Prefecture)
Date of Establishment	March 2006	November 2007
Area	Approx. 4.8 ha	Approx. 12.7 ha
CO ₂ Absorption	19 t (Estimate by the Forestry Agency)	81 t (Estimate by Takashima City)

Forest Conservation Initiative: Use of Timber from Forest Thinning

As an initiative for reducing waste of resources while promoting sustainable forest conservation, Taiyo Life is conducting the following activities to achieve the “use it wisely” component of the “plant it, raise it, harvest it, use it wisely” cycle for forests.

“Chopsticks Project” launched to promote the use of disposable chopsticks made from domestic timber derived from forest thinning and wood scraps

Our employees and executives made use of 469,685 pairs of chopsticks in aggregate from September 2006 to March 2016.

To promote forest development by encouraging use of timber from forest thinning, Taiyo Life has created its own disposable chopsticks from Yoshino Japanese cedar derived from forest thinning. The chopsticks are distributed for a charge to those who request them, and efforts are made to use them at meals during internal meetings and so on.

Active Use of “3.9 Paper”*

Another initiative designed to promote use of timber from forest thinning is the use of “3.9 Paper” in paper wrappers for “Wood Thoughtfulness Chopsticks.”

* “3.9 Paper” is a project launched to promote the use of domestic timber from forest thinning. Under this project, the costs of the transportation of timber from the forest to the wood chip mill are borne by the users of the paper in printing.

6. Environmental Communications and Educational Activities

6-1 Environmental Communications and Educational Activities

T&D Holdings endorses the activities of the Japan UNEP Association which produces the Japanese edition of *Our Planet*, published by the United Nations Environment Programme (UNEP). This publication is distributed to all companies in the T&D Life Group as well as to local elementary and junior and senior high schools, public libraries, and other parties to raise awareness of environmental issues.



1. Basic Concept

1-1 Basic Concept

As a Group engaged in the life insurance business with its highly public and social nature, the T&D Life Group implements a variety of initiatives aimed at contributing to society and conserving the environment. In addition, the Group supports the volunteer activities of its employees and gets involved in social programs by partnering with the foundations. As a life insurance group, our efforts focus primarily on “improving health, medical care and welfare,” “developing a sound society” and “protecting the global environment,” the themes considered highly relevant in view of our commitment to fulfilling our public mission and meeting our social responsibilities with the ultimate aim of achieving sustained growth in step with society.

* The protection of the global environment is described in “VII. Priority Areas (3) Global Environmental Protection” on page 49.

2. Improving Health, Medical Care and Welfare

2-1 Blood Drives

The T&D Life Group cooperates with blood drives hosted by the Japanese Red Cross Tokyo Metropolitan Blood Center. The head office divisions (Tokyo) of each company held biannual blood drives in the summer and the winter, and executives and employees are encouraged to donate blood. In fiscal 2015, a total of 382 people in the Group donated blood during the drive.

2-2 Supporting the Japan Down Syndrome Society Taiyo Life

Taiyo Life and Friends of Taiyo Life Goodwill Circles support the Japan Down Syndrome Society.

《Main Activities》

- Support activities as a supporting member of the association
- Provide Taiyo Life conference rooms for use as venues for seminars held by the association and for meetings of its Board of Trustees and Board of Directors
- Participation of the corporate officers and employees of branches and head office departments as volunteers at association activities

2-3 The Taiyo Life Welfare Foundation

《Purpose of Establishment》

Established in 1984 to commemorate the 90th anniversary of the founding of Taiyo Life. This foundation works to improve social welfare in Japan by sponsoring the projects to enhance welfare of the elderly and the disabled.

* In December 2009, when the foundation was authorized as a public interest corporation, the name of the foundation was changed from Taiyo Life Himawari Foundation to the Taiyo Life Welfare Foundation.

《Main Activities》

- Project grants: Grants to the projects by volunteer groups and NPOs working to contribute to the welfare of the elderly and the disabled living at home.
- Research grants: Grants for study and research regarding lifestyle diseases and the healthcare and welfare of the elderly.

《Cumulative Grants from Establishment to FY2015》 1,882 grants; 1,186.99 million yen

● Main Activities in FY2015

In fiscal 2015, aiming to fulfill its key founding objective of contributing to improved social welfare, the foundation continued offering grants to projects undertaken by volunteer groups working resolutely to enhance the welfare of local communities. The foundation also awards research grants to study and research programs seeking to improve the welfare of the elderly and so on.

In fiscal 2015, a total of 69 grants (worth 22.12 million yen) were offered to 63 volunteer/NPO projects (19.72 million yen) and 6 study/research projects (2.4 million yen).

2-4 The Daido Life Welfare Foundation

《Purpose of Establishment》

Daido Life established the foundation in 1974. The foundation aims to contribute to public health and welfare by providing grants to programs designed to address health problems arising from the deterioration of environmental living conditions, together with various issues associated with the sharp increase in the number of elderly people.

《Main Activities》

● Regional Health and Welfare Research Grants & Volunteer Activity Grants

- Regional health and welfare research grants: Support research programs conducted by those involved in public health promotion and welfare activities to address issues faced by local communities in the areas of health, medical care and social welfare.
- Company worker volunteer activity grants: Support volunteer activities conducted by workers who use their days off to work toward enhancing the welfare of senior citizens and disabled people, or fostering the healthy emotional development of children through social interaction.
- Senior volunteer activity grants: Support volunteer activities conducted by people aged 60 and over to enhance the welfare of senior citizens or disabled people or foster the healthy emotional development of children through social interaction.

《Cumulative Grants from Establishment to FY2015》 3,598 grants; 1,583.57 million yen

● Publication of the “Environment and Health” Series Brochures

Published the “Environment and Health” series brochures, which contain articles written by experts in a compact and reader-friendly style on various issues of particularly high public interest in areas of the environment, health and welfare. Since its launch in 1975, 71 brochures have been published. To ensure that these brochures are accessible to many people publications in recent years were digitized and made public on the foundation’s website.

● Home Care/Nursing Consultation and Workshop

A video mostly depicting scenes from the home care/nursing consultation and workshop is available as a DVD and can be borrowed free of charge.

3. Developing a Sound Society

3-1 Nationwide Clean Campaign Taiyo Life

As a part of its activities for contribution to the local community, Taiyo Life began an annual cleaning of the vicinity of its head office in 1982.

In 2004, it renamed this activity the “Nationwide Clean Campaign,” and its branches nationwide, from Hokkaido in the north to Okinawa in the south, began clean-up campaigns in the surrounding community. In fiscal 2015, the campaign attracted 8,619 participants (executives, employees, and their families) from the head office, affiliated firms, and branches. The head office, based in the Shiodome district in Tokyo, organized a joint street clean-up campaign in cooperation with the Minato Ecoconscious Consortium (mecc) based in Minato Ward in Tokyo, of which Taiyo Life is a member. Employee volunteers from Group companies (Daido Life, T&D Financial Life, T&D Asset Management, Pet & Family Small-amount Short-term Insurance, and T&D Holdings) and Taiyo Life’s affiliates, as well as from mecc member companies, participated in the event.

3-2 Sponsorship of the Japan Junior High School Rugby Football Tournament Taiyo Life

Since fiscal 2011, Taiyo Life has been a special sponsor of the Japan Junior High School Rugby Football Tournament hosted by the Japan Rugby Football Union (JRFU). Taiyo Life chose this sponsorship in sympathy with the basic spirit of Rugby, “all for one, one for all” which is common to the basic principal of life insurance. In full endorsement of the objective of the tournament, which can be summarized as “helping young rugby players and other youth to develop the quality and skills necessary for shaping a sound society,” we are supporting the sound development of young people through promoting junior high school rugby in cooperation with the JRFU.

3-3 Supporting Sports for People with Disabilities Daido Life

Daido Life has been a special sponsor of the National Sports Festival for People with Disabilities every year since the first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in 1992, when Daido Life celebrated its 90th anniversary. It is the largest sports event for people with disabilities in Japan, aiming at helping the disabled experience the joy of playing sports, raising public awareness about their lives, and promoting greater social participation. Every year, Daido Life sets up a company booth in the Fureai Hiroba (Get-Together Plaza), a venue for interacting with participating athletes, where many executives and employees of Daido Life and Taiyo Life work as volunteers to support this event.

In January 2015, Taiyo Life commenced initiatives to further spread and develop sports for people with disabilities in its capacity as an official partner of the Japanese Para-Sports Association.

* The National Sports Games for the Mentally Handicapped merged with the National Sports Games for the Physically Disabled in 2001, and has been held as the National Sports Festival for People with Disabilities since then.

3-4 Endowed Open Courses at Universities Daido Life

As an expression of gratitude to its many supporters, Daido Life began annually endowing open courses at universities in fiscal 2002 as part of the company’s centenary celebrations. These courses offer a lineup of topics that include a mixture of theory and practice, and provide managers of small- to medium-sized businesses with opportunities for acquiring knowledge and skills relevant to management and business. The courses have been very well received by those who have attended them, with over 12,000 people participating over the past 14 years.

In fiscal 2015, courses were held at seven universities across Japan, including Japan Women’s University of which Asako Hirooka (a female industrialist in Japan’s Meiji Period (1868-1912) who was one of the founders of Daido Life) was involved in the founding.

3-5 Friends of Taiyo Life Goodwill Circles

The Friends of Taiyo Life Goodwill Circles (“Friends”), which was established in December 2005 and is composed of executives and employees from Taiyo Life and its affiliates, has 8,470 members as of March 31, 2016. In order to support social contribution activities on a monthly basis, the members contribute from their take-home salary. At present, the Friends mainly provides supports for local community-based social contribution activities driven by branches nationwide and head office departments, environmental conservation activities in cooperation with NPOs and the like, and educational support. Details of the activities are posted in Taiyo Life’s in-house journal, through which the company is calling for broader participation by executives and employees in the activities.

《Major Activities in FY2015》

- Contribution to local communities: Participation in a concert hosted by an NPO that supports the lives of children with disabilities and collection and donation of pull tabs, aluminum cans and PET bottle caps
- Educational support: Donation of school bags to children in Afghanistan through JOICFP (a Japan-based international NGO)

3-6 Daido Life Employees’ Community Contribution Club

The Daido Life Employees’ Community Contribution Club, which was established in 1992 as an independent organization for corporate citizenship activities and is composed of Daido Life’s executives and employees, works to promote and support fundraising activities and volunteer activities. In addition, since 1994, the club has been implementing the One-day Outing Volunteer Activity for the Physically Disabled. Under this program, employees take volunteer work leave to help people with physical disabilities, who are rarely able to go outside in everyday life, so that they can take part in an outing. The program offers participants opportunities to deepen their understanding of disabilities by directly interacting with disabled people while talking and dining together, assisting wheelchair users, providing walking assistance and so forth.

《Major Activities in FY2015》

- Fundraising and donation: Proceeds from donations from executives and employees and revenues from the charity calendar exhibitions were used as funds to make contributions to organizations that support social charitable activities and facilities for the disabled.
- Used stamps and pre-paid cards collection drive: Used stamps and pre-paid cards collected by head office departments, branches nationwide, and affiliates were put to good use in supporting overseas medical cooperation and in giving wells as gifts to the areas in Asia suffering from water shortages through organizations supporting social contribution activities. In addition, by collecting PET bottle caps, the club also assisted the Ecocap Movement to fund vaccines for children in the developing world while contributing to the global environment.
- Volunteer activities: In addition to participating as volunteers in the National Sports Festival for People with Disabilities and conducting the One-day Outing Volunteer Activity for the Physically Disabled, the club also participated in clean-up activities in the areas surrounding the Osaka head office and the Tokyo head office.

3-7 Hosting Internship Program Daido Life

Daido Life provides college students with internship opportunities in order for them to understand the life insurance business, both for general business operations and specialized operations such as actuary and asset management. Through the internship program, where the participants can practice working experience in the workplace related to their university major and career interest, they will be motivated to work and deepen their understanding of the required knowledge and skills and a typical workplace environment, and utilize them as a basis for designing a specific career plan and for considering their aptitude.

3-8 The Daido Life Foundation

《Purpose of Establishment》

The Daido Life Foundation was established in 1985 in celebration of the company’s 80th anniversary. The objective of the foundation is to promote international mutual understanding through cultural exchanges with or grants to other countries, thereby contributing to the internationalization of Japan.

《Main Activities》

- Presentation of Daido Life Foundation Awards for Area Studies

To encourage area studies globally, the foundation gives Daido Life Foundation Awards for Area Studies and Daido Life Foundation Encouragement Awards for Area Studies to researchers who have achieved superior results in area studies. Daido Life Foundation Area Studies Special Awards are presented to individuals who have made a distinguished contribution to deepening international mutual understanding.

- Translation and Publication Activities

With the aim of helping Japanese people deepen their understanding of the history, cultures and customs of other Asian countries and facilitate friendship between them, the foundation undertakes translation of literature published in the region; 66 contemporary Asian works including novels, poems, essays, etc., from 12 countries were translated into Japanese and donated to universities and public libraries across Japan. With a view to increasing readers of and interest in these works, the foundation has digitized these publications and made them available for free in an electronic format on their website. On the other side, Japanese literature and biographies of Japanese figures are translated into various Asian languages in a bid to help people in the region to develop a better understanding of Japan and its culture. A total of 35 Japanese works have been translated into local languages for publication in 8 countries and donated to local universities and libraries.

- Educational Support Activities

The foundation offers support to improve educational environments in Southeast Asian countries by sponsoring school construction projects (20 schools constructed in 5 countries) and donating books and school supplies in the hope to raise awareness of the importance of school-based education in local communities. In commendation of its efforts and contributions to education over the years, the foundation was conferred a Third Order of Labor Merit by the government of Laos in February 2013.

3-9 Support for Areas Affected by Disasters

When a major disaster occurs, the T&D Life Group and its Group companies provide support, including making contributions to disaster relief funds and cooperating with recovery work.

Shortly after the Great East Japan Earthquake, the T&D Life Group began offering support toward recovery in the disaster-hit areas. The Group promptly dispatched its executives and employees to the affected areas, where they participated and are still participating in volunteer activities such as removing rubble, bringing in relief goods, and rebuilding individual homes and temples/shrines. In fiscal 2015, the fifth fiscal year after the disaster, the Group provided a broad range of support including making donations.

In the case of the Kumamoto Earthquakes, the Group made donations to offer support toward recovery in the disaster-hit areas.

3-10 Daido Life Survey Daido Life

From October 2015, Daido Life has been conducting the Daido Life Survey, a monthly survey for managers of small and medium enterprises (SMEs) nationwide. The survey aims to collect the direct opinions of the managers of SMEs on such matters as business confidence and management issues of SMEs, in order to help us by providing corporate management tips.

Daido Life strives to provide useful and timely information, including on topics in which all managers are highly interested, together with tips about corporate management, by focusing on the small businesses that comprise most SMEs and by taking advantage of the uniqueness of this monthly survey.

1-1 Signing the Principles for Responsible Investment

The two companies of Taiyo Life and T&D Asset Management have become signatories of the Principles for Responsible Investment (PRI)*, which are supported by the United Nations.

Signatory of:



Taiyo Life Insurance Company

In order to further fulfill its social responsibility as an institutional investor, Taiyo Life determined that it was essential to exert its influence for the betterment of society and the global environment through investment and lending activities to a greater extent, and to contribute to the realization of a sustainable society.

In line with this thinking, in March 2007, Taiyo Life became the first Japanese life insurance company to sign the PRI.

Based on these principles, Taiyo Life gives due consideration to ESG issues, namely, environmental (E), social (S), and governance (G) issues, and promotes asset management to achieve a sustainable society.

T&D Asset Management Co., Ltd.

T&D Asset Management endorses the concept of the PRI, and signed them in March 2012. As an institutional investor that engages in the investment management business, T&D Asset Management tackles ESG issues in a manner consistent with meeting the long-term interests of customers. Accordingly, the company is also committed to pursuing the sustained growth of these investee companies, particularly through holding constructive dialogues with them and through the exercise of voting rights, with the aim of increasing the medium- and long-term investment returns on the funds entrusted to it by customers.

The status of each Group company's PRI initiatives is reported in RI Transparency Report.

WEB <http://www.unpri.org/signatories/signatories/>

* The Principles for Responsible Investment (PRI) is a code of conduct for the global financial industry that was proclaimed by Kofi Annan, the secretary-general of the United Nations in 2005. A commitment to these principles has been signed by over 1,500 financial institutions worldwide, and by 48 in Japan, including the above 2 companies (as of August 2016).

1-2 Policy of Socially Responsible Investment and Investment Decision-making

Taiyo Life, Daido Life and T&D Asset Management have incorporated the viewpoint of socially responsible investment in their investment and lending processes.

Taiyo Life Insurance Company

Taiyo Life handles the insurance premiums entrusted to it by customers, and conducts asset management founded on these insurance premiums, from the viewpoints of profitability, stability, and the public interest. As an institution signing its commitment to PRI, Taiyo Life has adopted another basic attitude of considering ESG issues in the form of the rules applied to asset management.

In line with this basic attitude regarding this type of asset management, Taiyo Life reflects its PRI thinking in its investment and lending processes when it invests in stocks and real estate, or lends to companies.

Daido Life Insurance Company

Daido Life recognizes the business of a life insurance company is highly social and public, and conducts asset management founded on the insurance premiums entrusted to it by customers. Based on these, Daido Life gives consideration to the ESG issues of companies receiving investment and lending as one judgment criterion for investing and lending.

In detail, the screening process for investment and lending incorporates various confirmations, including the ESG-related initiatives of the companies receiving investment and lending, and associated problems.

Moreover, Daido Life gives consideration to non-financial information such as ESG in addition to financial information when holding dialogues with companies in which it has investment in their shares. Daido Life has also stated and announced this position in its basic policy on the Japanese version of the Stewardship Code.

T&D Asset Management Co., Ltd.

As an institutional investor engaged in the asset management business, T&D Asset Management tackles ESG issues in a manner consistent with meeting the long-term interests of customers.

T&D Asset Management believes that environmentally friendly, socially conscientious companies with excellent corporate governance are superior companies from the viewpoint of sustainability. Based on this belief, T&D Asset Management has assigned dedicated ESG survey staff to conduct ESG surveys of companies in Japan. ESG information is provided to personnel in charge of handling domestic shares and domestic industrial bonds as materials for making investment judgments.

Furthermore, T&D Asset Management cooperates with the major US SRI company Domini Social Investments LLC to grasp overseas ESG trends by means of information exchanges.

1-3 Examples of Key Socially Responsible Investment Initiatives

Taiyo Life, Daido Life and T&D Asset Management are implementing the following initiatives.

Taiyo Life Insurance Company

(1) Investing in a wind and solar power generation investment fund

In recent years, with the aim of responding to the issues of global warming, environmental protection, and the depletion of energy and other resources, there has been much interest in the introduction and promotion of renewable energy, including solar power, water power, wind power, and geothermal energy. On the basis of this rising interest, Taiyo Life is investing in an investment fund targeting large-scale wind power generation and solar power generation businesses (mega solar businesses) that can contribute to global environmental protection and saving energy.

(2) Investment in green bonds

Taiyo Life invests in green bonds, which are climate-change bonds issued by international financial organizations with the goal of addressing global warming and other worldwide environmental problems, by supplying capital to renewable energy businesses, efficient energy businesses and others.

(3) Real estate involvement that gives consideration to the environment and the aging society

Taiyo Life examines and introduces initiatives that give consideration to the environment and the aging society when it constructs new real estate projects and large-scale renovations. Moreover, it considers making building exteriors beautiful and in harmony with their surroundings, while at the same time taking the opportunity of building projects and renewals to reduce CO₂ emissions and suchlike from the viewpoint of giving attention to environmental protection.

(4) Investment that contributes to realizing a sustainable society

Taiyo Life gives adequate consideration to ESG issues, and promotes asset management aimed at realizing a sustainable society. As part of this approach, the company invested in so-called EYE bonds that contribute to education and supporting youth and employment in Central and South America and Caribbean countries.

Daido Life Insurance Company

(1) Investment and lending for infrastructure business, including the renewable energy field

Daido Life invests in an infrastructure fund to conduct highly public and social investment and lending from the viewpoint of making loans to electric power generation businesses that use renewable energy and can contribute to protecting the environment, and contributing to the formation of social capital.

(2) Investment and lending for funds providing business support to small and medium enterprises (SMEs)

Daido Life continuously supplies investment and loans to funds that support the growth and development of the SMEs underpinning the Japanese economy.

(3) Contribution to the global environment and local communities through company-owned buildings

Daido Life is promoting energy conservation from a building management perspective by implementing measures to upgrade physical assets, such as introducing highly efficient, energy-saving equipment, in tandem with measures to address non-physical aspects, such as reducing certain lighting in common areas. In addition, Daido Life is contributing to cultural enrichment and other aspects of communities by installing atriums and providing relaxing public spaces connected to neighboring parks at certain buildings.

T&D Asset Management Co., Ltd.

(1) Investment assessments incorporating ESG survey information

T&D Asset Management incorporates ESG assessment methods in evaluating potential investments. These include a business model assessment, in which the Company evaluates individual industry business models from an ESG perspective, based on proprietary industry classifications similar to the Global Industry Classification Standard (GICS) and a stakeholder relationship assessment, which looks at whether positive relationships with stakeholders are maintained from the point of view of ESG.

(2) Joint engagement with global credit rating agencies

T&D Asset Management participated as a committee member in a joint engagement with credit rating agencies, using the UN-backed Principles for Responsible Investment (PRI) regarding bonds as a platform. The company believes that considering ESG information as well as financial data in analyzing the creditworthiness of companies and their sovereignty can improve the quality of credit ratings and enhance the credibility of bond markets as a whole. After explaining this approach to the credit rating agencies through the joint engagement, and after a year of dialogue, the six agencies agreed and a statement was released in May 2016 announcing that they would begin working with investors on ESG in credit ratings.

WEB The statement can be found here:

<https://www.unpri.org/group/statement-on-esg-in-credit-ratings-2406>

Joint Group-wide Initiatives

(1) Investing in the T&D Japan Equities ESG Research Fund

As part of efforts to engender cooperation among the Group companies and help solve social issues through business activities, Taiyo Life and Daido Life have invested in the T&D Japan Equities ESG Research Fund*, a fund newly set up and managed by T&D Asset Management. Fund management began in July 2015.

* This fund selectively invests in companies with superior ESG performance by choosing stocks based on ESG research, with the aim of generating returns in excess of the market average over the medium and long terms. In parallel, the fund seeks to contribute to the formation of a sustainable society by investing in companies that are helping to reduce adverse environmental impact and achieve a healthy society.

(2) Investment in Japan’s long-term strategic fund

Taiyo Life and Daido Life have invested in A.I. Capital Japan 3 Investment Limited Partnership*, a fund established as the managing entity of A.I. Capital, which is an affiliate of T&D Holdings and Daido Life, and launched in April 2016.

* This fund-of-funds targets investments in funds aiding new business development and business revitalization through management support for small-sized, medium-sized and middle-tier companies in Japan. Its goal is to contribute to Japan’s growth strategy while expanding investment income over the medium to long term.

1-4 The Principles for Responsible Institutional Investors (the Japanese Version of the Stewardship Code)

Three of the Group’s companies, Taiyo Life, Daido Life and T&D Asset Management, endorsed and expressed their commitment to the Principles for Responsible Institutional Investors (the Japanese version of the Stewardship Code) in May 2014.

Details of each company’s basic policies, policy on exercising voting rights and status of exercising voting rights with respect to the Principles for Responsible Institutional Investors are disclosed on the companies’ respective websites (Japanese).

Taiyo Life Insurance Company	https://www.taiyo-seimei.co.jp/company/activity/ssc.html https://www.taiyo-seimei.co.jp/company/activity/exercise.html
Daido Life Insurance Company	http://www.daido-life.co.jp/about/info/topics/ssc.html http://www.daido-life.co.jp/about/info/topics/voting.html
T&D Asset Management Co., Ltd.	http://www.tdasset.co.jp/company/principles/stewardship/ http://www.tdasset.co.jp/company/principles/voting/

* T&D Financial Life has not expressed its commitment to the Principles for Responsible Institutional Investors because it does not hold any listed stocks in Japan.

Policy on Exercising Voting Rights

Taiyo Life and Daido Life

When exercising their voting rights, Taiyo Life and Daido Life endeavor to make voting decisions based not only on formal decision-making criteria such as financial information, but also on non-financial information such as ESG considerations. Moreover, the two companies foster the sustainable growth of investee companies by conducting purposeful dialogue with those companies on a daily basis. Based on this basic approach, the two companies exercise their voting rights strictly in accordance with the Guidelines for Exercising Voting Rights established to ensure the appropriate exercise of voting rights. In order to further enhance measures to exercise voting rights, those guidelines were revised in June 2015 in line with the purport of “Japan’s Corporate Governance Code—Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term.”

《Main Focal Points for Carefully Examining Proposals, Engaging in Dialogues and Making Voting Decisions》

- ▶ Has the investee company decided to pay no dividends despite having ample funds for dividend payments? Is the dividend payout ratio extremely low (or high)?
- ▶ Does the investee company face problems in connection with any activities against public order and common decency (willful tax evasion, collusion, bribery, etc.) and/or antisocial activities such as environmental destruction (actions deemed questionable in light of ESG problems)?
- ▶ From the standpoint of requesting investee companies to ensure corporate governance is functioning effectively in management, does the investee company present problems in terms of any of the following:
 - Level of ROE
 - Number and independence of outside directors
 - Attendance rate of corporate officers at meetings of the Board of Directors and the Audit & Supervisory Board
 - Length of service of Audit & Supervisory Board members
 - Eligible recipients of retirement benefit payments
 - Eligible recipients of stock options

T&D Asset Management

T&D Asset Management believes that exercising voting rights is an effective means for shareholders to increase the corporate value of investee companies by giving the shareholders a say in corporate governance, which has a pivotal impact on corporate management. Based on this belief, T&D Asset Management has clearly codified guidelines in its internal rules for expressing its voting intentions on proposals put forward to the Ordinary Shareholders’ Meeting. This is in order to fulfill the company’s fiduciary responsibility of maximizing shareholder returns when investing its funds under management.

- In addition, the company carefully examines all proposals put forward based on the Guidelines for Exercising Voting Rights.
1. Appointment of corporate officers (directors, Audit & Supervisory Board members, and audit and other committee members)
 2. Compensation and retirement benefits for corporate officers
 3. Stock options
 4. Capital policies
 5. Amendments to the Articles of Incorporation
 6. Antitakeover measures
 7. Shareholder proposals

Status of Exercising Voting Rights (Status of Stewardship Activities)

Taiyo Life and Daido Life

Based on the Guidelines for Exercising Voting Rights, Taiyo Life and Daido Life exercised their voting rights for all proposals put forward to Shareholders’ Meetings held from July 2015 to June 2016, after engaging in dialogue with the investee companies as necessary.

《Status of Dialogue》

Taiyo Life and Daido Life emphasize dialogue with investee companies. Through proactive dialogue with investee companies, Taiyo Life and Daido Life work to verify the circumstances faced by management and share an awareness of issues while continuously taking steps to help increase shareholder value.

From July 2015 to June 2016, Taiyo Life engaged in dialogue with 38 companies, and Daido Life engaged in dialogue with 92 companies. Examples of companies with whom Taiyo Life and Daido Life engaged in dialogue are as follows.

Examples of companies with whom Taiyo Life and Daido Life engaged in dialogue

- Companies whose ROE fell below a certain threshold
- Companies that gave priority to retaining internal reserves over returning profits to shareholders for no compelling reason
- Companies planning to reappoint outside directors who had a low attendance rate at Board of Directors Meetings
- Companies planning to reappoint Audit & Supervisory Board members who have served for extensive periods of time
- Companies that have proposed granting retirement benefits to corporate officers even while not returning profits to shareholders
- Companies that have been involved in misconduct or other such incidents
- Companies that have an extremely low or high dividend payout ratio
- Companies that have proposed deploying antitakeover measures without sufficient explanation of their background or objective
- Companies that do not have an independent director serving on their Board of Directors

《Status of Exercising Voting Rights》

Taiyo Life and Daido Life reject proposals in cases where problems are not rectified despite constructive dialogue, cases where shareholder value is highly likely to be impaired and in certain other circumstances.

From July 2015 to June 2016, Taiyo Life announced that they intended to reject 13 proposals (2.4% of the total number of proposals), and Daido Life announced that they intended to reject 42 proposals (5.1% of the total number of proposals). Examples of proposals that Taiyo Life and Daido Life rejected are as follows.

Examples of rejection

- Proposals for appropriation of surplus that pay no dividends despite having ample funds for dividend payments
- Proposals to grant retirement benefits to corporate officers even while not returning profits to shareholders
- Proposals to appoint directors at companies with an ROE below a certain level
- Proposals to reappoint outside directors who have a low attendance rate at Board of Directors Meetings
- Some of the proposals to reappoint directors at companies with persistently low profitability indicators
- Some of the proposals to reappoint representative directors at companies without at least one independent outside director on the Board of Directors

T&D Asset Management

《Status of Dialogue》

T&D Asset Management views individual meetings, small meetings and other such forums with companies as opportunities to engage in constructive dialogue. This dialogue seeks to foster sustained growth principally from the viewpoints of business strategies, capital efficiency and shareholder returns, as well as from ESG perspectives. From July 2015 to June 2016, T&D Asset Management engaged in dialogue with 46 companies. Examples of such dialogue undertaken with companies are as follows:

- (1) T&D Asset Management requested that a company that tended to formulate conservative medium-term business plans would act to more clearly indicate what new challenges it would undertake. The company came up with a new medium-term plan with a more aggressive approach.
- (2) T&D Asset Management asked a company to include feedback from its outside directors in its annual report, so that those outside the company could understand their thinking. The company did so.
- (3) T&D Asset Management urged a company to consider ESG in its selection criteria when it is selecting overseas business partners. The company subsequently proposed multiple candidates, and is working with a consultant on the selection process. They responded that they would consider the items explained and pointed out to them.

《Status of Exercising Voting Rights》

T&D Asset Management has established an internal Voting Rights Exercising Committee to discuss and decide on required matters related to the exercise of voting rights. The committee is chaired by the executive officer in charge of the Investment Division, and comprises members in charge of the Investment Management Department and the Legal & Compliance Department. Meetings are held from time to time as required. Guidelines for exercising voting rights are determined by the committee chairman after discussion among committee members. The individual in charge of the committee's secretariat then prepares the draft directions for exercising voting rights, with the executive officer in charge of investment making the final decision. Under this procedure, from July 2015 to June 2016, T&D Asset Management announced that they intended to reject 1,080 proposals (15.5% of the total number of proposals). Examples of proposals that T&D Asset Management rejected are as follows.

- (1) T&D Asset Management carefully reviewed proposals for moving from being a company with an Audit and Supervisory Board to becoming a company with an Audit & Supervisory Committee, as part of a resolution for amending the company's Articles of Incorporation, in the case that such proposals included delegating important business execution to specific directors.
- (2) With regard to proposals for executive compensation involving introduction of a performance-linked stock compensation program, T&D Asset Management judged such proposals based on whether or not the program in question was designed with the goal of achieving medium- to long-term company growth.
- (3) With regard to shareholder proposals, T&D Asset Management approved proposals that it judged would improve management transparency through the disclosure of information.

Third-party Opinion

Expectations That ESG Investment Initiatives Will Gain Speed

I respect T&D Holdings for its sincere, multifaceted efforts to date guided by its philosophy of contributing to all people and societies through the life insurance operations.

Putting a philosophy down on paper is easy, but I believe that actually being able to live up to it is largely a result of achieving the understanding and daily diligence of every single employee. I applaud that. However, the external environment is also changing dramatically. Therefore, I would like to offer feedback now that delves deeper and aims higher.

1. Consistent Approach to CSR

It is excellent that the Company consistently puts providing better products and service at the core of CSR. Insurance itself is a product that is underpinned by the spirit of mutual aid. I think that making provisions for things like nursing care and the treatment of dementia is really necessary in an aging society. The Company also gives consideration to making procedures easy to understand and ensuring appropriate payment.

Insurance represents buying security for the distant future. Continued corporate existence therefore has important implications for policyholders, even more so than for different products from other companies. In that regard, I think the risk management initiatives being taken from diverse angles are also good. Within the Company, initiatives to promote work-life balance are being advanced alongside those to encourage active participation by female employees. These measures are actually delivering results, especially in the form of an ongoing rise in the ratio of female managers. I also regard highly the stakeholder dialogue this time that covers a specific theme—global warming issues.

I respect the Company's widespread social contribution activities as well. That includes the aid provided through foundations and the "Forest of Taiyo Life" forest conservation efforts. I think it is important for us to remember that such philanthropic activities that go beyond the bounds of core operations support civil society along with CSR initiatives through main business.

2. Aim for ESG Investment on par with European Standards

Life insurers are also institutional investors that manage the premiums they receive. I think the Company has also worked steadily on this front by investing in green bonds, making loans to renewable energy businesses, and investing in T&D Japan Equities ESG Research Fund, among other actions.

Meanwhile, the United Nations adopted sustainable development goals (SDGs) and forged the Paris Agreement agreed at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change ("COP21"). European investors are working together on those international goals. Responsible investors are taking action at a gathering speed, including making moves to reduce investment portfolios' carbon footprints and the undertaking the "Aiming for A" initiative that seeks to transform the business models of investee companies through engagement. These investors are not simply putting some money into ESG funds, but taking social and environmental factors into account for all investment decisions. I would like T&D Holdings to also aim for ESG investment on par with that of European institutional investors. There are several reasons I believe the Company should aim that high.

Firstly, T&D Holdings is a universal owner with investment diversified among a wide range of stocks. Over the long run, the performance of those investments hinge on overall economic trends. It therefore makes sense to invest in a manner that serves to increase the sustainability of both the overall economy and society at large, including by working to resolve ESG issues through investments. Further, considering ESG factors when investing the funds entrusted to the Company protects the interests of the customers, namely, the policyholders.

This is because it is the policyholders that are actually affected by the recent phenomena of abnormal weather and economic disparities, both of which have started to pose real risks to life and health.

In 2015, the U.S. Department of Labor released an interpretative bulletin pertaining to the Employee Retirement Income Security Act (ERISA), stating that taking ESG factors into account is compatible with fiduciary duty. In Japan, the Government Pension Investment Fund (GPIF) and the Pension Fund Association have become signatories to the United Nation's Principles for Responsible Investment (PRI). Given these changes in the external climate, I think it is time for T&D Holdings as well to shift its initiatives on the investment front into a higher gear.

Takeshi Mizuguchi

Professor, Faculty of Economics, Takasaki City University of Economics

Graduated from the College of Policy and Planning Sciences, Third Cluster of Colleges, Tsukuba University in 1984. After working at Nichimen Corporation and Eiwa Audit Corporation, he became a lecturer in the Faculty of Economics at Takasaki City University of Economics, and assumed his present position in 2008. His primary areas of research include responsible investment and the disclosure of non-financial information. He has also served as chair of the Japanese Institute of Certified Public Accountants' Technical Committee on Environmental Accounting, and as a member of the Central Environment Council's Special Committee on the Environment and Finance. At present, he serves as the joint representative director of the Japan Sustainable Investment Forum. His principal books include *Responsible Investment* (Iwanami Shoten), *Accounting and Investment for Social Change* (Iwanami Shoten), *The Environment and Financial/Investment Trends* (author/editor, Chuo Keizai-sha), and *Environmental Management and Accounting* (co-author, Yuhikaku Publishing).



General Standard Disclosures

Category and item number		Reference
Strategy and Analysis		
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	I Top Message/Organizational Profile ▶ Top Message
Organizational Profile		
G4-3	Name of the organization	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-3 Corporate Profile
G4-4	Primary brands, products, and services	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-1 Outline of the T&D Life Group's Business I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-2 T&D Life Group Companies and Foundations
G4-5	Location of the organization's headquarters	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-3 Corporate Profile
G4-6	Number of countries where the organization operates and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-2 T&D Life Group Companies and Foundations
G4-7	Nature of ownership and legal form	III Governance and Internal Control ▶ 2. Disclosure of Information to Shareholders and Investors ▶ 2-6 Shareholders
G4-8	Markets served	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-2 T&D Life Group Companies and Foundations
G4-9	Scale of the organization	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-9 Number of Employees III Governance and Internal Control ▶ 2. Disclosure of Information to Shareholders and Investors ▶ 2-6 Shareholders Website ▶ Financial Performance of the Group
G4-10	Total number of employees, number of permanent employees, workforce	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-9 Number of Employees
G4-11	Percentage of total employees covered by collective bargaining agreements	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-10 Dialogue and Consultations with Labor Unions
G4-12	The organization's supply chain	I Top Message/Organizational Profile ▶ 2. Supply Chain ▶ 2-1 Definition of Supply Chain
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	N/A
Commitments to External Initiatives		
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	IV Management Control ▶ 1. ERM IV Management Control ▶ 2. Risk Management
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	II CSR Management ▶ 1. CSR Basic Policy ▶ 1-2 Principles That the T&D Life Group Endorses and Supports
G4-16	Memberships of associations and national or international advocacy organizations in which the organization holds a position on the governance body	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-3 Corporate Profile

General Standard Disclosures

Category and item number		Reference
Identified Material Aspects and Boundaries		
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-2 T&D Life Group Companies and Foundations
G4-18	Process for defining the report content and the aspect boundaries	II CSR Management ▶ 3. CSR Priority Areas ▶ 3-1 CSR Priority Areas
G4-19	List all the material aspects identified in the process for defining report content	Same as above
G4-20	For each material aspect, report the aspect boundary within the organization	Same as above
G4-21	For each material aspect, report the aspect boundary outside the organization	Same as above
G4-22	Effect of any restatements of information provided in previous report and reasons for such restatements	N/A
G4-23	Significant changes from previous reporting in the scope and aspect boundaries	N/A
Stakeholder Engagement		
G4-24	A list of stakeholder groups engaged by the organization	II CSR Management ▶ 5. Stakeholder Engagement
G4-25	Basis for identification and selection of stakeholders with whom to engage	Same as above
G4-26	The organization's approach to stakeholder engagement	Same as above
G4-27	Key topics and concerns raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	Same as above
Report Profile		
G4-28	Reporting period for information provided	About Corporate Responsibility Report 2016
G4-29	Date of most recent previous report	About Corporate Responsibility Report 2016
G4-30	Reporting cycle	About Corporate Responsibility Report 2016
G4-31	Contact point for questions regarding the report or its contents	About Corporate Responsibility Report 2016
G4-32	The "in accordance" option the organization has chosen, the GRI Content Index for the chosen option, and a reference to the External Assurance Report	Index: G4 GRI Guidelines
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-4 Independent Assurance Report
Governance		
G4-34	Governance structure of the organization	III Governance and Internal Control ▶ 1. Corporate Governance
Ethics and Integrity		
G4-56	The organization's values, principles, standards and norms of behavior	II CSR Management ▶ 1. CSR Basic Policy IV Management Control

Specific Standard Disclosures

Category and material aspects, DMA and indicators		Reference, reason for omitting and ★ external assurance
Category: Economic		
Aspect: Economic Performance		
DMA	Report on DMA management methods	Annual Report
G4-EC1	Direct economic value generated and distributed	Website ▶ Reporting segments shown in the consolidated financial statements Website ▶ Financial Performance of the Group
G4-EC4	Financial assistance received from the government	N/A
Category: Environmental		
Aspect: Materials		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach II CSR Management ▶ 4. Progress of CSR Activities VII Priority Areas (3) Global Environmental Protection ▶ 2. Promotion Framework ▶ 2-1 Promotion Framework (Environmental Management)
G4-EN1	Materials used by weight or volume	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-2 Group-wide Targets and Results ★ External Assurance
Aspect: Energy		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach II CSR Management ▶ 4. Progress of CSR Activities VII Priority Areas (3) Global Environmental Protection ▶ 2. Promotion Framework ▶ 2-1 Promotion Framework (Environmental Management)
G4-EN3	Energy consumption within the organization	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-1 Environmental Performance Data ★ External Assurance VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-2 Group-wide Targets and Results ★ External Assurance
G4-EN5	Energy intensity	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-2 Group-wide Targets and Results
Aspect: Water		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach VII Priority Areas (3) Global Environmental Protection ▶ 2. Promotion Framework ▶ 2-1 Promotion Framework (Environmental Management)
G4-EN8	Total water withdrawal by source	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-1 Environmental Performance Data ★ External Assurance
G4-EN10	Percentage and total volume of water recycled and reused	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-1 Environmental Performance Data ★ External Assurance
Aspect: Biodiversity		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach VII Priority Areas (3) Global Environmental Protection ▶ 2. Promotion Framework ▶ 2-1 Promotion Framework (Environmental Management)
G4-EN13	Habitats protected or restored	VII Priority Areas (3) Global Environmental Protection ▶ 5. Forest Conservation Activities ▶ 5-1 Forest Conservation Activities Taiyo Life
Aspect: Emissions		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach VII Priority Areas (3) Global Environmental Protection ▶ 2. Promotion Framework ▶ 2-1 Promotion Framework (Environmental Management)
G4-EN15	Direct greenhouse gas emissions (Scope 1)	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-1 Environmental Performance Data ★ External Assurance
G4-EN16	Energy-related indirect greenhouse gas emissions (Scope 2)	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-1 Environmental Performance Data ★ External Assurance
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-1 Environmental Performance Data ★ External Assurance
Aspect: Effluents and Waste		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach VII Priority Areas (3) Global Environmental Protection ▶ 2. Promotion Framework ▶ 2-1 Promotion Framework (Environmental Management)

Specific Standard Disclosures

Category and material aspects, DMA and indicators		Reference, reason for omitting and ★ external assurance
G4-EN23	Total weight of waste by type and disposal method	VII Priority Areas (3) Global Environmental Protection ▶ 4. Reducing Environmental Impacts ▶ 4-1 Environmental Performance Data ★ External Assurance
Aspect: Compliance		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach VII Priority Areas (3) Global Environmental Protection ▶ 2. Promotion Framework ▶ 2-1 Promotion Framework (Environmental Management)
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	N/A
Category: Social Sub-category: Labor Practices and Decent Work		
Aspect: Employment		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-9 Number of Employees VI Priority Areas (2) Respect for Human Rights ▶ 4. Worker-friendly Work Environment ▶ 4-1 Work-life Balance Initiatives
G4-LA3	Return to work and retention rates after parental leave, by gender	VI Priority Areas (2) Respect for Human Rights ▶ 4. Worker-friendly Work Environment ▶ 4-1 Work-life Balance Initiatives
Aspect: Occupational Health and Safety		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach
G4-LA8	Health and safety topics covered in formal agreements with trade unions	VI Priority Areas (2) Respect for Human Rights ▶ 5. Health Promotion for Employees ▶ 5-1 Health Promotion for Employees
Aspect: Training and Education		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach II CSR Management ▶ 4. Progress of CSR Activities
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	VI Priority Areas (2) Respect for Human Rights ▶ 2. Utilization and Development of Human Resources
Aspect: Diversity and Equal Opportunity		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach II CSR Management ▶ 4. Progress of CSR Activities
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	III Governance and Internal Control ▶ 1. Corporate Governance I Top Message/Organizational Profile ▶ 1. Organizational Profile ▶ 1-9 Number of Employees
Category: Social Sub-category: Human Rights		
Aspect: Investment		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	VI Priority Areas (2) Respect for Human Rights ▶ 3. Diversity Promotion Initiatives ▶ 3-2 Human Rights Education
Aspect: Human Rights Grievance Mechanisms		
DMA	Report on DMA management methods	IV Management Control ▶ 3. Compliance
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	IV Management Control ▶ 3. Compliance ▶ 3-5 Whistleblower System
Category: Social Sub-category: Society		
Aspect: Local Communities		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach II CSR Management ▶ 4. Progress of CSR Activities

Specific Standard Disclosures

Category and material aspects, DMA and indicators		Reference, reason for omitting and ★ external assurance
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Ⅷ Social Contribution Activities
Aspect: Prevention of Corruption		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach IV Management Control ▶ 2. Risk Management IV Management Control ▶ 3. Compliance
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	IV Management Control ▶ 2. Risk Management ▶ 2-4 Risk Awareness and Assessment (Risk Profile)
G4-SO4	Communication and training on anti-corruption policies and procedures	IV Management Control ▶ 3. Compliance ▶ 3-3 Compliance Promotion Activities
Aspect: Anti-competitive Behavior		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach IV Management Control ▶ 3. Compliance
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	N/A
Aspect: Compliance		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach IV Management Control ▶ 3. Compliance
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	N/A
Aspect: Supplier Assessments for Impacts on Society		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach I Top Message/Organizational Profile ▶ 2. Supply Chain
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	I Top Message/Organizational Profile ▶ 2. Supply Chain ▶ 2-2 Cooperation with Suppliers
Category: Social Sub-category: Product Responsibility		
Aspect: Product and Service Labeling		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach V Priority Areas (1) Providing Better Products and Services ▶ 3. Activities to Respond to Customer Feedback
G4-PR5	Results of surveys measuring customer satisfaction	V Priority Areas (1) Providing Better Products and Services ▶ 3. Activities to Respond to Customer Feedback
Aspect: Customer Privacy		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Reason for omitting ▶ While the total number is known, the information is not disclosed due to company policy.
Aspect: Compliance		
DMA	Report on DMA management methods	II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-1 Promotion Framework of CSR II CSR Management ▶ 2. CSR Promotion Framework ▶ 2-2 Management Approach IV Management Control ▶ 3. Compliance
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	N/A
Aspect: Active Ownership		
DMA	Report on DMA management methods	IX Responsible Institutional Investor
G4-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	IX Responsible Institutional Investor
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening	IX Responsible Institutional Investor