

Third-party Opinion



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1 A positive element of the T&D Life Group's corporate responsibility activities is that the Management Philosophy of value creation through "Try & Discover" is reflected consistently in the Group's Management Vision of providing "the best products and services" and also in the CSR Charter as offering "better products and services." The important thing is to make these values an integral part of the Group's DNA in the form of seeing things "from the customer's perspective" and "quality improvements." I am pleased to see, in the section titled "A Talk with the President," Mr. Miyato, Representative Director and President of T&D Holdings, mentions his recognition that "this basic element of corporate responsibility has been fully shared throughout the Group lately." With regard to customer feedback in the form of complaints, the spread of the "from the customer's perspective" concept appears to be paying off: Taiyo Life received fewer complaints and more appreciation and praise in the past year, Daido Life's customers expressed strong satisfaction with the company and T&D Financial Life reported fewer complaints.

But I think the companies need to work more diligently and remain vigilant. Taiyo Life continues to receive a certain number of complaints or expressions of dissatisfaction, and at Daido Life, the number of complaints related to claims payments is basically unchanged from the previous year. Risks related to nonpayment of claims, etc. supposedly have not been completely eliminated yet. There is also the matter of how to interpret the fact that total complaints at Taiyo Life and Daido Life are increasing. This may mean that customers are anxious about the effects of business improvement order issued by the Financial Services Agency, another life insurer's bankruptcy and the overall economic recession, and wanting them to be more forthcoming with information about their disclosure criteria, policy provisions, sales through financial institution agents, reorganization of products and riders, contract conversion and so forth. The companies should accept customers' complaints humbly and use them, by driving improvements, to get customers' stronger trust.

2 It is said that the T&D Life Group is endeavoring to improve information disclosure; it overflows with the energy directed toward growth and is invigorated by this energy. This report explains business performance in previous years appropriately. The T&D Life Group would gain more support of stakeholders if it had touched on how the Group intends to demonstrate its characteristic enterprising spirit in near future, or sketched out a medium-term managerial vision of how the Group intends to enhance optimization in the face of population aging and the declining birthrate, climate change, or changes in the industry business environment such as more stringent rules for calculating financial health. Those are the things that stakeholders want to know about.

The fact that Taiyo Life is a signatory to the Principles for Responsible Investment (PRI) and makes ESG (environment, society, governance) undertakings a benchmark for investing and managing funds is praiseworthy. I would have liked to have learned of some examples of how Taiyo Life has applied PRI in their recent investing.

I also read with interest the results of the employee survey conducted when the report was produced. All employees should think

of their own corporate responsibility as individuals and participate positively in improving corporate behaviors. I hope that they will show active involvement next time through a higher survey retrieval rate for this survey.

3 The steps taken by the Group to respect human rights, such as conducting human rights education and training, are very important. The idea that business enterprises are responsible for respecting human rights from various perspectives is taking hold on a global scale. The time will probably come soon when companies create a management system for human rights and apply it to all their stakeholders—not just employees but also customers, sales agents, business partners, and communities and society. For example, when interacting with customers, the Group will truly be able to offer better products and better services if the mindset of respecting customers' human rights comes naturally. I hope that all aspects of the Group's activities will reflect respect for the human rights perspective.

The Group's employment rate for people with disabilities was 1.85 percent. This is more than the legally mandated rate of 1.8 percent, but hopefully life insurance companies supporting people with disabilities should do more to hire such individuals. Japan will soon ratify the Convention on the Rights of Persons with Disabilities, and the day will soon come when the lack of practical accommodation in the workplace will of itself be considered discrimination against the normalization concept.

4 The Revised Energy Conservation Law went into effect beginning from fiscal 2009. The Japanese government has set tough medium-term objectives and the Tokyo metropolitan government aims to reduce greenhouse gas emissions by 25 percent by 2020 compared to levels in 2000. From fiscal 2010, mandatory emissions restrictions will be placed on large commercial enterprises, including 1,300 office buildings, in Tokyo and more stringent cut-backs will be required once a database is compiled.

I sincerely hope that the T&D Life Group will adopt and disclose drastic measures to cut energy use, as the targets cannot be met by simply instituting half-hearted energy-saving measures for its offices.

5 This report would be more vigorous if it had incorporated commentaries reflecting today's social concerns to indicate the Group's stance on such issues.

Over the past few years, there has been extensive discussion concerning how management oversight and auditing functions should actually work. I would have liked to see a little bit detailed commentary on corporate governance in this report, especially in view of the fact that T&D Holdings was the first in the industry to switch to a joint-stock structure and because it places so much importance on ESG (environment, society and governance). For example, the report could have mentioned that the Group has external directors and director-level corporate auditors whose independence is guaranteed, or that the Group has a Board of Corporate Auditors monitoring the corporate performance of the Group on a consolidated basis. I hope that this report will eventually proceed to disclose principles of corporate governance.

Referring to the global economic recession, a short commentary on business performance figures for T&D Holdings at the end of fiscal 2008 would have been helpful.

The public also wants to know more about countermeasures against the new influenza pandemic, major natural disasters and personal information protection. The report could have included information about the Group's policies for dealing with customers and the risk management measures it has in place for ensuring that it can continue to operate in the event of emergencies.

6 The overall layout of the report is clear and easy to understand. The soft, cheerful colors also vary from item to item, which helps improve legibility.