

T&D Life Group CSR Report 2008

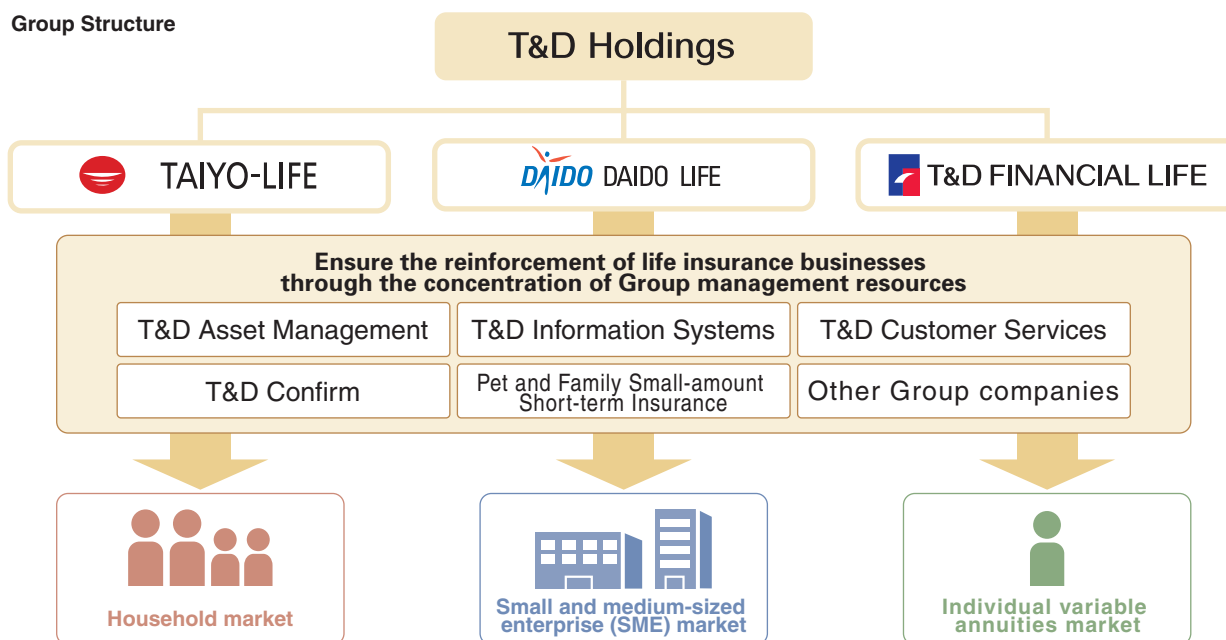


A Life Insurance Group that People Can Trust

The T&D Life Group Is Supporting People's Living and Businesses

The T&D Life Group comprises three life insurance companies – Taiyo Life, Daido Life, and T&D Financial Life – together with an asset management company, T&D Asset Management, under T&D Holdings. Each of these three life insurance companies has their respective strengths and uniqueness in their own specialist fields, supporting both people's living and businesses. Taiyo Life specializes in the household market, Daido Life in the small and medium-sized enterprise (SME) market, and T&D Financial Life in the individual variable annuities market.

Group Structure



Corporate Data (as of March 31, 2008)

T&D Holdings, Inc.

- Date of Establishment: April 2004
- Location of Headquarters: 1-2-3 Kaigan, Minato-ku, Tokyo, 105-0022, Japan
- Capital Amount: ¥118.5 billion
- Number of Employees: 112

Taiyo Life Insurance Company

- Date of Establishment: February 1948 as a mutual company (Founded in May 1893 as Nagoya Life Insurance Co., Ltd.)
- Location of Headquarters: 1-2-3 Kaigan, Minato-ku, Tokyo, 105-0022, Japan
- Capital Amount: ¥37.5 billion
- Number of Employees: In-house sales representatives: 7,619
Customer service personnel: 934
Administrative personnel: 2,927
11,480 in total

Daido Life Insurance Company

- Date of Establishment: July 1947 as a mutual company (Founded in July 1902 as a joint stock company)
- Location of Headquarters: <Osaka> 1-2-1 Edobori, Nishi-ku, Osaka, 550-0002, Japan
<Tokyo> 1-2-3 Kaigan, Minato-ku, Tokyo, 105-0022, Japan
- Capital Amount: ¥75 billion
- Number of Employees: Administrative personnel: 3,358
In-house sales representatives: 4,307
7,665 in total

T&D Financial Life Insurance Company

- Date of Establishment: July 1947 (Founded in April 1895 as Tokyo Life Insurance Company)
- Location of Headquarters: 1-2-3 Kaigan, Minato-ku, Tokyo, 105-0022, Japan
- Capital Amount: ¥36 billion
- Number of Employees: 339

Financial Data

Years ended March 31	2006	2007	2008
Consolidated Operating Results (in hundred millions of yen)			
Ordinary Revenues	24,442	22,860	23,300
Ordinary Profit	1,368	1,581	1,557
Net Income	355	387	367
Consolidated Financial Conditions (in hundred millions of yen)			
Total Assets	139,862	140,909	133,660
Net Assets	10,800	10,902	6,772
Consolidated per Share Figures (in yen)			
Net Income per Share	146.19	157.45	149.24
Shareholders' Equity per Share	4,384.93	4,419.55	2,743.16
Cash Dividends Applicable to the Year	55.00	65.00	65.00
Management Indicators (in hundred millions of yen)			
Existing Policy Amount in Force	602,650	598,999	593,403
New Policy Amount	72,938	66,347	62,018
Core Profit	1,272	1,733	1,597
Consolidated Return on Equity (%)	4.3	3.6	4.2
EEV (European Embedded Value)	—	20,721	16,216

(Note) Management indicators other than ROE and EEV are based on the aggregate non-consolidated business results for Taiyo Life, Daido Life, and T&D Financial Life.

The existing policy amount in force and the new policy amount include individual insurance and individual annuities.

About the T&D Life Group CSR Report

- The T&D Life Group CSR Report was prepared for all the Group's stakeholders to explain in simple terms the Group's thinking and activities regarding its corporate social responsibility.
- "The 2006 Sustainability Reporting Guidelines", which are international guidelines on sustainability reporting, prepared by the Global Reporting Initiative were used as a reference in preparing this report, and information was selected for inclusion based on considerations of the materiality of initiatives undertaken. Please refer to page 44.
- The 2008 edition explains the T&D Life Group's various initiatives that it views as particularly important aspects of its CSR activities such as ensuring a solid payment management system and other measures to restore customers' trust, environmental initiatives, work-life balance, and social contribution activities.
- Third-party opinions and advice regarding this report were received from Senior Analyst Ms. Mariko Kawaguchi of the Daiwa Institute of Research. Please refer to page 43.
- Detailed information on the T&D Life Group CSR activities and financial performance have been posted on the Group's website, and you may refer to it at the following website.

<http://www.td-holdings.co.jp/e/>

- Your questions, comments, suggestions, etc. are very welcome. We would be delighted if you could fill in the separate Feedback Questionnaire and send it to us.

Period covered by this report

Fiscal 2007 (from April 2007 to March 2008)

*Information on some activities occurring in April 2008 or later has also been included.

Reporting scope

The T&D Life Group companies and public corporations. Please refer to page 45.

Previous publication

January 2008

Scheduled next publication

November 2009

Organization to which the three life insurance companies belong

The Life Insurance Association of Japan

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To be a Trusted Corporate Group

The T&D Life Group is a company group whose main members include three life insurance companies—Taiyo Life, Daido Life, and T&D Financial Life—and an asset management company, T&D Asset Management, under the umbrella of T&D Holdings.

Since its formation in April 2004, the T&D Life Group has been working to provide customers with optimal products and services based on the corporate philosophy of “contributing to people and to society by creating value under the motto Try & Discover”.

Despite our best efforts in that regard, however, re-examinations of our past insurance claim and benefit payments determined that additional amounts should be paid out.

Furthermore, in connection with this finding, Daido Life was issued a business improvement order

under Article 132 of the Insurance Business Law, and Taiyo Life and T&D Financial Life were both requested by the Financial Services Agency to undertake significant improvements in their business practices and to disclose their results.

Given that the payment of insurance claims and benefits is the most fundamental and important work of an insurance company, it is highly regrettable that this situation developed, and I would like to express my most sincere apologies to our stakeholders, and most especially our customers.

For the T&D Life Group, fiscal 2007 was a year for management and every individual employee to consider what we have overlooked, and what we should do moving forward to be an insurance group worthy of its customers’ trust and prevent a recurrence of the insurance claim and benefit payment problems we have had.

Taking what we have experienced as a precious lesson, we will continue to commit ourselves to listening to an even wider range of stakeholders and getting on with efforts to earnestly address various issues in need of attention. Furthermore, through these efforts, we will work to provide products and services of even higher quality than we have in the past to be an insurance group deserving of its customers’ support.

For the T&D Life Group, CSR means maintaining public trust in our companies, and we have positioned it our number one management priority.

To help ensure that that way of thinking is understood and shared by all of our directors and employees, and implemented, we established the T&D Life Group CSR Charter, T&D Life Group Compliance Code of Conduct, and T&D Life Group Environmental Policy in April 2006, and the T&D Life Group Basic Policy of Strengthening the Compliance Structure, in March 2008. Together, they constitute our basic CSR policies.

A company’s activities, particularly in the case of the insurance business, involve extensive processes performed by people. Our companies’ activities are made up of individual points of contact—between customers and in-house sales representatives or agents; between agents and supervisors; between



employees and management; between shareholders and other investors, and IR staff; between local communities and branch offices, and the list goes on. The results of what takes place through these contacts are ultimately assessed by stakeholders.

Business conditions have always been changing, and companies have always used everything at their disposal to adapt to changes. I believe that the ability to adapt is a critical determinant of “corporate sustainability”.

Companies now must think of not only business interests, but “corporate sustainability”, which includes social and environmental aspects. We, at the T&D Life Group, are constantly aware that we pursue our business as a part of society and that our prosperity will be together with that of society. Furthermore, we believe that we must do whatever we can to support sustainability initiatives to protect the global environment that underpins the society of which we are a part.

It is our hope that this report will function as a medium through which as many people as possible can better understand the T&D Life Group's CSR ideas and initiatives.

This edition of our CSR report provides information on our three life insurance companies' approaches during fiscal 2007 to enhance payment management, the Group's most important function, and other measures taken to restore customers' trust. It also addresses our work/life balance, environmental, and social contribution initiatives.

Moving forward, we are committed to improving our communications capabilities, so that as many stakeholders as possible can better understand who we are. We welcome your opinions and requests regarding the T&D Life Group's CSR activities.

December 2008

T&D Holdings

宮戸直輝

Naoteru Miyato
President of T&D Holdings, Inc.

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's Management Vision

1. Aim to provide the best products and services to increase customer satisfaction.
2. Aim to increase the value of the group by expanding and creating value in areas where the group can take full advantage of its strengths.
3. Broadly fulfill our social responsibilities with high ethical standards and strict compliance practices.
4. Aim to be an energetic group whose employees are encouraged to be creative and to take action.

The T&D Life Group and its Stakeholders





Taiyo Life, which has now been in business for 115 years, provides protection-oriented products to meet the varied needs of customers primarily in the household market through the consulting-style approach of our sales representatives.

Taiyo Life values face-to-face communications with customers, through periodic visits and other means. Winning the satisfaction of customers, society, and employees through communications with all of our stakeholders, and working as a company to move the entirety of society in a positive direction, is what CSR means for us.

Representative Director and President

Katsuro Oishi



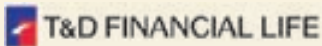
With “customer-oriented service and sound management” as guiding principles, Daido Life has aimed to be a life insurance company that provides customers with the greatest possible sense of security and unmatched satisfaction since its founding in 1902.

For an insurance company, CSR means, first of all, fulfilling its social role and meeting responsibilities through principal business activities. At Daido Life, our aim is to respond to the trust and mandate of stakeholders by pursuing quality-focused management by, for example, focusing our management resources on our core business of system products sales through relationships with partner organizations in the small and medium-sized enterprise (SME) market.

Representative Director and President

Haruo Kuramochi

Pursuing CSR Together



T&D Financial Life specializes in sales of life insurance through bank and other OTC channels. Our primary offerings are individual variable annuity products, which, as asset formation products in an aging society, are expected to see a growing market.

Building a solid brand in the highly promising market for individual variable annuity products and helping customers to lead comfortable second lives by continuously offering products and services reflecting the opinions and desires of customers and sales personnel in financial institutions is the essence of CSR for us.

Representative Director and President

Muneo Takeuchi

T&D Asset Management



T&D Asset Management, as a member of the T&D Life Group, provides asset management services to pension funds, institutional investors, and individuals.

Our aim is to respond to our customers' various asset management needs and contribute, through investments in companies, to the sound development of society as a whole.

Additionally, in response to our customers' growing concerns regarding the global environment and the sustainability of society, we offer products that invest in environment-related companies in China and companies with outstanding technologies for purposes like effectively using resources.

Representative Director and President

Kosuke Arai

Basic CSR Policies and Promotion Structure

T&D Life Group CSR Charter

In April 2006, the T&D Life Group established the T&D Life Group CSR Charter, which sets forth basic CSR policies for the Group, to more effectively pursue CSR based on the Group's philosophy and management vision.

To express more concrete policies on legal compliance, the T&D Life Group Compliance Code of Conduct (⇒ page 29) was established at the same time. And the T&D Life Group Basic Policy of Strengthening the Compliance Structure were newly established in March 2008 to set forth the Group's basic policies regarding CSR and legal compliance.

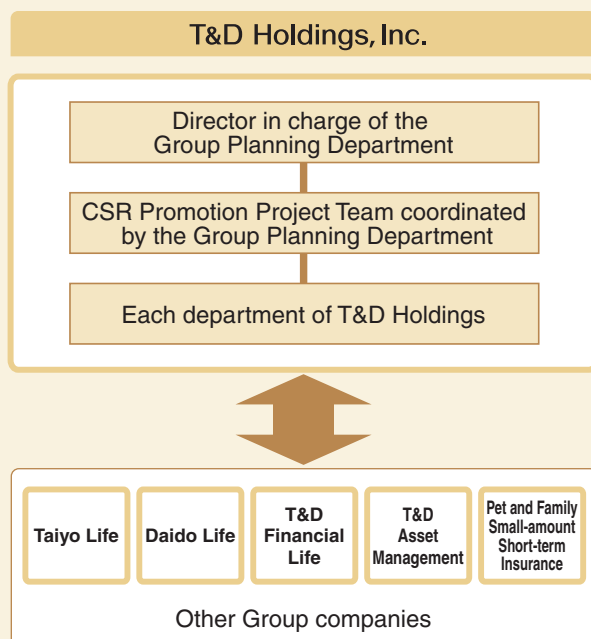
To provide a clear statement of the Group's position on the environment and link that position to actions, the Group established, and is actively advancing, the T&D Life Group Environmental Policy (⇒ page 40).

Group CSR Promotion Structure

Within the T&D Life Group, the various departments of T&D Holdings and of each Group company take the lead in pursuing CSR initiatives within their business activities. The T&D Holdings' Group Planning Department oversees CSR activities for the entire Group and provides progress reports to management as necessary.

In addition, within T&D holdings, CSR Promotion Project Team is established with participation by various departments. This Project Team discuss overall CSR directions from a Group perspective at every level from policies forming the core of the Group's CSR activities to specific CSR measures, as part of a structure for steadily implementing CSR initiatives.

Group CSR Promotion Structure



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. Offer of Better Products and Services

The T&D Life Group will offer well-suited and high-quality products 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 dialog with all its stakeholders.

5. Contributions to Regions 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 a full awareness of the importance of environmental concerns, and with sufficient consideration given to global environmental protection.

To Properly Pay Insurance Claims and Benefits

As a result of insurance claim and benefit payment investigations performed by the T&D Life Group's three life insurance companies (Taiyo Life, Daido Life, and T&D Financial Life), it was determined that additional payments should be made. The T&D Life Group would like to express its deepest apologies to its customers and other stakeholders for the extraordinary inconvenience and concern this has caused.

In connection with this problem, Daido Life received a business improvement order from the Financial Services Agency (FSA) on July 3, 2008. In responding to this order, it submitted a business improvement plan to the FSA on August 1.

Even before the current problem came to light, the Group, seeing the basic mission of life insurance companies as properly paying insurance claims and benefits, had, as a matter of course, been working to improve its operations. However, fully appreciating the seriousness of Daido Life's having received an administrative sanction from the FSA, the Group deeply regrets the conditions leading to this result. To prevent the recurrence of payment problems it has enlisting the resources of the entire Group to solidly implement initiatives aimed at ensuring proper insurance claim and benefit payments.

〈Background〉

1 Investigation of insurance claim and benefit payments

The Group's three life insurance companies conducted investigations on insurance claim and benefit payments for the five-year period beginning with fiscal 2001 and ending with fiscal 2005. As a result, it was determined that additional payments should be made.

The investigations were completed on September 30, 2007, and all three companies announced their results and the status of recurrence prevention measures on October 5, 2007.

2 The FSA administrative sanction and the submission and disclosure of a business improvement plan(Daido Life)

On July 3, 2008, the FSA issued a business improvement order (see below) to Daido Life based on Article 132, Item 1 of the Insurance Business Law.

In response, Daido Life submitted a business improvement plan to the FSA on August 1 and publicly disclosed an overview of that plan.

At the same time, Daido Life took strict internal disciplinary measures against its President and all other full-time directors and executive officers.

Business improvement order overview

- 1) Improve and strengthen governance
- 2) Improve and strengthen internal audit and other functions
- 3) Revise and improve measures to prevent future insurance claim and benefit payment errors, as necessary
- 4) Submit a business improvement plan specifying concrete measures and timing for the above three areas by August 1, 2008, and until the complete implementation of the business improvement plan, issue implementation progress reports every six months

3 Disclosures of business improvement initiatives (Taiyo Life, T&D Financial Life)

On August 5, 2008, Taiyo Life and T&D Financial Life publicly announced the status and results of business improvement measures regarding their payment management systems.

Both companies will continue to implement business improvement measures and will make public progress reports on a regular basis.

〈Measures for Restoring Trust〉

Based on insurance claim and benefit investigation findings indicating the need for additional payments, Taiyo Life, Daido Life, and T&D Financial Life, with the proper payment of insurance claims and benefits as their top management priority, are each conducting detailed causal analyses and calling on all of the company resources at their disposal to prevent the recurrence of payment problems, and restore customer trust.

Measures being taken by each company are described on the following pages. (More detailed information has been posted on each company's website.)

Toward Restoring Trust Taiyo Life

The status of the primary business improvement measures Taiyo Life is taking with regard to its insurance claim and benefit payment management function is reported on below.

Taiyo Life will continue implementing these measures and will report on their status and results every six months as part of its effort to restore customer trust.

1. Improvement and strengthening of governance

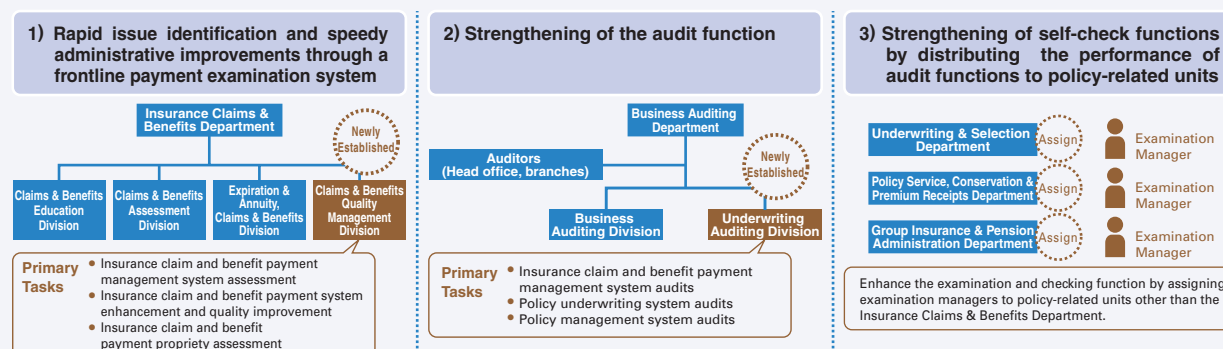
In April 2007, Taiyo Life established its Payment Reform Promotion Headquarters, as an organ immediately below the Board of Directors and headed by its President, and is working to prevent future payment problems and further strengthen its payment management system. Under the guidance of the Payment Reform Promotion Headquarters, various measures are being planned and implemented, checked for effectiveness, and revised or supplemented as necessary, all in accordance with the PDCA (Plan, Do, Check, and Action) cycle.

With particular regard to deficient claim guidance notifications, it was determined that process revisions considering the customer's perspective were needed. Therefore, not only were management resources added to the Benefits Payment Management units, Customer Service Administrative units were reorganized, personnel were added to units analyzing and applying customer opinions and complaints based on the Customers' Voices Information System, and the number of external members (attorneys, experts in consumer issues, and other knowledgeable people) of the Payment Assessment Special Committee, which examines the propriety of payment administration, was expanded.

2. Strengthening of checks and audits to increase abilities to detect deficient payments and claim guidance notifications

Governance is being strengthened and audit and other functions are being added to perform ex-post checks for deficient claim guidance notifications.

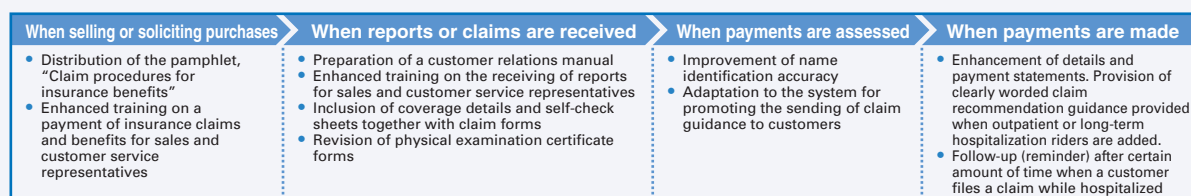
More specifically, in September 2008, the Claims & Benefits Quality Management Division was established within the Insurance Claims & Benefits Department to promote independent administrative improvements by frontline units. At the same time, the audit function was strengthened by establishing the Underwriting Auditing Division within the Business Auditing Department, so that internal audits of the payment management system could be performed by personnel with expert knowledge. Furthermore, self-check functions were enhanced by distributing the performance of audit functions to policy-related units, as well.



3. Operational improvements to prevent future insurance claim and benefit payment errors

Recognizing the need to make operational improvements in order to effect payment administration improvements, efforts were made to improve customer relations and the provision of information to customers by assigning Payment Advisors (internal training personnel) to locations throughout the country and conducting employee training within branches. Additionally, a claims guidance system is being built to help ensure that customers are able to make payment claims in all cases where they should. This system includes elements like the establishment of the Claims & Benefits Consultations Division to receive questions regarding the payment of insurance claims and benefits, the introduction of an External Attorney Consultation System that is free of charge to customers, company coverage of expenses for physical examination certificates when claims are denied, and expanded handling of specified agent claims riders. The principal initiatives being taken to improve the provision of information and guidance to customers in order to prevent payment problems are shown below.

1) Principal initiatives for improving the provision of information and guidance to customers



2) Future initiatives

- Improvement and strengthening of internal management systems
- Digitalization of physical examination certificates
- Standardization of reception procedures through use of the Reception Simulator
- Revision of claim forms to prevent claim guidance errors
- Development of products that make it easy to submit multiple claims simultaneously
- Receipt of payment consultations via cell phone by in-house sales representatives
- Clarification and simplification of policy provisions
- Establishment of a new internal qualification system for examiners

Toward Restoring Trust Daido Life

The business improvement plan submitted to the FSA on August 1, 2008 enhanced measures already set forth and embarked upon by adding new recurrence prevention measures to, for example, further strengthen governance and internal audit functions, and create operations that are easily understood from the customer's perspective.

An overview focusing on the business improvement plan's new recurrence prevention measures is shown below.

1. Improvement and strengthening of governance

In addition to measures like preparing basic payment policies and strengthening the system for reporting to the Board of Directors, a committee headed by the President was established directly below the Board of Directors.

• Establishment of the Claim Payments Management System Committee

This committee will significantly improve Board of Directors and management oversight of insurance claim and benefit payment operations to allow the Board of Directors to take the lead in taking the effectiveness of recurrence prevention measures, and, when necessary, take appropriate steps to revise, improve, or supplement existing measures, based on the results of checks.

2. Improvement and strengthening of internal audit and other functions

The following assets have been added to measures such as assigning experienced payment operations personnel to internal audit units, and enhancing audit plans.

• Enhancement and strengthening of internal audit units

Adding to the Business Auditing Department (an internal audit unit), the Claim Payments Auditing Division was established to focus on audits of payment operations.

• Enhancement and strengthening of monitoring units

Placing responsibility for monitoring the implementation status and effectiveness of recurrence prevention measures in the Risk Management Department (a risk control unit), roles were clarified, as required in provisions on the division of duties, and the capabilities of the Risk Management Department were enhanced to permit monitoring at the required level.

3. Measures to prevent future insurance claim and benefit payment errors

Efforts to implement measures to accomplish objectives, such as enhancing information provision and reducing the number of products, have been taken to date. Examples include reconstruction of customer-oriented operation processes; enhancement of systems, provisions, and manuals for insurance claim and benefit payments management units; and advancement of efforts to automate benefit payment management. These measures, however, will be supplemented with those described below.

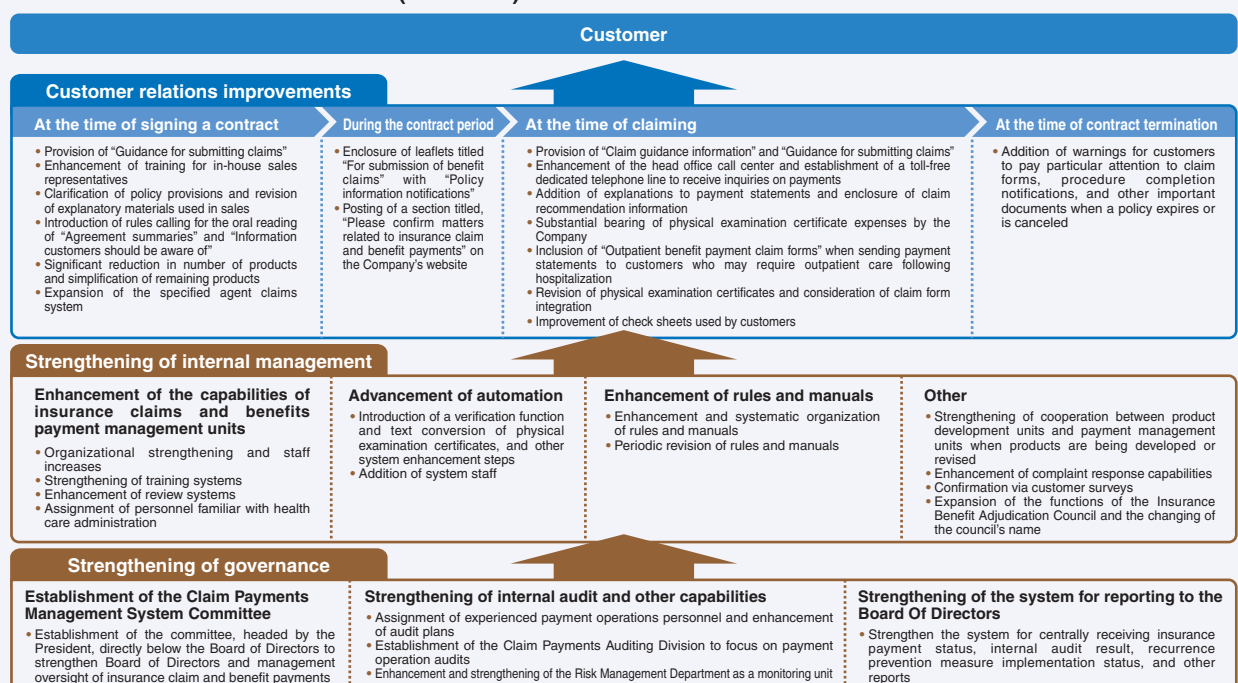
• Improvements in customer relations

- Substantial bearing of physical examination certificate expenses by the company
- Inclusion of "outpatient benefit payment claim forms" when sending payment statements to customers who may require outpatient care following hospitalization
- Revision of physical examination certificates and consideration of claim form integration
- Improvement of check sheets used by customers when submitting claims

• Enhancement of the capabilities of insurance claim and benefit payments management units

- Enhancement of reviews with the goal of shortening the time up to the provision of claim recommendation or other guidance
- Assignment of personnel familiar with health care administration
- Other
 - Confirmation via customer surveys
 - Expansion of the functions of the Insurance Benefit Adjudication Council and the changing of the council's name

Recurrence Prevention Measures (Overview)



Toward Restoring Trust T&D Financial Life

T&D Financial Life, has established Basic Policies on Payment Management System Construction and Basic Policies on Policy Management System Construction and, based on the policy of paying everything that could be paid from the customer's perspective, is striving to enhance its Payment Management System, which rests on the following three components.

1. Enhancement of payment management units
2. Strengthening of the payment oversight system by establishing the Payment Supervision Department
3. Operational enhancement from the customer's perspective

Moving forward, ongoing improvement will be pursued based on the careful consideration of customer feedback and Payment Supervision Committee recommendations.

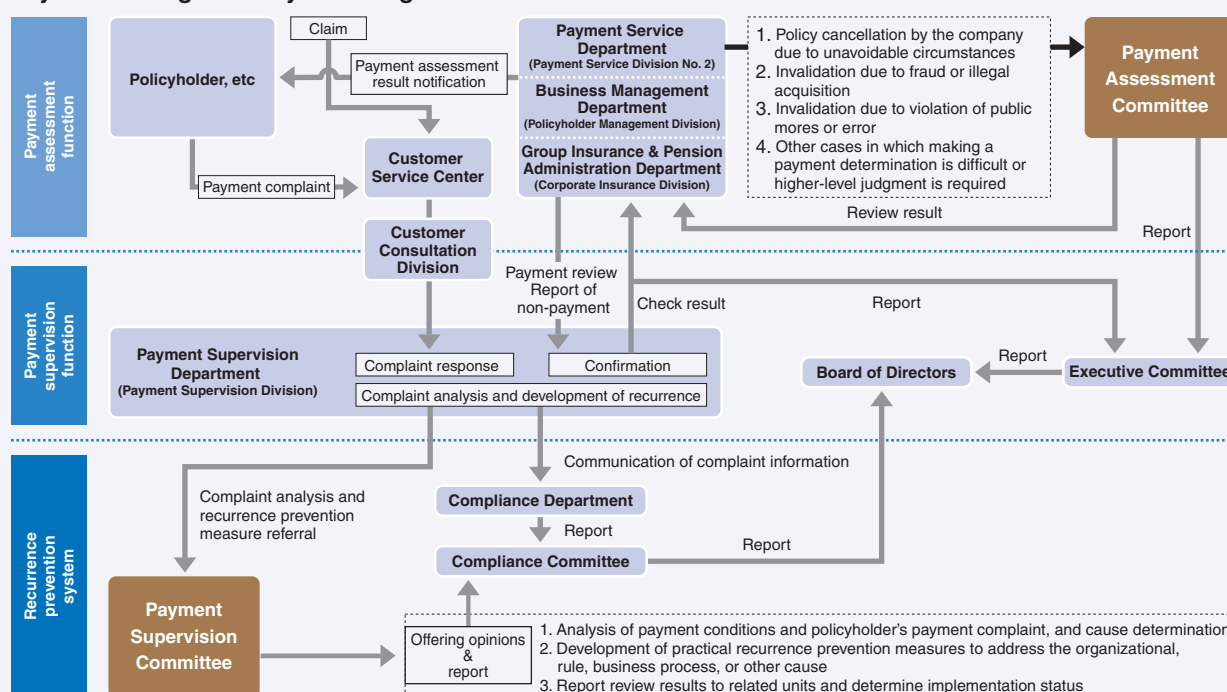
• Payment Assessment Committee

The Payment Assessment Committee was established to ensure fair and correct payment reviews by examining decisions to pay, or not pay, and performing comprehensive reviews considering the perspectives of related units. The Payment Assessment Committee includes attorneys as external committee members.

• Payment Supervision Committee

The Payment Supervision Committee was established to help protect the legitimate interests of policyholders by ensuring the existence of appropriate payment systems. The Payment Supervision Committee, in an effort to ensure the propriety of payments from an objective perspective and further strengthen the payment management system, includes experts on consumer issues, attorneys and media representatives as outside committee members.

Payment Management System Diagram



Future and the ongoing initiatives for strengthen the payment management system

- 1) Development of rules for making payments from the customer's perspective
- 2) Strengthening of payment supervision via the Payment Supervision Committee
- 3) Strengthening of the internal audit function to develop claim guidance from the customer's perspective
- 4) Periodic notification of coverage details via the "Policy information notifications"
- 5) Preparation of "Examples of cases in which payments are possible and cases in which payments are not possible"
- 6) Centralization of claim and inquiry response services, and provision of detailed maintenance guidance to customers
- 7) Implementation of measures supporting the interests of customers with lapsed policies
- 8) Development of products that make it easy for customers to submit multiple claims simultaneously
- 9) Verification and simplification of policy provisions

In this manner, the Group is committed to promote and operate Group management with due consideration to the clarification of each role and responsibility of T&D Holdings and its direct subsidiaries.

T&D Holdings, Inc.

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graph TD
    SM[Shareholders' Meeting] --> BD[Board of Directors]
    SM --> CA[Corporate Auditors]
    CA --> BCAA[Board of Corporate Auditors]
    BCAA --> AO[Auditors' Office]
    BD --> GCC[Group Compliance Committee]
    BD --> P[President]
    P --> EC[Executive Committee]
    P --> GMC[Group Management Committee]
    EC --> GRC[Group Risk Control Committee]
    EC --> GIC[Group Investment Committee]
    GMC --> GITAC[Group Information Technology and Administration Committee]
    P --> GP[Group Planning Department]
    P --> GFA[Group Finance & Accounting Department]
    P --> PRD[Public Relations Department]
    P --> GAD[General Affairs Department]
    P --> RCD[Risk Control Department]
    P --> IAD[Internal Auditing Department]
    GP --> GP_L["•Business planning<br>•New business development<br>•Internal control<br>•IR<br>•CSR"]
    GFA --> GFA_L["•Implementation of financial strategies<br>•Capital policies<br>•Budget preparation and management"]
    PRD --> PRD_L["•Public relations"]
    GAD --> GAD_L["•General affairs<br>•Corporate stock related general affairs<br>•Human resources<br>•Secretarial services"]
    RCD --> RCD_L["•Risk management<br>•Compliance<br>•Legal affairs"]
    IAD --> IAD_L["•Internal audit"]
  
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Shareholders' Meeting

Board of Directors

Corporate Auditors

Board of Corporate Auditors

Auditors' Office

Group Compliance Committee

President

Executive Committee

Group Management Committee

Group Risk Control Committee

Group Investment Committee

Group Information Technology and Administration Committee

Group Planning Department

- Business planning
- New business development
- Internal control
- IR
- CSR

Group Finance & Accounting Department

- Implementation of financial strategies
- Capital policies
- Budget preparation and management

Public Relations Department

- Public relations

General Affairs Department

- General affairs
- Corporate stock related general affairs
- Human resources
- Secretarial services

Risk Control Department

- Risk management
- Compliance
- Legal affairs

Internal Auditing Department

- Internal audit

Deliberation and reporting

Guidance & counseling

Taiyo Life

Daido Life

T&D Financial Life

T&D Asset Management

Pet and Family Small-amount Short-term Insurance

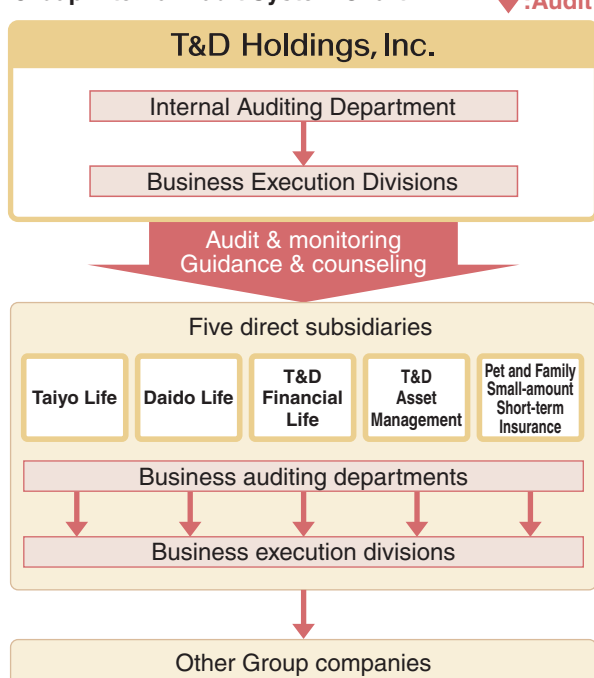
Other Group companies

Group Internal Audit System

Within the T&D Life Group, T&D Holdings and the direct subsidiaries have established internal audit units, which perform internal audits to effectively achieve management objectives by examining and assessing the appropriateness and effectiveness of internal management functions and legal and other compliance, and to contribute to the improvements.

Additionally, T&D Holdings, by monitoring the performance of internal audits by direct subsidiaries, and other means, identifies the internal management status of the entire Group, and provide guidance and advice as necessary to strengthen the Group's internal audit systems.

Group Internal Audit System Chart



Internal Control System

Establishment of internal control system

In light of the social/public nature of the Group's core life insurance operations, the T&D Life Group believes it is necessary to properly control the execution of its business operations and minimize the management impact of unforeseeable developments arising out of Group operations. Based on this idea, T&D Holdings and the direct subsidiaries have decided, through Board resolutions, to establish the structure as internal control system stipulated in the Company Law.

The internal control reporting system

Given the implementation of the Financial Instruments and Exchange Law, the "internal control reporting system" is being introduced beginning with the fiscal year ending in March 2009. The T&D Life Group has organized a system for considering various matters related to the internal control reporting system, and is moving forward with the development of a system for creating and evaluating internal controls related to financial reporting. For the fiscal year ending in March 2008, evaluations of risks inherent in processes significantly impacting financial reporting, and the controls for those risks, were performed on a test basis. Based on the results, internal control effectiveness will be evaluated for the fiscal year ending in March 2009, the first year for implementation of the internal control reporting system. Steps have been taken to rectify any deficiencies discovered by the end of the fiscal year.

The requirement to introduce an internal control reporting system is a response to society's demand for accurate financial statements, but the T&D Life Group believes it is not enough to passively comply with the new law. Rather, it intends to use the results of the new reporting system, which will make various operations within the Group visible, in standardizing operations and securing management transparency. Based on the belief that this will increase its value, the T&D Life Group is actively working to build and implement internal controls.

Shareholders' Meeting

T&D Holdings held its Forth Annual General Shareholders' Meeting at 10 a.m. on June 26, 2008. The Company's President chaired the meeting in which reporting items were reported on and resolutions were voted on.

As it applied last year, measures like using the meeting venue's large-size electronic display to add charts and illustrations to explanations were employed to help investors understand the information presented. Six of the 219 attendees asked ten questions and expressed opinions in active question and answer sessions. Resolutions were voted on afterward and the meeting, which lasted 78 minutes, was brought to a close.



The forth Annual General Shareholders' Meeting

Risk Management

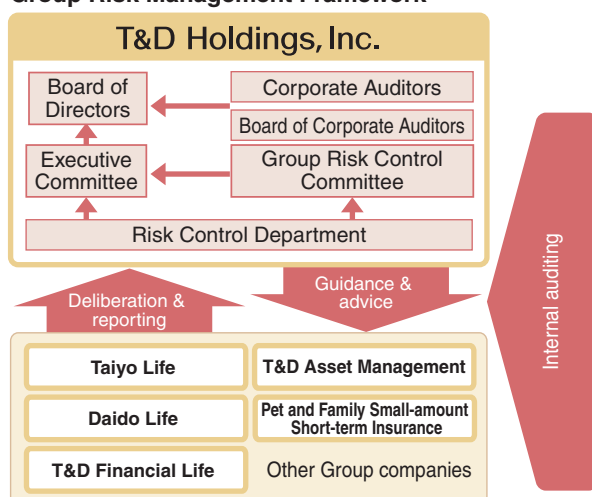
Basic Idea of Risk Management

The T&D Life Group has formulated its Group Risk Management Policies, which set forth the Group's basic risk management concepts. Among the Policies, the Group, in light of the social/public nature of the life insurance business, positions risk management as a key management priority in order to secure sound and appropriate management, and under the T&D Holdings' comprehensive management, each Group company takes responsibility for implementing appropriate risk management based on the principle of self-responsibility.

Risk Management System

T&D Holdings has established the Group Risk Control Committee under its Executive Committee to control and manage risk within the Group. The Group Risk Control Committee receives regular and ad hoc reports on risk conditions, assessed according to uniform risk management indicators, from the three life insurance companies and other Group members and uses this information to identify and manage the various types of risks faced by the Group companies. The Committee also reports to the Board of Directors on the risks and provides guidance and advice to the three life insurance companies and other Group members, as necessary, as it works to enhance risk management for the entire Group.

Group Risk Management Framework



Risk Classification and Responses

The T&D Life Group defines its major management risks as shown below. Management policies have been established for each of these risks, and efforts are made to prevent their realization and keep them below certain levels.

Type of Risk

Insurance Underwriting Risk	Legal Risk
Investment Risk	Labor and Personnel Risk
Liquidity Risk	Hazard Risk
Administrative Risk	Rumor Risk
System Risk	Affiliate Risk

➡ For details on "Risk Classification and Responses", please refer to the website of T&D Holdings.

Crisis Response

The T&D Life Group has formulated its Rules on the Group's Crisis Management, which address the basic matters related to the Group's response to crisis situations. Regarding large scale natural disasters, and other such events, these rules place the lives and safety of employees and directors above all else, recognize, based on a consideration of support to be rendered to disaster stricken areas and other contributions to society, that continuing or rapidly restoring insurance claim & benefit payment operations is an important social mission, and set forth as basic policies to build systems and others necessary for the above. In addition, the Group has implemented some measures such as a system for confirming the status of Group employees and directors in the wake of a disaster as well as a group-wide training to address the possible occurrence of a major earthquake below Tokyo, in order to ensure the effectiveness of the Group's crisis response systems.



Pamphlet describing methods for confirming the status of employees and directors in the wake of a major disaster

Financial Summery

Overview of Operations

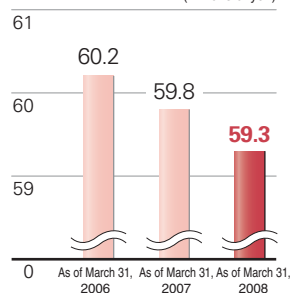
Performance for the fiscal year ended March 2008

Among major performance figures for individual insurances and individual annuities, the Group's three life insurance companies recorded a total of 6,201.8 billion yen in new policies, down 6.5% from the previous year, 5,064.2 billion yen in surrendered or lapsed policies, down 5.6% from the previous year, and, as a result, 59,340.3 billion yen in existing policies in force, down 0.9% from the end of the previous fiscal year.

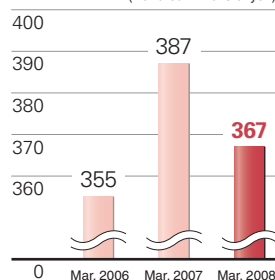
On the (T&D Holdings) consolidated income statement, the Group recorded 1,613.1 billion yen in income from insurance premiums, down 11.0% from the previous year, and 1,647 billion yen in insurance claim & benefit payments, up 1.0% from the previous year. Therefore, ordinary income came to 155.7 billion yen, down 1.6% from the previous year, and net income decreased to 36.7 billion yen, down 5.2% from the previous year.

Meanwhile, core profit, an indicator of performance in mainstay life insurance business for a prescribed period, came to 159.7 billion yen for the three life insurance companies combined, down 7.8% from the previous year.

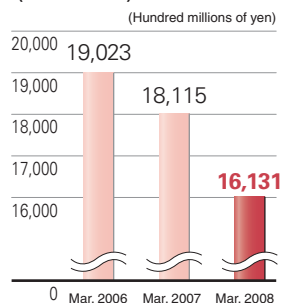
Existing Policy Amount in Force
(Sum of three life insurance companies)
(Trillions of yen)



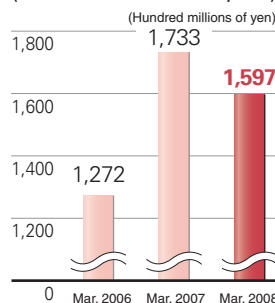
Net Income
(consolidated)
(Hundred millions of yen)



Income from Insurance Premiums
(Consolidated)
(Hundred millions of yen)



Core Profit
(Sum of three life insurance companies)
(Hundred millions of yen)



Corporate value (EEV)

The T&D Life Group has been disclosing its embedded value (EV), one of the indicators for assessing the corporate value of a stock life insurance company. Since the fiscal 2006, however, this EV approach was replaced with EEV based on the European Embedded Value Principles, which has currently been proactively introduced by insurance companies in Europe.

In performing the EEV calculations, for example, a risk-free rate is used for discount rates and yields, in order to solve some of the problems inherent in the traditional EV (TEV) approach and thereby improve the transparency of EV disclosure.

The T&D Life Group's Corporate Value (EEV)

(Hundred millions of yen)

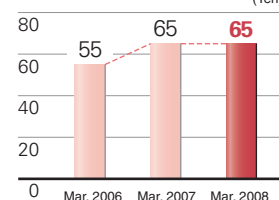
	As of March 31, 2007	As of March 31, 2008	Amount of Increase (Decrease)
EEV	20,721	16,216	▲ 4,504
Adjusted Net Worth	13,448	10,571	▲ 2,877
Value of In-force Business	7,272	5,644	▲ 1,627
Value of New Business	848	620	▲ 228

➡ For more detailed information, please refer to the website of T&D Holdings.

Basic profit distribution policy

T&D Holdings, while paying attention to keep its own operations and those of the Group companies in sound condition, pursues a basic policy of maintaining stable profit distributions in an effort to increase shareholder value, after securing retained earnings required by the Group. Cash dividends for the fiscal year ended March 2008 were set at 65 yen per share, the same as the previous year.

Annual Cash Dividend per Share
(Yen)



Solvency margin ratio

The Group's solvency margin ratio (Note), which is one of the indicators regulatory authorities use to gauge the soundness of an insurance company, maintains a sufficient level.

Solvency Margin Ratio

(%)

	As of March 31, 2006	As of March 31, 2007	As of March 31, 2008
Taiyo Life	1,045.2	1,100.4	1,000.6
Daido Life	1,254.4	1,320.6	1,096.3
T&D Financial Life	1,911.8	1,189.7	912.4
Pet and Family Small-amount Short-term Insurance	—	19,841.6	17,561.0

(Note) The solvency margin ratio is an indicator used by regulatory authorities to judge whether an insurance company has insurance claim payment ability sufficient for addressing unforeseen risks. A solvency margin ratio of 200% or higher represents that the insurance company meets one of the criteria for sound management.

Financial Summery

New Business Strategies

Asset management business expansion

With consumers shifting from savings to investment, the asset management business has in recent years been experiencing a rapid market expansion, and the Group is working to develop it into a second core business domain, after life insurance.

Introduction of Pet Insurance



Pet Insurance pamphlet

The Pet and Family Small-amount Short-term Insurance Company began operations in April 2007 with the twin aims of providing insurance products that help assure pets and their owners the ability to lead healthy, rich lives together, and constantly working to provide better customer service.

Voice

Voice of an Analyst • Ms. Keiko Mizuguchi
Chief Analyst and General Manager of Rating
Planning Department, Japan Credit Rating Agency, Ltd.



I have rated the T&D Life Group, which has strong business and capital foundations and solid profitability, highly for its soundness, and, after considering their strategic positions within the Group, I have also issued relatively high ratings for member companies.

Daido Life is using its business base backed by competitiveness in the small and medium-

sized enterprise market to generate stable revenues and maintain sufficient solvency to pay insurance claims. Taiyo Life has shown positive results in shifting to protection-oriented products for its mainstay household market, which will help to improve its revenue structure. And T&D Financial Life is developing its annuity business, which is based on its revenue/risk management systems, and concentrating on developing sales as a specialized company for bank OTC, etc. As a whole, each Group company has become competitive in its own business area.

The Group actively discloses information such as EEV, a comprehensive market indicator. I will be watching to see their further approaches to disclosing corporate values as well as establishing internal control systems based on their economic value assessed by the Group.

Ratings

Three life insurance companies of the T&D Life Group have obtained the ratings regarding the solvency to pay benefits.

As of the end of October 2008

Rating Agency	Taiyo Life	Daido Life	T&D Financial Life
Standard & Poor's (S&P)	A	A	
Japan Credit Rating Agency (JCR)	A+	AA-	A
Rating and Investment Information (R&I)	A+	A+	A+
Fitch Ratings		AA-	
Moody's Investors Service (Moody's)	A1		

Exclusion of liability:

The above ratings represent the opinions of credit rating agencies and do not guarantee any actual payment of insurance claims.

Please note that these statements are based on numerical figures and other data as of a certain date. Therefore, the ratings may change in the future.

The rating agencies listed above are designated as such by order of Japan's Cabinet Office. The plus (+) and minus (-) signs following the ratings show the relative standing within the major rating categories.

The three life insurance companies formally asked the rating agencies to evaluate them and are rated as shown in the table above.

•Rating definition

Standard & Poor's (S&P).....Insurer Financial Strength Ratings

Rating A:

An insurer rated "A" has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.

Japan Credit Rating Agency, Ltd. (JCR)

.....Insurance Claims Paying Ability Ratings

Rating AA:

A very high level of capacity to honor the financial commitment on the obligation.

Rating A:

A high level of capacity to honor the financial commitment on the obligation.

Rating and Investment Information, Inc. (R&I)

.....Insurance Claims Paying Ability Ratings

Rating A:

A high degree of capacity for payment of insurance claims and excellence in a few key factors of evaluation.

Fitch Ratings, Ltd.....Insurer Financial Strength Ratings

Rating AA:

Insurance claim paying capability is extremely high, the probability of an interruption or termination of payments is extremely low, and the ability to meet obligations to policyholders and other parties without delay is extremely high. There is no risk of significant negative impacts from anticipated changes in conditions.

Moody's Investors Service (Moody's).....Insurer Financial Ratings

Rating A:

Rating for insurance companies with favorable claim payment ability. The Company, however, has factors that may impact its claim payment ability in some point in the future.

Fiscal 2007 Initiatives

Activity Area and Main Activities

The results of the T&D Life Group's principal CSR activities are organized by the Group CSR Charter items below.

Activity Area	Principal Activities	Pages
Offer of Better Products and Services	Feature 1 – To Properly Pay Insurance Claims and Benefits	7-10
	<ul style="list-style-type: none"> ● Provision of products and services responding to customer needs ● Measures for improving the skills of customer service personnel ● Gathering of feedback from more customers and reflection of that feedback in management 	21-28
Strict Compliance	<ul style="list-style-type: none"> ● Enhancement of compliance promotion systems ● Development and implementation of compliance programs ● Development and application of a compliance manual 	29-30
Respect for Human Rights	<ul style="list-style-type: none"> ● Measures responding to employees' desires for greater challenges ● Measures addressing work/life balance ● Measures for protecting employee health ● Implementation of an employee awareness survey ● Protection of personal information ● Workplace human rights education 	31-34
Communication	<ul style="list-style-type: none"> ● Proactive disclosure ● IR activities ● Communication with stakeholders 	35-36
Contributions to Regions and Societies	<ul style="list-style-type: none"> ● T&D Life Group social contribution activities ● Employee volunteer activities ● Cooperation with citizens' groups ● Foundation activities 	37-39
Global Environmental Protection	Feature 2 – Coexistence of Society and the Environment	17-20
	<ul style="list-style-type: none"> ● Initiatives for protecting global environment ● Measures based on quantitative targets ● Environmental communication 	40-42

SRI (Socially Responsible Investment)



As of October 2008, T&D Holdings was kept in the MORNINGSTAR Socially Responsible Investment Index (Note), which is used as an SRI benchmark.

(Note) An investment index consisting of 150 companies selected by MORNINGSTAR Japan K.K. from among 3,600 listed Japanese companies. MORNINGSTAR selected these companies based on overall valuations from the five social perspectives of governance/accountability, markets, employment, social contributions, and environmental consciousness, and considerations of market liquidity.

Coexistence of Society and the Environment

Coexistence of People and Forests Taiyo Life –Two Forests–

Start of the “Forest of Taiyo Life”

The Taiyo Life’s forest protection and afforestation activities were begun by applying the Forestry Agency’s Corporate Forest System in designating a cultured Japanese larch forest in Nasushiobara City, Tochigi Prefecture as the “Forest of Taiyo Life” in March 2006. Since then, large numbers of Taiyo Life employees have volunteered to perform thinning work and create roads. In addition, forestry education has been conducted through the “Forest Lesson” program and trees have been planted.

Birth of the “Taiyo Life Kutsuki no Mori”

In November 2007, Taiyo Life established the “Taiyo Life Kutsuki no Mori” within a forested park in the part of Takashima City, Shiga Prefecture known as Kutsuki.

To promote the forest development, Taiyo Life entered into the “Lake Biwa/Takashima Forest Development Partnership” with the Aso Satoyama Center, a specified nonprofit organization, in the presence of the Mayor of Takashima City. As an initiative undertaken in accordance with the basic principles of Takashima City’s Shiga Prefecture Lake Biwa Forest Development Ordinance, this partnership is the first example of a company and an NPO cooperating in a forest development endeavor.



Thinning work in the “Forest of Taiyo Life”

The “Taiyo Life Kutsuki no Mori” is located at the headwaters of the Ado River, which flows into Lake Biwa. It is, therefore, necessary to pass on to future generations a

healthy forest to protect this important water source for the Kinki Region. Moving forward, we will continue to advance forest maintenance and management activities together with local residents. In the process, attention will be focused on using this forest for environmental education, as a gathering spot for the local community, and as a habitat for the Japanese dormouse and other species.

(Reference) Environmental contribution of two Forests: The “Forest of Taiyo Life” helps to improve the environment by absorbing CO₂ at a rate of 23.6 tons/year (calculated by Forestry Agency). The “Taiyo Life Kutsuki no Mori” absorbs CO₂ at a rate of approximately 81.3 tons/year (estimated by Takashima City)

Thinning and use of the cut timber



Transporting cut timber

Under the guidance of an expert, what becomes an important issue for any forest is thinning and the effective use of the cut timber. Thinning reduces the number of trees in a given area and maintains a certain amount of light within the forest, and is said to be necessary to promote the growth of the remaining trees.

Taiyo Life understands the importance of thinning and is pursuing initiatives to promote the effective use of the cut timber. Timber

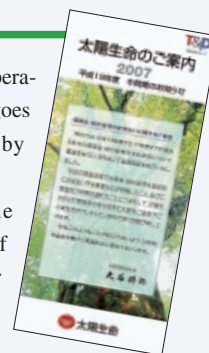
cut in the “Forest of Taiyo Life” thinning operations is used to make paper, which in turn goes into producing interim notifications sent by Taiyo Life to customers.

Taiyo Life is also implementing the “Chopsticks Project” to promote the use of disposable chopsticks made from timber culled in thinning operations at other forests, and mill ends (lumber scraps).

Between the inception of these efforts in August 2006, and the end of fiscal 2007, 360,000 pairs of disposal chopsticks were used by Taiyo Life executives and employees at lunchtime.



Disposable chopsticks using mill ends (above) and a pamphlet using paper made from timber cut in thinning operations (upper right)



Voice

Afforestation activities volunteer, Mr. Yoshinao Hirokawa, Minakami Craft Center



I am a woodworker in the town of Minakami in Gunma Prefecture and a volunteer forest guide at the Mitsubishi UFJ Environment Foundation’s “Suigen no Mori (water source forest)”, located in the same town.

Since the establishment of the “Forest of Taiyo Life” in Nasushiobara City, Tochigi Prefecture, executives and employees of Taiyo Life, including the President, have worked to thin the forest, build roads, and do other work, without relying on other people or professionals, and I have constantly been amazed at their efforts. They have learned the importance of thinning, have used the timber they cut to make paper for their business, and adopted for internal use disposable chopsticks made from culled timber and mill ends, and I have been surprised by their planning and execution capabilities. I’ve been involved with the “Forest of Taiyo Life” since its beginning, assisting with each of their forest development activities. I’ve seen the seriousness with which they approach everything and have been left with the impression that Taiyo Life is a company where the employees follow the examples set by their leaders. I’m looking forward to great things to result from their activities.

Coexistence of Cities and Forests Daido Life –Indoor Forest–

Indoor life-nurturing laurel forest



The Daido Life Esaka Building was completed in 1972 as the first structure symbolizing Suita City, Osaka, the site of the EXPO '70. Driven by hopes stemming from that event, Suita City had been the focus of urban development plans that would make it into a second city center for Osaka. The Daido Life Esaka Building was constructed to help mark 70th anniversary of the founding of Daido Life and became the seat of the Company's head office. To create a rich urban environment and contribute to the local community, a full-blown green space was established inside the building, making it one of Japan's most groundbreaking office projects.

The basic concept of the green space is the image of the life insurance business nurturing life. Seeing the

value of a public space connecting the Esaka subway station and Esaka Park, a green environment simulating a laurel forest in western Japan and giving people a place to be in harmony with plant life was created in an atrium occupying a 50m x 50m, 17m-high space on the building's first two floors. With its dense vegetation, the purpose of this space is to be a place where visitors can relax, and where residents can gather. This green space, where people and plant life come together, is still thriving and providing visitors with a pleasant, relaxing atmosphere, and relief from everyday stresses the moment they enter.

To maintain a space for coexistence

The atrium's green space spans a total area of 2,500m². Of that space, 1,000m² has been made to recreate the feel of the hills and fields of western Japan with plantings of approximately 80 plant species medium-to-tall in height such as camphor tree and camellia, and small in height including sasanqua and azalea, as well as undergrowth.

Numbering over 2,500 in all, the trees and plants in the green space depend on human care to live. That requires the study of natural processes, simulation of wind and rain, removal of dust from the leaves of trees, alertness to the presence of harmful insects and diseases, and other types of efforts to protect and nurture the atrium's plant life. The succulent leaves of these well-tended flora could be seen as natural air purifiers.

Within the atrium, greenhouse conditions are maintained at around 18°C in the winter and 27°C in the summer, making for an environment in which humans can coexist with plant life. What's more,



the interests of the local community and the environment have been taken into consideration through lighting and air-conditioning energy efficiency and other measures.

Through the ingenuity of countless contributors to the green space, this pioneering initiative has been maintained for over 30 years. It has come to be loved by the local community as a space for the city, people, and a forest to coexist, and has been praised as a prime example for the development of future urban greenery technology.



Voice

Atrium plant life manager, Mr. Masahide Izumikawa Chief, Green-Project Section, KANSAIMEISO.Co.,Ltd.



With regard to the atrium's green space, I have been handed a task that is important and enormous given the need to consider the relationship between urban architectures and greenery from the perspective of bringing people and plant life as close together as possible.

I was completely overwhelmed by the seriousness with which this project, the first of its kind in Japan, was undertaken. Managing the plant life in this green space requires an approach from the perspective of cultivation management based on plant physiology and ecology, and I have sought the advice of elder colleagues, university professors, government experts, and others with specialized knowledge of plant life and flowers in taking up the challenge before me. I see my mission as recognizing every signal the trees and plants, which cannot speak, give me and providing them the right green space environment.

Asset Management Based on Principles for Responsible Investment (PRI) Taiyo Life

Signatory to the Principles for Responsible Investment

In March 2007, Taiyo Life became the first Japanese life insurance company to sign onto the Principles for Responsible Investment (PRI) (Note 2) being advocated by the United Nations Environment Programme Finance Initiative (Note1)

(Note 1) UNEP FI=The United Nations Environment Programme Finance Initiative
The United Nations Environment Programme Finance Initiative is an extensive and close-knit partnership of financial institutions in approximately 160 countries. Seeking to work with numerous financial institutions in promoting both economic development and environmental protection, UNEP FI promotes the sharing of information and sponsors cooperative activities.

(Note 2) PRI=The Principles for Responsible Investment
The Principles for Responsible Investment is a set of six principles constituting a code of conduct encouraging institutional investors to consider environmental, social, and corporate governance (ESG) problems in pursuing their investment activities.

ESG initiatives

In managing the premiums paid by its customers, Taiyo Life considers not only profitability, safety, and the public good, but also environmental, social, and corporate governance (ESG) (Note 3) issues.

Taiyo Life has incorporated the concepts of PRI, which it has signed on to, in its Basic Asset Management Rules, and has explicitly stated that they are a part of the basic approach Taiyo Life takes in managing assets.

As part of its investment and lending activities following this basic approach, some investment fund guidelines have been written to explicitly state that assets will be managed based on ESG considerations, and investments are being made in environmental funds. And voting rights for Japanese equities held are being exercised in ways that are more consistent with PRI concepts, than in the past.

To learn more about PRI concepts and what other PRI signatories throughout the world are doing to implement them, executives and employees at investment units are actively participating in PRI training led by outside instructors.

(Note 3) ESG
E= Environment, S= Social, G= corporate Governance

Environmentally Conscious Product Leasing T&D Lease

Japan's only leasing company focusing on the LP gas industry

Since its founding in 1966 as Japan's only leasing company focusing on the LP gas industry, T&D Lease has developed its business of leasing gas meters and all other types of LP gas equipment. T&D Lease is working from a foundation consisting of years of expertise and know-how to provide ever higher levels of service to gas companies and consumers as a professional lease company serving the energy industry.

Helping to protect the environment by promoting the use of clean energy equipment

LP gas is referred to as "clean energy" or "clean gas" because its use results in relatively little CO₂ and SO_x emissions, which are regarded as causes of both global warming and air pollution. T&D Lease provides a lease structure that makes it easy to introduce high-efficiency "clean gas" water heaters and electric generator/hot water home heating systems that reduce energy consumption. As such, T&D Lease, together with the LP gas industry, is helping to promote the use of energy-saving gas equipment and protect the environment. Additionally, as a response to the public's growing interest in the environment, T&D Lease also handles solar power equipment.

Voice



Katsuya Baba
General Manager of Planning Department
Gas Energy Sales Headquarters, T&D
Lease



Kiyotaka Koike
Deputy General Manager
Planning Department and Division

LP gas is social infrastructure used by approximately half (25 million) Japanese households. And we want to increase the number of people using high-efficiency gas equipment by getting the word out about the benefits gas brings to daily life—like the softer feel gas dryers give to clothing and the warm comfort of floor heating. Many believe that, amid growing environmental awareness among consumers, adoption of environmentally conscious gas equipment will grow. And we believe that we'll be able to make an even greater contribution to the environment through the comprehensive consulting services we provide to our customers, LP gas companies.

Investments in Companies Promising Sustainable Growth T&D Asset Management

T&D Asset Management, believing that companies that can contribute to the development of an environmentally friendly society are particularly well-suited for achieving sustainable growth amid growing environmental and other global crises, has established a fund for investing in these kinds of companies

Reflecting the Group's emphasis on social responsibility



Kuninori Takada
General Manager of Product
Alliance Department
Certified International
Investment Analyst

My focus on corporate sustainability began when I started wondering what we could do to support the T&D Life Group's emphasis on social responsibility, and began studying the matter. My studies led to the desire to establish a 20- or 30-year long-lasting fund based on compliance with responsible investment principles. The fund we are presently managing, the "China Environment-related Business Fund", more commonly known as the "Green China", benefits the global environment through investments in companies supporting sustainable growth of the Greater China region. I believe this fund is very significant for its promotion of efficient capital use. Furthermore, for T&D Asset Management, sustainable growth is a key segment product for individual investors.

Focusing on environmental business in Greater China

In June 2008, T&D Asset Management established the "China Environment-related Business Fund", more commonly known as the "Green China", to invest in companies engaged in environment-related businesses in Greater China. China is viewed by many as being late to address environmental concerns, but, through avenues like the inclusion of environmental measures in the government's economic policies, it is actively taking on environmental problems. That

alone would mean plenty of business opportunities, and it is our judgment that companies pursuing environment-related businesses in China offer extraordinary sustainable growth potential. Many people are surprised to hear China and the environment mentioned in the same breath, but can understand the outstanding growth potential of environmental businesses in China once the conditions on the ground are explained to them. Going forward, I intend to take as many opportunities as possible to talk about the compelling nature of this fund.



Shigeki Nakai
Chief Manager
Investment Trust Fund Sales
Department

China Environment-related Business Fund Common Name: Green China

Open-ended securities investment trust fund/International equities type (Asia & Oceania)

•Investors bear the following expenses

Upon application Front charge: An amount calculated based on a rate of up to 3.15% (3.0% after taxes) of the application amount, with the rate to be specified by the distributor.

While holding period Trust fee : An amount equal to 1.995% p.a. (1.9% after taxes) of total net asset.

Audit fee : An amount equal to 0.00735% p.a. (0.007% after taxes) of total net asset.

Other expenses: Custodial, transfer agent, and other expenses are incurred by the Fund. The fees vary depending on factors like investment conditions, and it is impossible to provide specific information on rates, maximum amounts, and other such matters ahead of time.

Upon redemption Exit charge: An amount equal to 0.3% of net asset value on the first business day following the redemption application date

Redemption fee: Not applicable

* The total amount of fees and other charges due varies depending on holding period and other factors and, therefore, cannot be presented.

•Primary risks of the Fund

The Fund invests directly or indirectly, via beneficiary securities in a China Environment-related Mother Fund, in equities and other investment instruments with prices that vary, so the net asset value of the Fund will fluctuate accordingly. Consequently, investment principal is not guaranteed. Additionally, revenues, yields, etc. for the Fund are uncertain. Gains and losses generated by fund assets accrue entirely to investors.

Primary risks

- Equity price fluctuation risk
- Exchange rate risk
- Country risk
- Credit risk
- Interest rate risk
- Liquidity risk

* Regarding details on fees and risks, it is strongly recommended that those considering investment read the fund prospectus.

Disclaimer

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•Unlike deposit and savings accounts, and insurance policies, investment trust funds are not protected by deposit insurance, savings insurance, or an insurance policyholders protection corporation. Furthermore, investor protection fund coverage does not apply to fund shares purchased from a registered financial institution.

* When considering the purchase of the Fund, please read a copy of the latest prospectus, which will be provided by the distributor, before making a purchase decision.

Asset management company

T&D Asset Management

<http://www.tdasstet.co.jp/en/index.html>

Corporate Name:

T&D Asset Management Co., Ltd.

Registration Number:

Director General of Kanto Finance Bureau
(Financial Instrument Firm) No. 357

Membership:

The Investment Trusts Association, Japan
Japan Securities Investment Advisers Association

For Greater Customer Satisfaction

Group's Unique Business Models to Meet Various Customers' Needs

Taiyo Life

Taiyo Life offers medical, nursing care, death benefits, and other protection-oriented products to the household market through its in-house sales representative channel. Housewives make up the bulk of policyholders, and approximately 70% of new individual insurance and individual annuity policyholders are women.

In the past, endowment insurance and other savings-oriented products that were easy for housewives to purchase were leading products, and the focus of sales efforts. Now, however, the protection-oriented products such as medical, nursing care, etc. have become Taiyo Life's main force, reflecting Japan's aging population, that are to meet increasingly diverse customers' needs.

Taiyo Life has in-house sales representative channel, and those

in-house sales representatives regularly visit customers, hear their needs, and make recommendations on the best insurance products to meet their needs. They also provide customers with advice on changing their coverage to address new sets of needs that arise with important life events like marriage, childbirth, the entrance of children into school, and retirement.

Additionally, customer service staff regularly visits customers to provide information on new products and services, perform services related to various procedures, and hear customer desires and other feedback.

Taiyo Life offers the best products and services through such detail-oriented, face-to-face consultation-style sales efforts, and works to enhance its services, so that it can be a lifelong partner for its customers.

Daido Life

Daido Life positions system products sales through relationships with partner organizations in the SME market as its core business. It offers benefit programs that cover various risks faced by organizational members and SME customers, through a joint effort with organizations including companies, tax accountants, or certified public accountants as their members (Note). As shown in the results in 2007 where business market policies account for more than 90% of new policy sales, it specializes in the SME market.

Daido Life sells insurance through two primary channels—the in-house sales representative channel and the agent channel, which is comprised mainly of tax accountants. Its individual term life insurance, which provides extensive protection for a

low premium and is an optimal product for company security system, has gained the largest share in the life insurance market, representing 21.4% as of March 31, 2007.

Daido Life will continue to make every effort to offer the most suitable insurance in order to protect its SME customers from various risks around them, by taking advantage of its considerable experiences with 380,000 companies.

(Note)

In 1971, Daido Life began applying Major Comprehensive Protection System for Company Managers of *Zenkoku Hojinkai Sorengo* (NFCTA: National Federation of Corporate Tax-Payers Associations), and *Nozei Kyokai Rengokai* (TPA: Federation of Tax Payment Associations), and in 1976, Company Protection System of TKC National Federation to sell life insurance products to the member companies, tax accountants, and certified public accountants.

The TKC National Federation is an organization of professional accountants as a network of tax accountants and certified public accountants dedicated to contributing to the realization of just taxation and the ongoing prosperity of client companies.

T&D Financial Life

T&D Financial Life, under its management policies of “enhancing the compliance system as well as the internal control system that devices to protect customers”, “expanding financial institution sales channels to create a new growth stage” and “maintaining extremely solid operations by increasing profitability”, offers life insurance through banks and other OTC sales channels.

Sales of life insurance via banks and other OTC channels are expected to experience strong growth in the future. In December 2007, all regulatory restrictions on insurance products that can be sold through banks or other OTC channels were lifted. As a result, it has also become possible to sell vari-

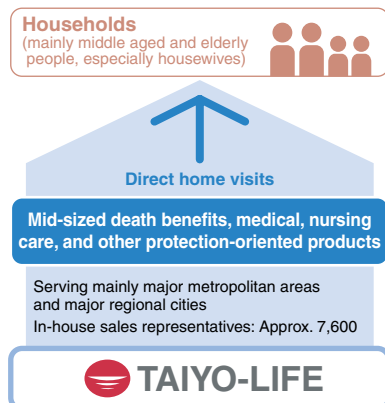
able annuities and other traditionally popular asset formation products, and medical insurance and other types of primarily guarantee-type insurance products.

T&D Financial Life strives to develop new products for customer needs, and provide high-quality service through operators who respond to inquiries and claims received by telephone from customers throughout the country.

Moving forward, T&D Financial Life will continue its efforts to increase customer satisfaction by providing straightforward, yet unique products and services under an overriding management policy of taking the customer's perspective.

Supporting families by providing security in all aspects of life

Business Model



Voice

In-house sales representative, Emiko Miichi
Ikebukuro Branch, Taiyo Life

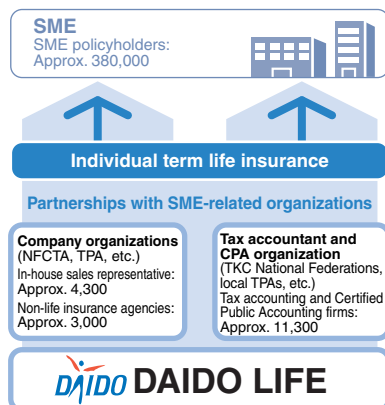


One of my customers, the president of a building contracting business, says that building a house doesn't end once it's constructed. It's important, he says, to continue maintaining it. Life insurance is the same, and sales representatives believe that our actions must be driven first of all by awareness of the importance of claim and benefit payments.

I think that underpayments of claims and benefits resulted partly from inadequate efforts to visit customers. In my case, I regularly visited customers after they purchased policies. However, upon later asking them about claim and benefit payments, I discovered that some customers mistakenly thought that benefits would not be paid for surgery. The discovery of underpayments has spurred us to re-examine the approach we take existing customers.

Supporting the SMEs, the backbone of the Japanese economy

Business Model



Voice

In-house sales representative, Akio Shimada
Kawasaki-Minami District Office, Shin-Yokohama Branch, Daido Life

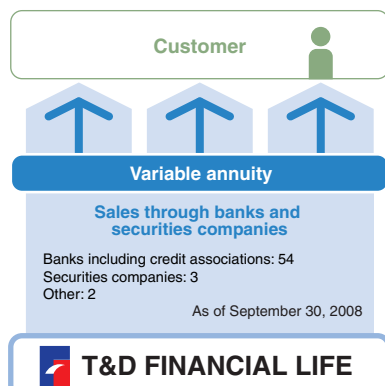


At present, I have about 100 customer companies that are members of NFCTA. Every day, I pay regular visits to my customers based on a schedule I assemble for each month. Each time I visit a customer, I listen carefully to what they say, determine whether they have unmet needs, and make appropriate recommendations. In addition, when discussing insurance, I never use industry jargon that is difficult to understand.

As a sales representative, I realize my greatest joy when I recommend the best insurance product for a customer, and the customer is pleased with my recommendation. That also helps me to build trust-based relationships. I'm even invited to go along on trips customers arrange for their employees, and those times are icing on the cake for a sales representative.

Supporting security for life after retirement through variable annuities

Business Model



Voice

Wholesaler, Kunihiro Kaku
Sales Promotion Division Manager
East Japan Promotion Office No.1, Business Promotion Department, T&D Financial Life



The wholesaler's role is to support the sales activities of financial institutions acting as sales agents, and what is most important about our work is the degree to which we can increase the number of people who share our feelings. In doing that, it is critical to work and go through a difficult phase together with agents.

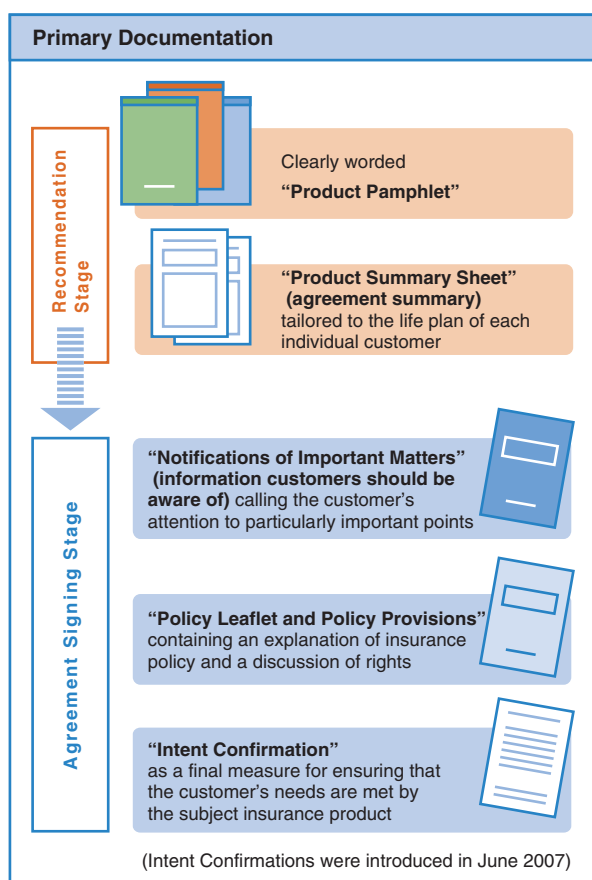
For example, we put our heads together with staff at agents facing particularly tough sales competition to work out solutions. And when we achieve our goals, we share the joy. It is also important that customers clearly understand policy details, and necessary to carefully explain those details to them in easily understood language. At a time when trust in insurance companies has been shaken, I think that that is something each of us can do.

For Greater Customer Satisfaction

Services at the Time Agreements Are Signed

The Group's three life insurance companies make the most of the advantage afforded them through their face-to-face sales approach and provide customers with explanations they can clearly understand.

Additionally, when agreements are to be signed, customers are provided with documentation to help them fully understand the subject insurance product and confirm that it meets their needs.



Full Range of After-Sales Services

After-sales services by customer service staff **Taiyo Life**

Life insurance policies are long-term products, spanning 20 or 30 years, for example, therefore after-sales service is important. At Taiyo Life, customer service staff specializing in the provision of after-sales service regularly visit customers to provide information on new products and services, follow-up with various procedures, and gather information on customer needs and desires.

Customer service staff strive to provide customers with conscientious service — in other words, understand and apply concepts of hospitality — and do their best to deliver high quality.

Voice

Customer service staff, Yukiko Takahashi
Funabashi Branch, Taiyo Life



One of my most important concerns in my daily work is paying careful attention to each individual customer. In the past, starting a simple conversation with a customer has resulted in the customer's telling me about his or her hospitalization, and allowed me to help them apply for benefits.

Last year, while delivering the pamphlet, "Claim Procedures for Insurance Benefits", I discussed insurance and requests for payments with customers and received many thanks for my efforts. That led to a deepening of my relationships with my customers and made the year one in which I was able to renew my feeling of gratitude toward them. More recently, the amount of time required for in-house training has increased, but I intend to use what I learned to further improve our customer relationships.

Enhancement of sales support system **Daido Life**

In May 2008, Daido Life completely updated its "Ace Navi" sales support system to enhance and strengthen primarily the various customer-service support functions and information security functions to protect personal information.

For example, regarding the status of various procedures concerning customer policies (policy changes, premium transfer status, etc.) and matters like scheduling of customer visits, the system was improved to promote faster in-house sales representative responses and more detailed customer services by always displaying the customer's latest information on the first screen to appear on the in-house sales representative's computer screen.

In addition, important information gathered from customers will no longer be stored on personal computers, but rather on a central server as a part of enhanced efforts to prevent information leaks.

Improving the Skills of Service Personnel

The Group's three life insurance companies place a high priority on improving the skills of service personnel who are critical for increasing customer satisfaction.

Focusing on the acquisition of fundamental and specialized life insurance knowledge, and compliance, as basics, all three companies are actively undertaking training to help their service personnel respond to customers' varied needs.

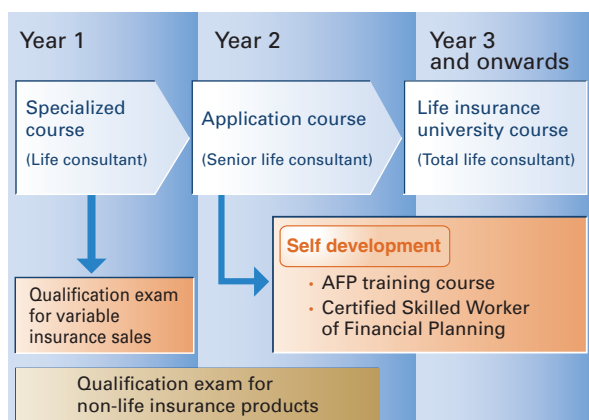
To provide customers with optimal service under their three different business models, each life insurance company has personnel such as in-house sales representatives, customer service staff, agents, and wholesalers who provide support to agents. Also of critical importance are tailored training approaches. And all three companies not only adopt systems and programs focused on the needs of particular kinds of personnel, but also work to ensure their training programs are the best that they can be.

Support for obtaining professional certifications Taiyo Life

To develop in-house sales representatives capable of providing consulting services from the customer's perspective, Taiyo Life conducts training aimed at improving product, tax, and insurance sales knowledge, and provides support for the acquisition of generally recognized national certifications as a way to promote the enhancement of specialized knowledge.

Taiyo Life actively supports in-house sales representatives working to attain one of the three Life Consultant professional designations awarded to those who pass a common industry examination. Additionally, Taiyo Life offers AFP classes aimed at improving financial planning capabilities and supports employee efforts to become a Certified Skilled Worker of Financial Planning or an Affiliated Financial Planner (AFP).

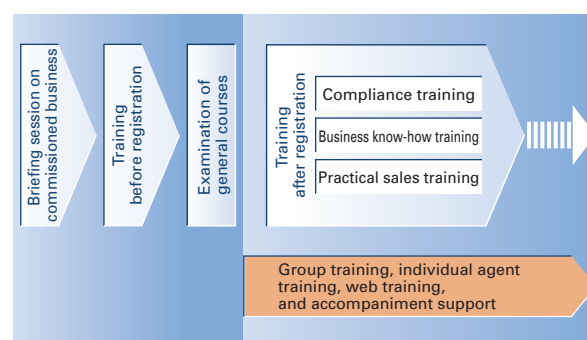
Qualification Examination System



Soliciting agent training program Daido Life

Daido Life has established a training system tightly linking the headquarters, branches, and staff responsible for overseeing agents and uses it to provide high quality support to agents.

It is also providing practical training using resources like proprietary PC-based learning materials and explanation sheets. This training is based on a training program intended to improve understanding and expertise related to the implementation of strict compliance practices and to the insurance business.



Training program for staff responsible for overseeing agents T&D Financial Life

T&D Financial Life's staff responsible for overseeing agents (wholesalers) undergo training intended to provide them with a broad range of expertise and know-how that will permit them to win the trust of financial institution personnel who are partners in selling products, and ultimately satisfy customers.

Training is conducted to help wholesalers not only acquire the basic knowledge required to handle financial products, but also master the technical details of products as necessary, according to the levels of participants.

Efforts to augment practical skills include training for improving communication skills, classes by asset management firms, and opportunities to interact with wholesalers from other units. Furthermore, input from wholesalers is used to enhance training in a bid to develop wholesalers who satisfy customers and agents.

For Greater Customer Satisfaction

Other Services

The Group's three life insurance companies are striving to improve convenience for customers by allowing them to request various procedures not only face-to-face at their nationwide branches and head offices, but also via call centers and the Internet.

Various services responding to customer desires are also rendered through these avenues.

T&D Club Off

"T&D Club Off" provides customers of the Group's three life insurance companies with various services that are useful for promoting good health and making the most of time off.

Examples of T&D Club Off Services

- Domestic lodging
- Online reservations for overseas hotels
- Business hotel reservation services
- Golf reservation services
- Recreation facilities
- Various toll-free telephone services (consultations on legal, tax, financial, pension, childcare, dietary, and other matters)
- Support services for daily life (extensive menu of services for daily life)



➡ For details on services, please refer to the website of the Group's three life insurance companies.

New service for children's insurance "Waku Waku Mail"..... Taiyo Life

In April 2007, Taiyo Life introduced a new children's insurance product called "Waku Waku Pokke". This product was created by female employees on New Product Development Team working in cooperation with mothers who have children.

One of the new services offered with this product permits policyholders to write happy messages that are then held by Taiyo Life and delivered to the policyholders as a "Waku Waku Mail" when the product becomes due.



"Waku Waku Pokke" pamphlet

Support services for SME business management Daido Life

Daido Life provides a range of corporate customer services intended to provide business management support and promote good health.

Examples of Corporate Customer Services

- Delivery of business strategy, industrial sector, and other reports
- Provision of templates for company internal rules
- Free employment rule assessments
- Information on public support
- Health consultation and second-opinion service

Provision of information over the Internet

The Group's three life insurance companies are working to provide a rich selection of information over the Internet.

T&D Financial Life, for example, has posted a list of commonly asked questions and responses to them on its website.

Click the "Frequently asked questions" button on the top page of T&D Financial Life's website

Enter search terms in the FAQ search window

A list of search results appears, allowing the user to view detailed information

Reflecting Customers' Voices in Operations

System for Gathering Feedback as Widely as Possible

Customer voices gained through daily business activities

All three life insurance companies are doing their best to increase customer satisfaction by creating systems for gathering feedback from as many customers as possible and reflecting it in their operations.

Through in-house sales representatives, agents, call centers, the Internet, and other points of contact with customers, input is received from customers throughout the country on a daily basis. Customer feedback is centrally managed in a database and provided to relevant units, where it is used to improve work procedures and quality.

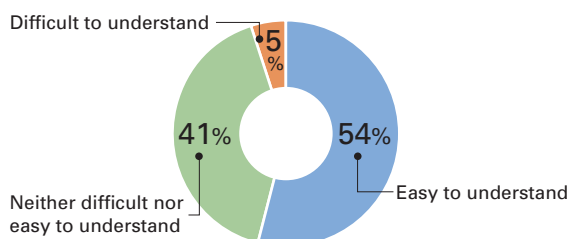
Customer surveys

The Group's three life insurance companies conduct surveys to gather customer feedback.

T&D Financial Life, for example, encloses customer satisfaction surveys when sending out documents on insurance claims and discloses results of those surveys on its website.

Example of T&D Financial Life Survey Results

Q1. What did you think about the form completed on this occasion?



Survey period: October 1, 2007 to March 31, 2008

Policyholder meetings Taiyo Life

Taiyo Life holds "Taiyo Life Fureai Club" (policyholder meetings) to help policyholders better understand Taiyo Life and life insurance and gather information on customer opinions and desires.

In fiscal 2007, these meetings were held in 25 locations throughout the country, by 74 branches, and were attended by



"Taiyo Life Fureai Club"

367 people. Taiyo Life used these meetings primarily to explain the details of examinations it performed regarding the underpayment of claims and benefits, and the status of improvement measures.

Marketing surveys by product development personnel

Product development personnel actively pursue marketing activities aimed at identifying customer needs.

With its mainly household market, and women accounting for approximately 70% of its customers, Taiyo Life launched its New Product Development Team in February 2006. The company is using this group, which consists of only female employees selected through an open recruitment process, to pursue product development that emphasizes a woman's perspective and customer voices.

Daido Life, which serves SMEs, conduct surveys of in-house sales representatives who are in daily contact with company managers and tax accountants, to gather information on what customers need and desire in products.

Voice

Member of Product Development Team, Mari Mogi
New Product Development Team, Product Development Division, Product Department, Taiyo Life



When I was working at a branch, the feeling that I had satisfied a customer was what pleased me most in my work. Now that I have been selected through an open recruitment process to be a member of the New Product Development Team, my objective is to put smiles on the faces of even more customers by listening to as

many people throughout the country as possible, and developing products that go farther in satisfying their needs.

Reflecting Customers' Voices in Operations

Efforts by Three Life Insurance Companies to Respond to Customers' Voices

Taiyo life

Acquisition of ISO 10002 certification

In fiscal 2007, Taiyo Life implemented a companywide business process improvement initiative under the theme of adopting improvements based on customer feedback. This initiative aims to improve customer satisfaction through business process improvements based on the customer's perspective.

As part of its effort to ensure the reliable implementation of its customer service systems and promote ongoing improvements, Taiyo Life gained the ISO 10002 "Quality management—Customer satisfaction—Guidelines for complaints handling in organizations" certification in March 2008.



Taiyo Life gains ISO 10002 certification

Daido Life

Companywide initiatives led by a dedicated CS unit

Daido Life has established its CS Promotion Department, a unit devoted solely to promoting initiatives aimed at increasing customer satisfaction, and is centrally aggregating customer feedback from throughout the country, sorting and analyzing problems, and identifying areas requiring improvement.

Once such areas are identified, head office units develop concrete improvement measures. After consideration by the Executive Committee, approved measures are implemented, with continuous monitoring and verification by the CS Promotion Department. Improvement measures are shared with all employees in "CS Sessions" (Note) and implemented in the course of regular business activities.

Additionally, customer feedback and improvement measures are distributed throughout the company on a monthly basis in the Complaint and Consultation Report and information is shared over a bulletin board established on the company's LAN, in an effort to improve customer convenience and prevent future complaints.

(Note) Branch managers and general managers at the head office lead these meetings, which are attended by all unit members and used to discuss the details of, and implement improvement measures.



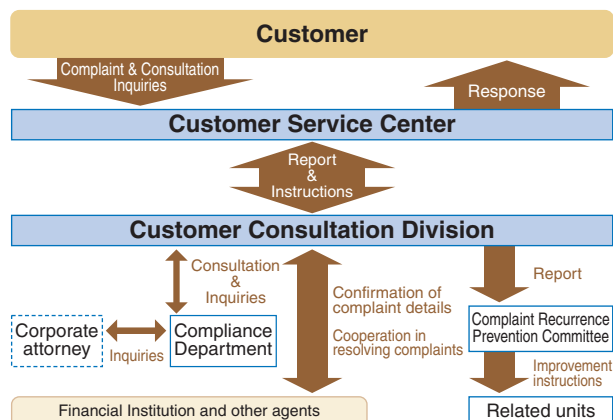
CS improvement promotion 2008
"Do it right!" poster

T&D Financial Life

Rapid response in partnership with financial institutions and other agents

T&D Financial Life takes seriously each and every customer comment received through its Customer Service Center, and has put together a system for reflecting customer complaints, opinions, and desires in its management and improving both customer service and business process quality through operational improvements. Furthermore, it also works with financial institutions and other agents (sales channels) to rapidly respond whenever issues or problems emerge.

System for Reflecting Customers' Voices in Operations



Examples of Improvements Based on Customers' Voices

Customers' Voices	Principal Improvements
Taiyo Life <p>What should be done when the beneficiary cannot submit a request for benefits by himself/herself?</p> <p>Only one benefit claim form was provided even though I have multiple policies.</p> <p>I was unsatisfied with the response I received when I telephoned the branch office, and would like improvements to be made.</p>	<p>Began handling specified agent claim rider Specified agent claim rider was introduced to make it possible for a pre-specified beneficiary representative to apply for benefits when the beneficiary, who is also the insured, is incapable of applying for benefits by himself or herself.</p> <p>Revised the user interface The computer screen used by reception employees was changed to determine whether other applicable policies exist when a customer applies for benefits.</p> <p>Implemented customer service attitude training Customer service attitude training is being conducted for general office employees who are often in direct contact with customers. The purpose of this training is to help these employees adopt the service attitude and matters necessary for the customer service improvements being demanded of insurance companies.</p>
	<p>Adopted rule requiring that the "Product Summary Sheet (agreement summary)" be read to customers A rule requiring that policy explanations include reading to the customer particularly important sections of "Product Summary Sheets (agreement summaries)" to help ensure the customer fully understands coverage details was adopted.</p> <p>Information on premium refunds revised for easier understanding Explanations of premium refunds following policy cancellations were revised to more clearly explain matters like fund transfer amounts associated with each policy and reasons for refunding premiums.</p> <p>Benefit claim forms revised to include past benefit payment histories Detailed benefit payment histories are being included in benefit claim forms, so that customers can apply for all available benefits. This was done to allow customers to confirm their benefit payment histories.</p>
T&D Financial Life <p>The details (terminology) of the "Policy Notification" are difficult to understand.</p> <p>I received an "ID Number and Password Notification" for using Internet services, but the numeral "1" and the lowercase "l" in the initial password look the same and are hard to distinguish.</p> <p>After increasing the basic insurance amount for my variable annuity, I received a notification confirming that change, but I want to see the revised amount displayed on my insurance policy certificate.</p>	<p>Simple documentation explanations prepared Information including an explanation of how to read a "Policy Notification", titled "Regarding the Details in the Notice of Policy Terms & Conditions", "Frequently Asked Questions", and an explanation of situations eligible for claim and benefit payments titled, "Regarding Payment of Claims and Benefits" were prepared, and are periodically being sent to, customers who purchased policies through former sales branches. All of these explanations are included with "Policy Notifications".</p> <p>Usage of numbers and text characters revised to prevent customer misunderstandings The numeral "1" and the letter "l", and the numeral "0" and the letter "O", were excluded from use in temporary login IDs and passwords. Similarly, the letters "j" and "i" were excluded from use in initial settings to help avoid customer misunderstandings.</p> <p>Presentation of increased basic insurance amounts on re-issued insurance policy certificates When the basic insurance amount for a variable annuity is increased, the completion of the related procedures is communicated to the customer via the "Notification of Policy Revision (basic insurance amount increase)", which is sent in lieu of a new insurance policy certificate showing the revised insurance amount. If the customer wants to have a new insurance policy certificate showing the increased insurance amount, one will be issued once the customer returns the original insurance policy certificate to the company.</p>

Strict Compliance

Basic Ideas of Compliance

The T&D Life Group, as one of its management visions, has committed itself to “broadly fulfilling the social responsibilities with high ethical standards and strict compliance practices”, thereby positioning legal compliance as a key management priority.

To promote CSR initiatives, compliance is an indispensable key factor. Based on this idea, the Group is committed to ensuring that all employees and directors thoroughly understand the T&D Life Group Compliance Code of Conduct, etc. in order to promote compliance.

Group Compliance Promotion System

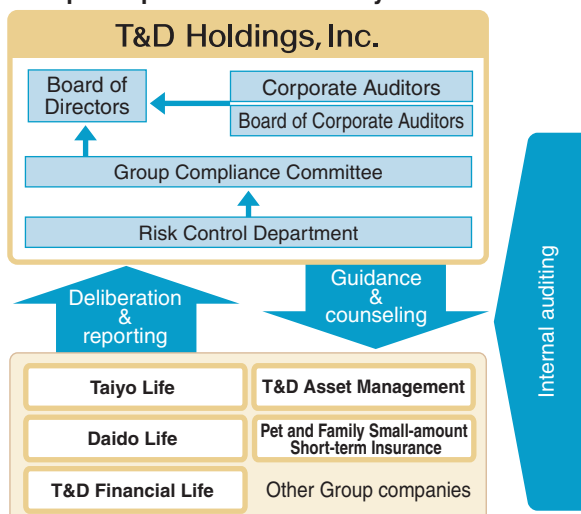
T&D Holdings has developed its compliance promotion system in accordance with the Basic Policies for T&D Life Group Compliance System Development.

The Group Compliance Committee has been established as an organ for monitoring and improving compliance within the Group. The committee, which is chaired by the President and comprised of all directors and executive officers with operational responsibilities, works to ensure strict compliance by discussing compliance matters, reporting its conclusions and expressing its opinions as necessary to the Board of Directors.

In addition, the Risk Control Department, which has overall responsibility for promoting compliance, performs regular monitoring in cooperation with the compliance units of the Group’s three life insurance companies, and provides these companies with guidance and advice.

The three life insurance companies and other group companies also have compliance promotion systems consisting of compliance committees and units charged with overall responsibility for compliance.

Group Compliance Promotion System



The T&D Life Group Compliance Code of Conduct

This Compliance Code of Conduct serves as a basic policy guideline for all employees and directors of the T&D Life Group to follow in order to ensure that their business activities are conducted in a fair and adequate manner in line with laws, regulations, and rules. The code sets specific principles and standards to be observed by employees and directors to support them in complying with laws and rules in their daily business operations.

Anyone not following the Compliance Code of Conduct of the T&D Life Group may be disciplined for noncompliance with laws or in-house rules.

1. Strict Compliance with Laws, Regulations, and Rules

We will comply with social rules, including such laws as the Insurance Business Law as well as our own in-house rules. Being aware of the background of these norms, we will conduct ourselves in an honest manner.

2. Maintenance and Promotion of Fair and Free Competition

Regarding the products and services that we provide to customers, we will not conduct any illegal acts in competing with other companies, including colluding on bidding.

3. Proper Information Disclosure

We will properly disclose and explain information on our products and services as well as information about the management of the Company and Group companies.

4. Proper Information Management

We will properly handle customer information that we have obtained in the course of our business, including their personal information, in accordance with laws and regulations. We will properly manage information about the Company and Group companies that has not been disclosed to the public. We will not allow this information to be leaked to third parties after leaving the Company or Group companies.

5. Prohibition of Insider Trading

We will not use important confidential information that we have obtained in the course of our business for the purpose of making corporate or private investments or for other personal economic activities.

6. Response to Antisocial Powers

We will reject and stringently respond to any antisocial powers and organizations that threaten the order and safety of a civil society.

7. Limitations on Business Entertainment

We will not give or receive gifts and will neither make nor accept offers of entertainment beyond the extent of social norms.

8. Distinction between Private and Public Matters

In conducting business, we will draw a clear line between our private and public lives.

9. Respect for Human Rights

We will respect human rights and do our utmost to prevent discrimination and harassment.

Responsibility and Duty of Management

The T&D Life Group management will act while recognizing the observance of the code of conduct as their responsibility and duty and strive to disseminate the code of conduct among Group companies and play a leading role in promoting the observance of the code.

Compliance Program

Each T&D Life Group member company takes compliance measures that are based on the Group's basic compliance policies and are appropriate for its size and character in striving to ensure high compliance awareness. For example, T&D Holdings and the Group's three life insurance companies have created Compliance Programs as concrete, implementable plans aimed at having all employees and directors practice legal compliance and are performing compliance training and taking other steps to reinforce compliance in business activities.



Compliance training (T&D Holdings)

Compliance Manual

The T&D Life Group has prepared separate compliance manuals for in-house sales representatives, office workers, agents, etc. Compliance manuals are used as guidebooks for daily operations and as teaching materials in compliance training.

Compliance Card

To help ensure strict compliance, employees of the Group's three life insurance companies always carry with them cards on which key compliance points are printed.



Compliance card

Development of Solicitation Policies

The Group's three life insurance companies have established Solicitation Policies which form the ground rules for soliciting activities complying with legal requirements. Under the policies, the companies constantly work to develop and propose products that appropriately respond to customer intentions and circumstances, and make efforts to ensure that customers purchase policies only after thorough understanding of the coverage to be applied.

Solicitation Policies; Taiyo Life

Below are Taiyo Life's basic policies regarding solicitation of life insurance and sales of other financial products to customers. Services most appropriate for customers are offered through consulting style sales, and Taiyo Life personnel constantly work in ways that are fair and appropriate to design and solicit products in consideration of factors like customers' wishes, circumstances, and privacy.

- **Laws and regulations will be complied with in solicitation activities.**
- **Efforts will be made to pursue appropriate solicitation activities, in light of the customer's circumstances.**
- **Factors like time and place will be fully considered.**
- **Efforts will be made to appropriately explain important matters.**
- **Efforts will be made to provide personnel with comprehensive education and training.**
- **Customer information will be handled with the strict care.**
- **Systems for the pursuit of appropriate solicitation activities will be built.**

Whistleblower System

The T&D Life Group's three life insurance companies and other Group members have long been operating their own whistleblower systems. In April 2005, however, the T&D Life Group Helpline was established for use by all Group employees and directors.



The T&D Life Group Helpline poster

Implementation of the whistleblower system

As a rule, employees and directors who report information through the T&D Life Group Helpline do not suffer negative consequences for having done so. To ensure the effectiveness of the system, the Group has made it possible to report information to a contracted third-party company by phone, via a website, and other channels, and to do so anonymously. The Group will continue its efforts to promote compliance through this whistleblower system.

Initiatives to Improve Employee Motivation

Employee Development Direction

The T&D Life Group has formulated education and training plans under the basic policy of “developing human resources with boundless creativity and a solid ability to get things done”, which is included in management visions, and is working to develop and improve employee skills.

Education and Training

The Group’s three life insurance companies provide education and training primarily through on-the-job training, group training, and self-development support.

The Group supports the personal career improvement efforts of individual employees by, for example, actively supporting efforts to gain professional qualifications and offering a broad array of courses through correspondence, e-learning, and other education and training channels.

Programs Responding to Employee Challenges

Internal recruiting system

The Group’s three life insurance companies provide opportunities for employees to actively develop their own skills and supports employee efforts to develop career plans. One example is their internal recruiting system that allows employees to apply for positions they would like to take on as new professional challenges as well as for MBA degree courses, etc.

Voice

Beneficiary of the internal recruiting system, Madoka Kajita
Accountant Agency Management Division,
Accountant Agency Management Department Daido Life



Working as an area career-track employee at a branch, I developed a desire to understand the workings of the entire company, and applied to the Head Office Long-Term Transfer System. Now, I’m working at the head office preparing sales support information and planning and developing sales promotion goods.

What is good about working at the head office is that it has widened my perspective on my work. I have developed a very good understanding of how branch activities are underpinned by head office support systems. In addition, by analyzing phone calls received from various branches, I have become familiar with the different problems faced by individual branches and developed an understanding of the work performed by other units. I aim to use what I have experienced in my future career development.

Initiatives to support women’s career

Having the objective of being a place where employees can work with great enthusiasm and motivation, the Group actively hires and promotes employees without regard to gender.

Specifically, the Group is recruiting outstanding female employees for management positions, encouraging women to change to career-track status, has created the New Product Development Team through open recruiting targeting only women to develop products from women’s perspective, and is taking other such steps to take advantage of the skills of female employees and promote the development of a workplace where women can thrive.

Inauguration of Successful Women’s Seminars

Taiyo Life

Compared to men, women can face more career limitations due to life stages, so Taiyo Life came to believe that a different perspective was required for monitoring the career development of women promoted to managerial positions.

As a result, it has inaugurated “Successful Women’s Seminars” targeted primarily at female management employees. These seminars provide training to improve mainly communication and leadership,



Successful Women’s Seminar

but also other interpersonal skills, and give participants opportunities to learn from female managers working in other types of business. Feedback from participants has been very positive.

Female manager, Yuko Ariyama
Education and Training Division Manger,
Education and Training Department T&D Financial Life



Wanting to be involved in training and education, I used the internal recruiting system to transfer to my current unit. Now I’m using know-how I acquired during my time as a wholesaler to train less-experienced employees. Being the only female Division Manager, I feel honored, on the one hand, but, lacking a “guidebook”, I

also feel some pressure to do my best to be a good example for those who follow.

My advice to women aiming to become managers in the future is, first of all, that you need to make 50% more effort than others do. Furthermore, no matter where you work, changing the status quo requires that you personally take initiative. I think doing that results in greater satisfaction and makes one stronger in the end.

Employment of people with disabilities

The Group's three life insurance companies endeavor to create better workplaces that accommodate people with disabilities and had a combined employment rate of people with disabilities 1.97%, equating to 298 people, as of the end of March 2008.

Reemployment

The Group's three life insurance companies have introduced reemployment system for retirees. For people who meet certain requirements, renewal of employment agreements under the system is possible through the age of sixty-five. 42 of the 80 Group employees who retired in fiscal 2007 have been rehired under the system. In addition, life planning seminars have been held to encourage employees who have recently turned fifty to consider options for how to work and live in the future.

Workplace Environment Data (Group's three insurance companies)

	March 31, 2007	March 31, 2008
Employment rate of people with disabilities (Note 1)	1.85%	1.97%
No. of employees taking maternity leave	137	112
No. of employees taking childcare leave	132	153
Male	18	40
Female	114	113
No. of employees taking nursing care leave	6	8
Male	1	0
Female	5	8
Avg. No. of paid vacation days taken (Note 2)	10.2 days	10.2 days

(Note 1) The statutory employment rate of people with disabilities is 1.80%.

(Note 2) The figure for the average number of paid vacation days taken applies to office workers.

Employee Statistics (Group's three insurance companies) (Unit: people)

	Employees on staff		People hired	
	March 31, 2007	March 31, 2008	FY 2006	FY 2007
Total No. of employees	20,147	19,484	4,253	3,830
Male	4,587	4,527	394	335
Female	15,560	14,957	3,859	3,495
In-House sales representatives	12,842	11,926	3,739	3,101
Male	938	741	171	66
Female	11,904	11,185	3,568	3,035
Office workers	6,267	6,624	472	692
Male () Managers	3,649 (1,896)	3,786 (1,964)	223	269
Female () Managers	2,618 (111)	2,838 (131)	249	423
Career-track employees & Area career-track employees	3,817	4,461	244	380
Regional career-track employees	663		88	
Clerical employees	1,787	2,163	140	312
Customer service staff	1,038	934	42	37

(Note) Since Daido Life has introduced new position classification standards in accordance with the personnel system reform effective on January 1, 2008, a regional career-track employee in charge of sales is classified as an area career-track employee, and a regional career-track employee in charge of clerical and general works to a clerical employee.

Work/Life Balance

The T&D Life Group supports employee efforts to achieve a work/life balance. Specific examples include the Limit 21 System which turns off all lights at the head office building at 21:00 to help prevent excessive physical and mental job-related stress, measures to promote the taking of paid vacation days and the introduction of a childcare support system, etc. The Group is also encouraging male employees to take childcare leave and, throughout the Group, 40 employees did so during fiscal 2007. In April 2007, the Group's three life insurance companies were officially recognized by the Chief of the Tokyo Labour Bureau for their active support of the development of the next generation and were each awarded certification as a "company in compliance with standards under the Law for Measures to Support the Development of the Next Generation". T&D Information Systems also awarded this certification as the first information service company with 300 employees or less in Saitama Prefecture in April 2008.



Symbol indicating compliance with standards under the Law for Measures to Support the Development of the Next Generation called "Kurumin"

Voice

Beneficiary of the childcare support system, Ayako Osawa
No.2 Business Department, T&D Information Systems



When I gave birth for the first time, I wanted to devote myself to taking care of my baby, so I took about eight months of childcare leave beginning in July 1997. I could have taken a year off, but I decided to return to work at the beginning of the company's fiscal year, which begins in April. When I took childcare leave, there were very few other people doing so, but that didn't make it difficult and the company took care of nearly all the procedures for me. In the beginning, I worried about whether it was really okay to take off as much time as I was planning to, but, perhaps because of a feeling of mutual understanding in a workplace with many women, ensuring that others would be able to cover for me while I was gone, and returning to work, both went very smoothly. In the future, it would be good if the system can be made easier for men to use and for more fathers to take childcare leave.

Colleague of an employee who used the childcare support system, Yasue Matsui
Professional, Group Planning Department, T&D Information Systems



When Ms. Osawa took childcare leave, I was working with her in a system development unit. System development work is clearly divided among multiple employees, so the absence of even one person creates a disruption. Sharing information is always important, but in the case of childcare leave, the period of absence is long, so

even closer communication is called for. Partly due to the fact that our company employs many women, and the resulting high degree of mutual understanding regarding this point, childcare leave is easy to take here. In Ms. Osawa's case, as well, cooperation from coworkers and information sharing made it possible for her to concentrate on childcare. I hope that in the future work can be made more transparent, and manuals prepared, to make the hand off of work from one employee to another smoother, and promote greater use of the childcare leave system.

Initiatives to Improve Employee Motivation

Reflecting the Opinions of Employees' Unions

The Group's three life insurance companies each have their own independent employees' unions and all of them work to maintain sound employee-management relations based on trust. The three life insurance companies actively discuss with their employees' unions a wide range of topics covering everything from business issues and policies, to salaries, working hours, holidays, personnel systems, benefits, and a whole host of other topics.

The three life insurance companies believe that true employee-management give and take realized through honest participation in discussions of both sides will result in greater employee motivation and company competitiveness.

Voice

From the employees' union, Masanao Hiramoto
Chief Secretary, Administrative Employees Union, Daido Life



The role of the union has changed over the years, but communicating member desires and opinions to the company, searching for better ways to do things through employee-management discussions, and other aspects of the union's position as an organization, and of employee needs, remain the same.

For fiscal 2007, the union's principal achievement was to hold vigorous discussions with the company regarding concrete measures to promote short- and medium-to-long term career development within human resource system revisions affecting mainly female sales representatives and administrative workers. As a result, we were able to take the first step toward creating work environments that allow women even greater opportunities to succeed. Looking ahead, I want to make progress toward the creation of work environments that consider needs to work/life balance. Such environments would result in greater numbers of self-directed employees capable of thinking and acting on their own, and expand the potential of individuals. Ultimately, I believe it will lead to greater worker productivity for the company as a whole.

Employee Awareness Survey

The Group's three life insurance companies perform employee awareness surveys addressing topics like job satisfaction, working conditions, and the personnel evaluation system, and have implemented various initiatives based on results.

Employee awareness surveys provide important information for identifying organizational and human resource management issues. Among other things, employee opinions are used for management direction to gauge the extent to which the present human resources system has been accepted, assess the management of this system, and evaluate employee satisfaction, which has a significant impact on customer satisfaction.

Health Care for Employees

The Group's three life insurance companies each has its own independent health insurance society, which works to prevent lifestyle diseases, promote good health, and engage in other activities to help members manage their health.

Principal activities include coverage of costs to treat diseases and injuries suffered by beneficiaries or union members and their dependents; lump-sum payment on childbirth, death, and other benefits; PR to increase awareness of how to use health insurance; regular issuance of an in-house magazine, payment of subsidies for annual physical examinations such as complete medical checkups; promotion of cancer examinations; sponsorship of personal health consultations with professional health advisors; sponsorship of mental health consultations with counseling firms; and the holding of health seminars. Those societies have also been implementing the specific medical checkups and health care guidance in order to prevent lifestyle diseases, starting from fiscal 2008.

Increasing understanding of mental health care Taiyo Life

Taiyo Life is taking steps to help ensure that proper understanding of mental health care is being promoted and employees at individual workplaces are receiving proper mental healthcare attention.

In fiscal 2007, training by external instructors was conducted for managers, and head office managers were urged to take the Mental Health Management Test (Sponsored by the Osaka Chamber of Commerce and Industry). 224 managers passed the "Type II Line Care Course". In fiscal 2008, management employees at branches will also be urged to take the test.



Training text and test information

Initiatives as a Life Insurer Serving the Public Interest

The Fairness of Life Insurance

Life insurance is a mutual assistance system in which costs related to insured deaths, hospitalizations, nursing care, etc. are covered by premiums calculated using mortality and accident rates determined based on a law of large numbers. Life insurance companies do not allow people to purchase policies regardless of their circumstances; to maintain the fairness of the life insurance system, people whose expected mortality rates or insurance accident rates exceed certain levels are either rejected or permitted to become insureds only under certain additional conditions such as application of special premiums, etc.

The T&D Life Group respects the human rights of customers and develops and sells a wide variety of insurance products meeting a wide range of customer needs, health conditions, gender, enrollment ages, etc.

Examples of Insurance Products

Taiyo Life

For those who have previously been hospitalized or had surgery, or are currently receiving outpatient care.

- "Yasashii Hoken", a non-selective-type medical insurance
- "Kisei Kanwa", which offers coverage options with a simple disclosure of health status

Daido Life

- Term life insurance for people with diabetes or high blood pressure
- Special discount rider for especially healthy people (for smokers and non-smokers)

Protection of Personal Information

The Group's three life insurance companies have formulated their Personal Information Protection Declarations (Privacy Policy) and disclosed them through their website and other channels. Additionally, T&D Information Systems, as the T&D Life Group's information system support company, properly uses and strictly protects various kinds of data, including personal information.



Privacy Mark

T&D Information Systems acquired the Privacy Mark certification awarded to companies that properly protect personal information in May 2005, and won the ISO27001 information security management system certification in March 2007.

Human Rights Education in the Workplace

The T&D Life Group promotes understanding of human rights by educating employees on matters like sexual harassment, and discrimination against the people with disabilities and certain groups of Japanese originating from discriminated communities called "dowa" issues. Group companies provide employees and directors with at least two opportunities to further their understanding of human rights issues every year.



Taiyo Life poster
"Sexual Harassment and
Power Harassment Prevention"

Group CSR Seminar

T&D Holdings conducts Group CSR Seminars to promote better CSR understanding among the executives and general managers of Group companies, which pursue businesses that are very much in the public interest. These seminars are also intended to promote CSR-oriented management. In fiscal 2007, Professor Eiko Shinotsuka of the Ochanomizu University, Graduate School of Humanities and Sciences, and Faculty of Letters and Education (at the time of the seminar) was invited to speak on the topic of "Corporate Value and Work-Life Balance".

The barrage of questions asked during a Q&A session following the Professor Shinotsuka's speech indicated that managers were strongly interested in the topic.



CSR Seminar

Pursuing Proactive Communication Activities

Proactive Disclosure

The T&D Life Group pursues proactive communication activities and works to ensure that its disclosure activities result in the provision of straightforward information to customers, shareholders, other investors, and all other stakeholders.

Each Group member engages in newspaper, magazine, television, radio, and other PR activities to enhance its company image and promote products.

Furthermore, T&D Holdings and the three life insurance companies have formulated Disclosure Rules (Note) and work to achieve information disclosure that, through its proactiveness, results in transparent management and is timely, fair, accurate, and consistent across the Group in the event of emergency. The ultimate aim here is to maintain or enhance the society's trust in Group.

Each Group member issues disclosure materials on its management policies, business performance, and other matters, posts product and service information, company news and other information on its website, and responds to individual requests for information.

T&D Holdings informs its shareholders, approx. 313,000 as of the end of March, 2008, of the status of Group operations and other matters twice a year, June and December through shareholder news bulletins. The three life insurance companies deliver to each policyholder a Policy Information Notifications annually to help ensure that they confirm the status of their coverage and other policy details.

(Note) T&D Holdings has prepared and disclosed its Basic Disclosure Stance, which is rooted in its Disclosure Rules.



From left) T&D Holdings disclosure material, Annual Report, and shareholder news bulletin

IR Activities

T&D Holdings engages in proactive IR activities based on principles of timeliness, fairness, and accuracy, and works to provide continuous, straightforward information on the Group's management and finances. More specifically, it performs results briefings for domestic and overseas investors, holds results teleconferences, visits key institutional investors, and actively engages in discussions with securities analysts. It also



Results briefing for the fiscal year ended March 2008

regularly provides management with valuable information received from investors through IR activities as feedback.

IR activities for individual investors



Left) Booth at IR fair
Nikkei Inc. sponsored IR fair
Right) Company information session

T&D Holdings devotes significant time and effort to the interests of individual investors as well by, for example, participating in IR fairs and holding company information sessions at the branch offices of securities companies. T&D Holdings has improved its IR website pages with an easier-to-use, more convenient design, and simple, straightforward wording.

The IR website was selected by Daiwa Investor Relations Co., Ltd. in May 2008 as one of the 402 best companies for Internet IR sites. (Note)

(Note) Daiwa Investor Relations Co., Ltd. reviewed the IR sites of the 1,879 primary listed companies between March 10 and April 14, 2008 and announced the 402 companies it believes have the best Internet IR sites.

Excerpts from the published IR Policy of T&D Holdings

1. Purpose of IR Activities
2. Individuals and Department Responsible for IR Activities
3. IR Information
4. Feedback to Management
5. Silent Period
6. Formulation of IR Activity Plans and Verification

Communications with Stakeholders

The Group's three life insurance companies strive to provide for face-to-face meetings with their stakeholders including policyholders and agents in order to maintain proactive communication. Taiyo Life holds informal discussions with policyholders once a year at its branches throughout the country. (⇒page 26, "Policyholder meetings")

T&D Financial Life focuses on maintaining close links with its agents that serve as a contact point with customers, as well as communicating directly to its customers by holding seminars for customers.

Daido Life builds partnerships with organizations of tax accountants and certified public accountants in creating a structure for selling various benefit systems to the clients of the members of these organizations. These organizations and the TA and CPA agents are key stakeholders of Daido Life. Accordingly, Daido Life holds meetings with them those who act as the agents and sponsors discussion groups where recent developments at Daido Life can be reported and meeting participants can express their views on Daido Life's operations.

Voice

Voice of an analyst, Mr. Mitsumasa Okamoto
Senior Analyst, Managing Director of Research Department
Merrill Lynch Japan Securities Co., Ltd.



Recent upheaval in global financial market environments has made it necessary for financial institutions not only in Japan, but throughout the world to be able to adjust to unstable environments. It is now more important than in the past to disclose information to stakeholders, including

shareholders, customers, and employees, and that information must be timely.

The T&D Life Group has actively disclosed business data and information on company activities since it went public, and it has placed great importance on stakeholder dialogues via its CSR report and other channels. Against the background of rapid-fire changes in business conditions, it is my expectation that the T&D Life Group's corporate value will continue to be discerned through dialogues with stakeholders and that its business will continue to expand.

Daido Life Business Operation Report Meeting Daido Life



Daido Life Business Operation Report Meeting

At the Daido Life Business Operation Report Meeting held on July 28, 2008, participants include 49 tax accountants and certified public accountants who are executives of the TKC National Federation (Note), a registered Daido Life agent, in addition to 7 representatives of Daido Life, including its Representative Director and President, Haruo Kuramochi.

In the meeting, the President gave a briefing on Daido Life's results and activities in "Reports from Daido Life" part.

Next, Dr. Koichiro Fujita, a professor emeritus at Tokyo Medical and Dental University and a professor of University of Human Arts and Sciences, gave the commemorative speech titled, "Lifestyles That Boost Immunity—The Pitfalls of a Clean Society".

In the gathering following the commemorative speech, several participants expressed their candid opinions about the Company's management.

(Note) The TKC National Federation was created to contribute to the realization of just taxation and the ongoing prosperity of taxation and accounting clients. The TKC National Federation is Japan's largest organization network of professional accountants or tax accountants and certified public accountants.

Activities as a Good Corporate Citizen

Social Contribution Activities of the T&D Life Group

As a member of society, it is only natural that a company undertakes activities to contribute to society. Based on the management philosophy of aiming to be a corporate group that benefits people and society by creating value under the motto “Try & Discover”, the T&D Life Group actively undertakes a broad array of social contribution activities through Group companies and foundations, the volunteer activities of employees and directors, and other means, too.

Blood donations

Every year, during times when the need for blood is especially acute, the T&D Life Group engages in blood donation activities in cooperation with the Japanese Red Cross Blood Center. In fiscal 2007, 157 employees of the Group donated blood at the Shiodome head office. Each of group companies also initiates its own blood donation activities.



Blood donation activities at the Shiodome head office

Contributions of relief funds to aid disaster victims

T&D Life Group companies contribute relief funds in response to major disasters.

In May and June 2008, Taiyo Life, Daido Life, T&D Financial Life, and the Friends of Taiyo Life Goodwill Circles and Daido Life Employee's Community Contribution Club contributed a total of 5 million yen to support relief and recovery efforts in China's Sichuan Province, which suffered a major earthquake. These donations were made via the Japanese Red Cross Society, the Japan Committee for UNICEF, and Japan Platform. The T&D Life Group would like to express its sincere condolences for those who lost their lives in this disaster and its deepest sympathies to survivors. It is our earnest hope that recovery takes place as quickly as possible.

Nationwide Clean Campaign

Taiyo Life

Wanting to contribute to its local community as a member of the community, Taiyo Life began in 1982 to clean the areas surrounding the Taiyo Life head office once a year. From 2004, it named this activity as “Nationwide Clean Campaign” and its branch offices throughout the country have started cleaning the areas surrounding their buildings. In fiscal 2007, totaling 7,728 employees and their family members of the head office, subsidiaries, affiliates, and branches joined this campaign. Furthermore, the Shiodome head office implemented the “Minato-Shiba Area Clean-up Project”, in cooperation with the Tokyo Minato Ward Office and the Minato Eco-conscious Consortium, with the participation of other companies as well.



Shiodome head office



Morioka Branch

Donation of book bags to JOICFP

Taiyo Life

Taiyo Life began participating, and actively encouraging companywide cooperation, in this initiative by the Japanese Organization for International Cooperation in Family Planning (JOICFP) in fiscal 2006. 108 book bags were collected in that year, and 209 in fiscal 2007. These bags are sent to children in Afghanistan, with the Friends of Taiyo Life Goodwill Circles covering the 1,800-yen per bag shipping cost.



Children using donated book bags (Photo: JOICFP)

National Sports Games for the Disabled

Daido Life

Daido Life has been providing special support for this annual event since it came into existence in 1992 as the National Sports Games for the Mentally Handicapped (Note). The Seventh National Sports Games for the Disabled (Akita Wakasugi Games) were held in October 2007 in Akita Prefecture. The purposes of this event were to help people with handicaps experience the joy of sports through competition, deepen understanding of disabilities, and promote greater participation in society by people with handicaps.

Each year, Daido Life sets up, and many employees and executives volunteer to staff, the Daido Life Corner in the "Fureai Plaza" as a place where athletes and others can come together.



Seventh National Sports Games for the Disabled (Akita Wakasugi Games)

(Note) This event was consolidated as the National Sports Games for the Disabled in October 2001.

Support for open lectures at universities

Daido Life

Daido Life began supporting open lectures at universities to mark the 100th anniversary of its founding, in fiscal 2002. These lectures were attended by approximately 5,000 people over the six years through fiscal 2007, and have become very popular. With the support of various universities, these lectures have provided managers of SMEs with opportunities to acquire management and business knowledge and skills. In fiscal 2007, open lectures were held at Fukushima University, Chiba University, Hosei University, Meiji University, Yokohama National University, Nanzan University, Kansai University, Kansei Gakuin University, Hiroshima University, and Fukuoka University.



Open lecture

Each university determines the speaker and topic for each open lecture, which must be relevant to the SME management. Speakers have also been provided by the TKC National Federations.

Voluntary Initiatives by Employees

Friends of Taiyo Life Goodwill Circles

Taiyo Life

Established in December 2005, the Friends of Taiyo Life Goodwill Circles (Note) had 8,357 as of April 1, 2008. Goodwill Circles support social contribution activities by executives and employees, NPO/NGO activities, tree planting, forest development, and other activities, as well.

When Goodwill Circles make a donation, Taiyo Life makes matching gifts of certain amounts. Moving forward, Taiyo Life and Goodwill Circles will continue to work together in support of social contribution activities.

(Note) Friends of Taiyo Life Goodwill Circles are organizations with memberships consisting of executives and employees of Taiyo Life and its affiliates. The purpose of Goodwill Circles is to support social contribution activities and activities that help to improve the environment. Every month, members donate amounts equal to the last two digits of their take-home pay, or amounts equal to multiples of 100 yen, up to a total of 1,000 yen.

Daido Life Employee's Community Contribution Club

Daido Life

The Daido Life Employee's Community Contribution Club is a volunteer organization of executives and employees established in 1992 to promote and support various volunteer activities. Annual donation drives and funds from events like charity bazaars are contributed to facilities and organizations dedicated to helping people with disabilities throughout Japan and are used to support relief efforts for disaster-stricken areas.

In 1994, a volunteer activity in which employees take a volunteer day off to spend with physically disabled people was established. The "One-Day Outing Volunteer Activity" serves to deepen mutual understanding as volunteers spend the day interacting with and assisting people who have limited opportunities to go out.

In July 2008, a system that allows administrative employees to donate a portion of their monthly salaries was introduced.

Voice

Participant in volunteer activities, Toru Sasaki,

Policy Administration Division, Policy Administration Department Daido Life



I participated in the "One-Day Outing Volunteer Activity". Altogether, participants included 33 physically handicapped people, 19 of whom were in wheelchairs, and 22 volunteers. With groups consisting of 3 sets of 6 people, we walked around places including Cosmo Square in the Nanko area of Osaka.

Having had the experience of pushing my grandmother's wheelchair, I felt confident in doing so on this occasion, but I was reminded anew of things like wheels being stopped by even tiny stones. Through this experience, in which I was sometimes led by a person with a handicap, I learned that how things appear can differ drastically depending on your perspective. It's important to think of things from the other person's viewpoint. I also realized that this is important for gaining the trust of customers.

Activities as a Good Corporate Citizen

Cooperation with Citizen's Organizations

Japan Down Syndrome Society

Taiyo Life

Taiyo Life is a supporter of the Japan Down Syndrome Society. Since the Japan Down Syndrome Society National Convention in Miyagi, Taiyo Life has provided support for covering convention expenses through a matching gift system, made its head office building (Shiodome, Shinagawa) available as a venue for the society's seminars and other gatherings, and placed ads for "Waku Waku Pokke" children's insurance in the society's monthly journal. In fiscal 2007, Taiyo Life employees volunteered as instructors for a bicycle-riding class the society held in Yamaga City, Kumamoto Prefecture for people with down syndrome.

Japan Philanthropic Association

Daido Life

As a member of the Japan Philanthropic Association, Daido Life is pursuing social contribution activities by working with the association and other member companies.



Monthly seminar

In fiscal 2008, Daido Life, together with two other member companies, is taking the lead in planning and organizing the association's monthly seminars.




Voice

Participant in volunteer activities (Japan Down Syndrome Society's bicycle-riding class), Junko Kawanishi Osaka Branch, Taiyo Life



At first, we had participants use training wheels in order to have them experience the fun of riding a bicycle. Beginning on the second day, however, the training wheels were removed. As I sat on the back of the bicycle, to maintain balance, the child I was helping pedaled with all-out enthusiasm and, in the end, learned to ride with me steadying the bike with only a hand on the luggage rack. On the final day, all of the students demonstrated their abilities one by one, riding their bicycles to the surprise and delight of onlookers. It was very touching to see volunteers rejoice at the sight of students happily showing off their new skills. All in all, it was four days of the joy of sharing joy.

Activities of Foundations

Establishment and Objectives	Main Activities		
Taiyo Life Himawari Welfare Foundation The Taiyo Life Himawari Welfare Foundation was established to mark the 90th anniversary of the founding of Taiyo Life. The Foundation works to improve social welfare in Japan by sponsoring projects to enhance the welfare for the elderly and disabled.	Project grants Grants to project of volunteer groups and NPOs working to benefit the elderly at home and the disabled	Project grants example Helping to provide a braille printer for use in keeping visually impaired people informed Grant for purchasing a braille printer was provided to "Braille Circle Moegi (Toride City, Ibaraki Prefecture; Representative: Hiroyuki Soga)", a volunteer organization that helps the visually impaired access information from the city government, garbage pickup schedules, timetable and other information necessary for daily life by transcribing it into braille. 	
	Research grants Grants for research and surveys regarding lifestyle diseases and the health and welfare of the elderly		
Daido Life Welfare Foundation The Daido Life Welfare Foundation was established in 1974 to help promote health maintenance and social welfare in Japan.	Regional health and welfare research subsidy Company workers volunteer activity subsidy Senior volunteer activity subsidy		It provides grants for researches as well as volunteer activities performed by people engaged in health or welfare activities at the grassroots level
	Consultation and training seminars for house nursing (jointly hosted with the Osaka Center of the Japanese Red Cross Society)		Counseling regarding long-term care for the elderly and ill, and classes providing training on in-home care techniques
The Daido Life Foundation The Daido Life Foundation was established in celebration of the Company's 80th anniversary. The purpose of the Foundation is to promote mutual international understanding by holding or sponsoring cultural exchanges between Japan and other countries, and to contribute to the internationalization of Japan.	Health brochure publication Publication of the new "Environment and Health Series" of health brochures providing clearly written articles aimed at promoting health maintenance and improvement, and correct understanding of various illnesses and preventive measures		
	Award program Presentation of Daido Life Foundation Awards for Area Studies to researchers who have achieved significant results in research areas of particular importance to their part of the world, and to people with significant accomplishments in advancing mutual understanding at an international level	Translation and publication activities Translation and publishing of modern Asian works into Japanese, and Japanese literatures and biographies into various Asian languages, for the purpose of deepening mutual understanding between various Asian countries and Japan 	
	Educational support activities Provision of scholarships, contribution of Japanese-language writings to universities with Japanese language courses, and provision of books and school supplies Photo: (Left) Scholarship winners (Right) Donated books 		

For the Future of the Global Environment

Global Environmental Protection Initiatives

T&D Life Group Environmental Policy

The T&D Life Group is pursuing various activities aimed at achieving thorough employee and director awareness of the T&D Life Group Environmental Policy, established in April 2006 to clearly present the T&D Life Group's position on the environment, and lowering the Group's environmental burden. In addition, the Group has developed Green Purchasing Standards and gives the highest priority to purchasing environmentally friendly products whenever possible.

T&D Life Group Environmental Policy

Acknowledging the importance of environmental issues, 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.

Major initiatives of T&D Life Group (Fiscal 2007)

Cool Biz/Warm Biz cooperation

Cooperating with the government's "Cool Biz" and "Warm Biz" initiatives, and as a measure to help stop global warming, the T&D Life Group sets thermostats at 28°C from June through September, and 20°C from November through March.



Posters Left) 2008 Cool Biz



Right) 2008 Warm Biz

Production and distribution of original Eco-bags



T&D Holdings has produced its own original eco-bags and distributed them to approximately 25,000 executives and employees (including part-timers, contract employees, etc.) throughout the Group. Meaningful, first of all, as a means of promoting participation in the "GPN Green Purchasing Action with 500 Million People" movement to reject the use of store-provided bags when shopping, these bags are being put to many good uses.

Participation in the "GPN Green Purchasing Action with 500 Million People" movement

T&D Holdings is a member and active supporter of the Green Purchasing Network (GPN), a nationwide organization that, with a membership consisting of companies, governmental bodies, and consumers, promotes the purchasing of products and services with relatively small environmental burdens. In the second half of fiscal 2007, T&D Holdings joined the "GPN Green Purchasing Action with 500 Million People" initiative to reject the use of store-provided bags when shopping, and called on all of its executives and employees to support this cause.

Call for Team Minus 6% "Personal Challenge Declarations"

The T&D Life Group is calling on all of its executives and employees to heighten their awareness of the need to promote environmental protection in the workplace and at home, and make Team Minus 6% "Personal Challenge Declarations" to actively work to stop global warming, beginning with places close at hand.

For the Future of the Global Environment

Environmental Objectives and Achievements

In the second half of fiscal 2007, T&D Holdings began setting quantitative environmental objectives. Using these objectives, it periodically re-examines and continuously improves on initiatives aimed at lowering its environmental burden.

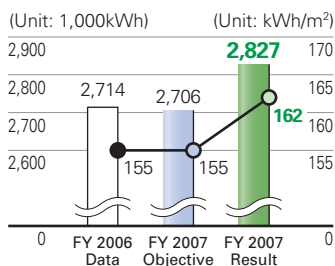
Electricity consumption

Base fiscal year
(FY 2006 2nd through FY 2007 1st half)

Objective	Overall volume: 5-year average (FY 2008-2012) 2% or greater reduction vs. base fiscal year Per unit of floor space: Do not exceed the level for the base fiscal year
FY 2007 Objective	Overall volume: 0.3% reduction vs. base fiscal year Per unit of floor space: Level for the base fiscal year
FY 2007 Result	On both "overall volume" and "per unit of floor space" bases, electricity consumption came in 4.5% higher than the FY 2007 objective.

Overall volume: Bar graph

Electricity usage per unit of floor space:
Line graph



Causes of increase

Greater number of employees in the building and an increase in the number of OA devices used

Measures

Room temperature management (Cool Biz/Warm Biz), turning off of lights when not in use, greater attention to electricity usage management outside of normal operating hours, and other redoubled energy efficiency measures

Scope

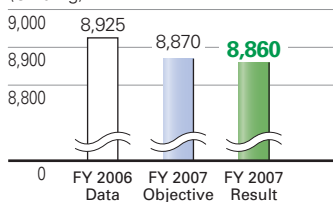
Shiodome Shibarikyu Building (Head office location)
(T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management)

Office paper consumption (Paper for use in copiers, printers, etc.)

Base fiscal year
(FY 2006 2nd through FY 2007 1st half)

Objective	7% or greater reduction in 2012 vs. base fiscal year (1.3% year-on-year reductions)
FY 2007 Objective	0.6% reduction vs. base fiscal year
FY 2007 Result	0.1% below the FY 2007 overall consumption objective

(Unit: kg)



Measures

Use of IT to advance paperless operations, waste reduction through greater individual awareness, and reduction in volume used

Scope

T&D Holdings

Green purchasing ratio

Objective	Priority purchasing of environmentally friendly office products (%) (Green purchasing ratio) 95% or greater
FY 2007 Result	Green purchasing ratio 96.4%

Measures

Target not only purchasing personnel, but all employees in initiatives aimed at achieving thorough understanding of green purchasing, and office product recycling and other specific measures, in order to achieve thorough adoption of green purchasing practices.

Scope

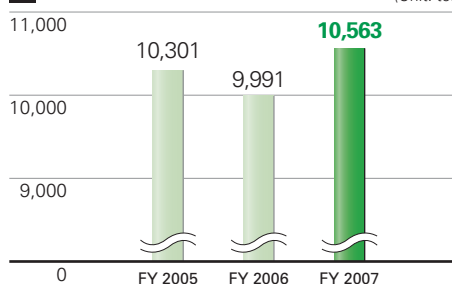
T&D Holdings

Group Environmental Burden Data

Key environmental burden data and scopes of coverage for the T&D Life Group are provided below.

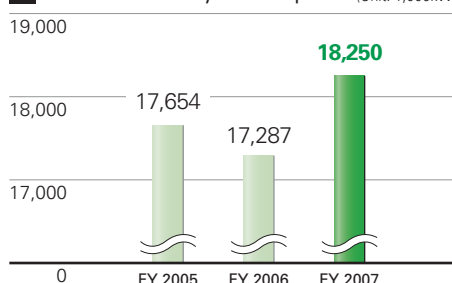
1 Trend in CO₂ Emissions

(Unit: ton)



2 Trend in Electricity Consumption

(Unit: 1,000kWh)



Nearly all of the Group's CO₂ emissions are related to the consumption of purchased electricity in its offices. Emissions figures also include a small amount of emissions resulting from the use of city gas.

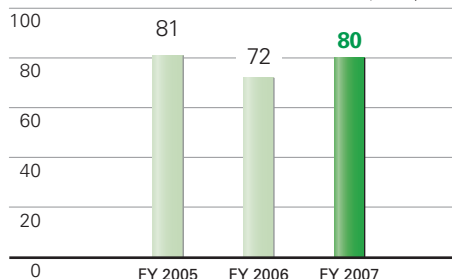
* CO₂ emission calculations use emission coefficients based on Appendix 1 of the Ministry Order Concerning the Calculation of Greenhouse Gas Emissions Produced in Conjunction with the Business Activities of Specified Emitters (Ministry of Economy, Trade and Industry and Ministry of the Environment Ordinance No. 3, March 2006).

* Change in the Method for Calculating Electricity Consumption

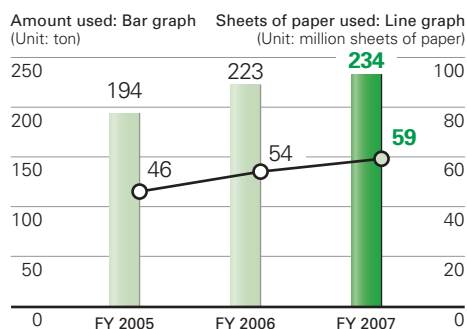
Beginning with the 2008 edition of this report, a graph showing electricity consumption for the percent of floor space used exclusively by Group operations for the most recent fiscal year and the two preceding fiscal years is being presented. Therefore, the reporting values differ from those provided in the 2007 edition of the CSR Report.

3 Trend in Water Consumption

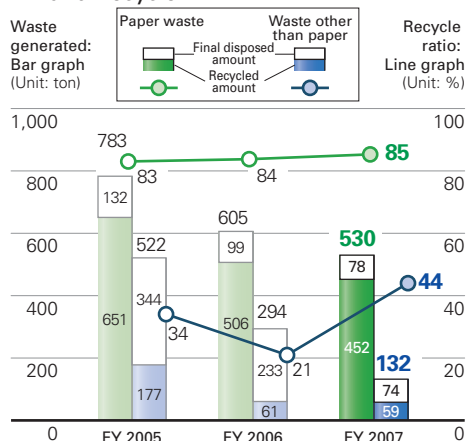
(Unit: 1,000m³)



4 Trend in Paper Consumption Amount



5 Trend in Amount of Waste Generation and Recycle



Scope of environmental burden data

The scope of environmental burden data has changed since the head office functions of T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, and T&D Asset Management were consolidated in the Shiodome Shibarikyu Building in July 2006.

Scope of Environmental Burden Data		Graph				
		1	2	3	4	5
		(Note 2)				
Shiodome Shibarikyu Building	T&D Holdings	○			○	
	Taiyo Life	○			○	
	Daido Life	○			○	○
	T&D Financial Life	○			○	(Note 3)
	T&D Asset Management	○			×	
Tokyo Daido Life Building		○			○	○
Daido Life Osaka Head Office Building		○			○	○
Taiyo Life Urawa Building (Note 1)		○			×	×

(Note 1) T&D Information Systems and T&D Customer Services are located in the Taiyo Life Urawa Building.

(Note 2) The scope for office paper usage comprises the head office units of the three life insurance companies and includes usage by head office units in locations other than that noted above.

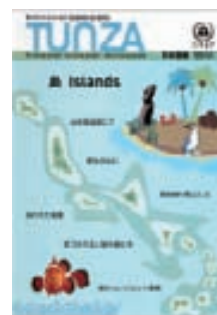
(Note 3) This is waste processing data for the entire Shiodome Shibarikyu Building and includes waste contributions from companies, restaurants, retailers, and other entities not associated with the T&D Life Group.

Environmental Communications

The T&D Life Group is working with the NPO, Associates of the Earth, which produces the Japanese versions of “Our Planet” and “TUNZA” published by United Nations Environment Programme, to deepen understanding of environmental issues by distributing these two publications to Group companies, primary and middle schools, public libraries, and other entities. Additionally, through seminars for Group company executives and e-learning materials for employees, the T&D Life Group is working to achieve broad understanding of environmental problems.



OUR PLANET
Japanese-language edition 2008. Vol. 2 (11 volumes in all)
A magazine published by UNEP and read in over 120 countries throughout the world



TUNZA
Japanese-language edition 2008. Vol. 2 (12 volumes in all)
A magazine published by young people for young people. Promotes understanding of various types of environmental information in a fun, easy-to-understand manner

➔ **Related website**
<http://www.ourplanet.jp/supporters.htm>

Voice

Environmental NPO, Mr. Jun Miyauchi
Chairman of Associates of the Earth



Carrying on with efforts begun last year, we again sponsored the “UNEP ‘Focus on Your World’ International Photographic Competition on the Environment at International Airports” in seven of Asia’s international airports. Many people viewed these photographs with great interest, giving me a very palpable sense of a rising consciousness of the environment.

I was also reminded of the value of using an international airport as a venue for environmental communication on a global scale, and of the significance of our activities.

Associates of the Earth has been operating for five years now, and with each year I’m gaining a greater sense of responsiveness to our activities. We are seeing more and more companies coming to us for advice on environmental activities and other topics, and we are forming a bridge between companies and society by offering ideas and opportunities. Moving forward, we aim to promote understanding of environmental protection approaches rooted in Japanese culture, and their significance.

Third Party Opinion



Ms. Mariko Kawaguchi
Senior Analyst, Management Strategy
Research Department
Daiwa Institute of Research Ltd.

This is the fourth year that I have had the pleasure of reviewing the T&D Life Group's CSR Report. As a member of the life insurance industry, in which most of its competitors are mutual companies and information disclosure and communication are not fortes, the T&D Life Group can be praised for being among the first to adopt the holding company and joint-stock format and for its proactive stance on information disclosure. Each time I have reviewed its past reports, I have noticed that it has visibly widened the scope of information it provides, and gradually advanced its CSR activities and ideas on information disclosure with specific content. With this edition of its report, however, the company appears to have taken a slight step backward in that sense, possibly because of its having received a business improvement order from the Financial Services Agency.

This edition of the report has two feature sections, with one focusing on the proper payment of insurance claims and benefits. Last year's report also addressed the problem of inadequate insurance claim and benefit payments, providing specific and detailed descriptions of what happened and the corrective actions to be taken. This report continues by providing in one of its feature sections an overview of the business improvement order issued by the Financial Services Agency this year and the improvement plans of individual companies.

That the company is disclosing and explaining these plans is undoubtedly important as a matter of information disclosure policy. However, simple summary descriptions of technical business improvement plans come up short in terms of providing the general audience with meaningful, comprehensible information on what problems existed, the company's views on their consequences, and how those views will be reflected in future operations. In particular, there is the question of why problems emerged in the first place. The reasons are not clearly explained. The nonpayment of insurance claims and benefits is an industry-wide problem, and it further appears to be a structural problem rooted in the life insurance business itself. If the T&D Life Group, as a listed life insurer, provides a clearly understandable explanation of the type of structural problem at hand, it will probably also see an increase in the persuasiveness of its improvement plans.

The report's other feature is on the environment and covers the volunteer forest maintenance activities of Taiyo Life employees. Forest maintenance has become a focus of attention in recent years and is a highly effective way to make employees in the insurance industry, which appears to have little connection to the environment, aware of environmental problems. In addition, though using wood from thinning operations is commonly appreciated among experts as important for forest maintenance, the general public has yet to adequately appreciate this point. Using wood from thinning operations to make chopsticks and leaflets allows the company's employees in general to see the importance of the concept of forest recycling, and makes them ever more aware of the significance of participating in such activities. These practices are also deserving of high praise as effective tools for broadly promoting understanding of the importance of wood from thinning operations. I definitely want to see the T&D Life Group continue, and expand, these activities. The Daido Life's green space, too, is a pioneering initiative amid expectations that efforts in areas like reducing the environmental burden of office buildings, and afforestation, will spread. I would be very happy to see the T&D Life Group apply its green space concept to its other buildings, as well.

In my review of last year's report, I asked the company to adopt environmentally conscious practices in its operations. This year's report includes an explanation of the Principles for Responsible Investment, which Taiyo Life has signed on to, and descriptions of business practices and shareholder activities that apply them. The Principles for Responsible Investment have now been adopted by over 400 institutions throughout the world and have become accepted by the investment world as givens for advancing investment activities that are conscious of social, environmental, and governance concerns. That said, however, only 13 Japanese institutions have signed on. Looking at pension funds, insurance companies, and other institutions managing financial assets, in particular, the number drops to only 3. Having more Japanese institutions adopt the Principles for Responsible Investment is, therefore, a key concern, and I would like to express my fervent desire that Taiyo Life, as the first Japanese life insurer to sign on, actively apply the principles and disclose its performance in that respect. Perhaps Daido Life, too, should adopt the Principles for Responsible Investment. While the report discusses T&D Asset Management's China environmental fund, I look forward to seeing other T&D Life Group companies sign on to the Principles for Responsible Investment, and the Group as a whole actively applying them. Though global capital markets are currently suffering from widespread disruption, investment should always consider environmental and social impacts—in other words, implications for society. And it is particularly at times of market upheaval when it is important to highlight investment that is responsible and true to fundamentals. Turning to this report's environmental data, the company deserves praise for gathering and disclosing its office building environmental burden in terms of electricity, water, and paper consumption, and CO₂ emissions. The Tokyo metropolitan government is developing plans for its own emission rights market, which will include an emission framework for commercial enterprises, including office buildings, and there is movement toward mandatory environmental burden reductions that will cover the financial sector, as well. Environmental burden identification and reduction planning, therefore, will become a business requirement, and not just an act of corporate citizenship. Looking at the fiscal 2007 figures for the T&D Life Group, the explanation for the major increase in electricity consumption is inadequate. Especially because it failed to achieve its objective by a significant margin, I would like to see the company ascertain the causes and steadfastly move forward with efforts to achieve future plans.

Regarding its interactions with customers, every one of the T&D Life Group CSR reports I have reviewed has given me the strong impression that this insurance group is highly customer oriented and very detailed in its information disclosure. Nevertheless, it is regrettable that this year's report has omitted detailed disclosures of complaints and other matters, which were included in last year's report. Negative information is, paradoxically, critical for strengthening public trust in a company, as it demonstrates the company's sincerity in facing its customers. I, therefore, would like to ask the T&D Life Group to exercise its customer-oriented strength and continue evolving its information disclosure and communication stances as Japan's first publicly listed life insurance group.

Comparative Table on GRI Guidelines

Item	Indicator	Pages in this report
1 Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	3-4
1.2	Description of key impacts, risks, and opportunities	3-4
2 Organizational Profile		
2.1	Name of the organization	1
2.2	Primary brands, products, and/or services	21-22,25
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	1,45
2.4	Location of organization's headquarters	1
2.6	Nature of ownership and legal form	1
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	1,21-22
2.8	Scale of the reporting organization	1,14
2.9	Significant changes regarding size, structure, or ownership	15
3 Report Parameters		
Report Profile		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	2
3.2	Date of most recent previous report (if any)	2
3.3	Reporting cycle (annual, biennial, etc.)	2
3.4	Contact point for questions regarding the report or its contents	Back cover
Report Scope and Boundary		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	2
3.7	State any specific limitations on the scope or boundary of the report	2
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	41-42
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report	44
Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report	43
4 Governance, Commitments, and Engagement		
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	11
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	11
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	11
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	11
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	4,6
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	6,11-13,19
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	12,35-36
Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	13,29-30
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	19
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic. 	2
Stakeholder Engagement		
4.14	List of stakeholder groups engaged by the organization	4
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	26-28,33,35-36
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	7-10,26-28,33
5 Management Approach and Performance Indicators		
Economic Performance Indicator		
[Aspect: Economic Performance]		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	14,37-49
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	13,19-20
[Aspect: Indirect Economic Impacts]		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	37-39

Item	Indicator	Pages in this report
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	14-15
Environment Performance Indicator		
[Aspect: Energy]		
EN3	Direct energy consumption by primary energy source	41-42
EN5	Energy saved due to conservation and efficiency improvements	41-42
[Aspect: Water]		
EN8	Total water withdrawal by source	41-42
[Aspect: Biodiversity]		
EN13	Habitats protected or restored	17
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	20
[Aspect: Emissions, Effluents, and Waste]		
EN16	Total direct and indirect greenhouse gas emissions by weight	41
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	40-41
EN22	Total weight of waste by type and disposal method	42
Labor Practices & Decent Work Performance Indicators		
[Aspect: Employment]		
LA1	Total workforce by employment type, employment contract, and region	32
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	31-33
[Aspect: Occupational Health and Safety]		
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	33
LA9	Health and safety topics covered in formal agreements with trade unions	33
[Aspect: Training and Education]		
LA11	Programs for skills management and lifelong learning that support the continuous employability of employees and assist them in managing career endings	24,31
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	32
Society Performance Indicators		
[Aspect: Community]		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	37-39
[Aspect: Corruption]		
SO2	Percentage and total number of business units analyzed for risks related to corruption	13
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	29-30
Product Responsibility Performance Indicators		
[Aspect: Customer Health and Safety]		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	26-28
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	7
[Aspect: Product and Service Labeling]		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	26-28
[Aspect: Marketing Communications]		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	30,34
6 Financial Services Sector Supplement		
Corporate Social Responsibility (CSR) Management		
CSR1	CSR policy	6
CSR2	CSR organization	6
CSR4	Management of sensitive issues	7-10
CSR6	Stakeholder dialogue	12,26-28
Internal Social Performance		
INT1	Internal CSR policy	6
INT2	Staff turnover and job creation	32
INT3	Employee satisfaction	32
Performance to Society		
SOC1	Charitable contributions	37-39
SOC2	Economic value added	14-15
Investment Banking		
IB1	Investment policy (socially relevant elements)	19,20
IB3	Transactions with high social benefit	20
Asset Management		
AM1	Asset management policy (socially relevant elements)	19,20
AM3	SRI oriented shareholder activity	19,20
Insurance		
INS1	Underwriting policy (socially relevant elements)	34
INS2	Customer profile	21-22
INS3	Customer complaints	26-28
INS4	Insurances with high social benefit	34
Environmental Performance Indicators		
F1	Description of environmental policies applied to core business lines	40
F5	Description of process(es) for improving staff competency in addressing environmental risks and opportunities	41
F7	Description of interactions with clients/investee companies/business partners regarding environmental risks and opportunities	42

The T&D Life Group's Subsidiaries and Affiliates

T&D Holdings, Inc.

Company Name:	T&D Holdings, Inc.	Type of Business:	As both an insurance holding company and small-amount short-term insurance holding company, the T&D Life Group engages in the following business activities.
Date of Establishment:	April 1, 2004		
Location of Headquarters:	1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan		
Capital Amount:	118.5 billion yen		
Number of Employees:	112		
Accounting Auditor:	ERNST & YOUNG SHINNIHON LLC		
			·The management of subsidiary companies in accordance with the provisions of life insurance and other insurance business laws.
			·All duties incidental to the above business
		URL:	http://www.td-holdings.co.jp/e/

Group Members: As of March 31, 2008, the T&D Life Group consists of T&D Holdings, 17 subsidiaries, and 2 affiliates, which, in addition to core life insurance operations, are engaged in the following business activities.

Insurance & Insurance related Businesses (7 companies) • : Consolidated subsidiary ▲ : Equity method affiliate

Insurance Business	<ul style="list-style-type: none"> • 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 Businesses	<ul style="list-style-type: none"> • T&D Confirm Ltd. • Toyo Insurance Agency Co., Ltd. http://www.toyohokendaiko.co.jp/ • Daido Management Service Co., Ltd. http://www.dms-hp.co.jp/

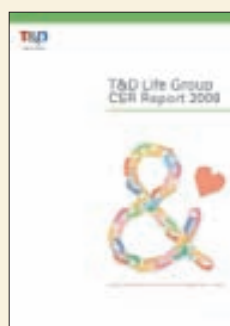
Investment related Businesses (7 companies)

Investment Management and Advisory Business	<ul style="list-style-type: none"> • T&D Asset Management Co., Ltd. http://www.tdasst.co.jp/ • T&D Asset Management (U.S.A.) Inc.
Other Asset Management-related Business	<ul style="list-style-type: none"> • T&D Lease Co., Ltd. http://www.taiyo-life-lease.co.jp/ • T&D Asset Management Cayman Inc. • Taiyo Credit Guarantee Co., Ltd. http://www.taiyo-sinyo-hosyo.co.jp/ ▲ Alternative Investment Capital Ltd. http://www.aicapital.co.jp/ ▲ AIC Private Equity Fund General Partner, Ltd.

Administration and General Affairs-related Businesses (5 companies)

Administration related Businesses	<ul style="list-style-type: none"> • T&D Customer Services Co., Ltd. • Taiyo Life Career Staff Co., Ltd. http://www.taiyo-seimei-careerstaff.co.jp/
General Affairs and Calculation related Businesses	<ul style="list-style-type: none"> • T&D Information Systems, Ltd. http://www.td-system.co.jp/ • Zenkoku Business Center Co., Ltd. http://www.zbc-jp.com/ • Nihon System Shuno, Inc. http://www.nss-jp.com/

Public Corporations	Taiyo Life Himawari Foundation	
	Daido Life Welfare Foundation	http://www.daido-life-welfare.or.jp/
	The Daido Life Foundation	http://www.daido-life-fd.or.jp/



[About the Cover.....With all of our hearts]

The paper rings symbolize bonds of trust with stakeholders and are accompanied by an origami heart expressing sincerity.

This image incorporates the hope that the sincerity of individual T&D Life Group executives and employees will win the absolute Trust of stakeholders, and the desire for the T&D Life Group to thrive together with, and be a positive contributor to, society in perpetuity.

The T&D Life Group's CSR Activities

1974	Daido Life founded the Daido Life Welfare Foundation.
1984	Taiyo Life established the Taiyo Life Himawari Foundation in commemoration of the Company's 90th anniversary.
1985	Daido Life established the Daido Life Foundation in commemoration of the Company's 80th anniversary.
1992	In commemoration of the Company's 90th anniversary, Daido Life established the Daido Life Employee's Community Contribution Club or Goodwill Club, a voluntary corporate citizen activity organized by its employees. Daido Life provided special assistance for the inaugural Yu-Aipic Tokyo Games, which was a national sports competition for the mentally handicapped and Daido Life supported it every year it was held, through both financial assistance and the efforts of employees volunteering their time. Daido Life began providing special assistance for the National Sports Games for the Disabled in and after October 2001.
1993	Daido Life abolished uniforms for female employees and sent those uniforms to Peru and Thailand through the Japan Relief Clothing Center.
1994	Taiyo Life started its nationwide volunteer activity, the Goodwill Circle.
1995	Taiyo and Daido Life supported volunteer relief activities and gave monetary donations to the Great Hanshin Awaji Earthquake victims.
1998	Daido Life started marketing of a special discount rider for especially healthy people (for smokers and non-smokers).
1999	Daido Life started marketing of a term insurance for people with diabetes and hypertension.
2003	Taiyo Life started marketing of "Yasashii Hoken", a non-selective-type medical insurance that policyholders can apply for without medical examination or explaining their health conditions. Daido Life held open seminars on management and business in cooperation with several universities. T&D Financial Life implemented the Summer Ecology Style campaign.
2004	T&D Holdings was established. Daido Life implemented a unique and outstanding strategy that resulted in its receiving of a "2004 Porter Prize," as a company that has achieved and maintained superior profitability.
2005	The CSR Team was established in the Public Relations Department of T&D Holdings. T&D Life Group participated in "Team Minus 6%" and implemented the "Cool Biz" and "Warm Biz" campaigns. T&D Life Group provided relief aid for victims of the Sumatra Earthquake. Taiyo Life Goodwill Circle Associates was established. "Forest of Taiyo Life" was established in Nasu-shiobara City, Tochigi Prefecture, and launched afforestation activities. The Group's three life insurance companies re-examined data related to the nonpayment of insurance claims & benefits and strengthened payment management systems.
2006	Established the T&D Life Group CSR Charter, T&D Life Group Compliance Code of Conduct, and T&D Life Group Environmental Policy. Introduced the Executive Officer System, and reinforced corporate governance systems. Consolidated the headquarters functions of T&D Holdings, Taiyo Life, Daido Life's Tokyo head office, T&D Financial Life, and T&D Asset Management in the environmentally conscious, energy-efficient Shiodome head office building. Taiyo Life launched "Kisei Kanwa", which offers more coverage options and can be purchased with a simple disclosure of health status. Taiyo Life became a signatory to the Principles for Responsible Investment.
2007	The Pet and Family Small-amount Short-term Insurance Company began operations. The Group's three life insurance companies were awarded certifications under the Law for Measures to Support the Development of the Next Generation. The Group's three life insurance companies disclosed the results of internal investigations of insurance claim and benefit payments. In the second half of fiscal 2007, the Group began an initiative in which quantitative electricity consumption and other objectives are set and used to periodically re-examine and continuously improve on measures aimed at lowering the environmental burden of T&D Holdings, its three life insurance companies, and T&D Asset Management (head office). The "Taiyo Life <i>Kutsuki no Mori</i> " was established in Takashima City, Shiga Prefecture, and forest development activities were begun.
2008 (Through October)	Taiyo Life obtained ISO10002 certification. Daido Life received a business improvement order, under Article 132 Item 1 of the Insurance Business Law, from the Financial Services Agency, submitted a business improvement plan to that agency, and disclosed an overview of that plan. Taiyo Life and T&D Financial Life disclosed information on the status and results of business improvement measures they are taking with regard to their payment management systems.

Afterword

The purpose of this report is to communicate as clearly as possible the T&D Life Group's CSR approach and activities. To communicate clearly, this report first of all relates information concisely. Second, it has been produced with the basic intent of conveying the dynamism and untapped potential of the Group through the faces and comments of people advancing various Group and Group company initiatives. Whether this report has successfully done these things will be determined based on the feedback of read-

ers. That feedback will be reflected in future reports.

We will be very pleased if this report is successful in helping stakeholders achieve a deeper understanding of the T&D Life Group. This report is a mirror for highlighting issues we need to address, becoming a better corporate group, and contributing even more to our stakeholders. In that light, we welcome your candid opinions and requests.

Public Relations Department, T&D Holdings

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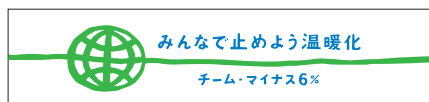
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This report is using colors that are easily identified by people with all types of color vision, and gained a color universal design certification from the Color Universal Design Organization (CUDO), an NPO in Japan.

Stop Global Warming
Team minus 6%



The T&D Life Group is a member of Team minus 6%



The T&D Life Group is practicing green purchase.



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