

T&D Life Group Corporate Responsibility Report 2009

The Insurance Group You Can Trust



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About Corporate Responsibility

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Period Covered by This Report

▶ April 2008 to March 2009 (annual)

(Also includes reports on some activities after April 2009.)

Scope of Report

▶ All companies and foundations in the T&D Life Group (p. 4)

Published in

▶ December 2009

Previous Issue

▶ January 2009

Next Issue (Planned)

▶ November 2010

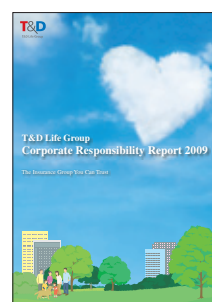
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1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan
E-mail: csr@td-holdings.co.jp

About the Front Cover

All the members at the T&D Life Group combined our efforts to build a stable and peaceful society and living through the business activities of the life insurance and other businesses the Group carries out.

The large heart-shaped cloud symbolizes circulating water that supports all forms of lives on the Earth and a sustainable terrestrial environment. It also expresses our desire to discreetly protect a society full of smiles, just like a cloud floating peacefully in a clear sky.



■ Editorial Policy

3.5

This report was prepared aiming at providing the stakeholders with a clear picture about the concept on and approach to corporate responsibility at the T&D Life Group. The 2009 report details the Group's corporate responsibility activities centering on the public mission of our businesses, and explains the steps taken to implement corporate responsibilities for customers, international and local communities, and the global environment.

In the making of the 2009 report, we duly took into consideration the opinions of employees (☛ p. 46), who are among the important stakeholders, and worked together with the CSR Promotion Project Team at T&D Holdings to enrich and improve the contents and descriptions of this report.

GRI Guidelines

This report has been prepared following the Sustainability Reporting Guidelines 2006, G3 release, published by the Global Reporting Initiative (GRI), which are the most widely accepted global sustainability reporting standards for corporate responsibility reports and environmental reports, paying due regard to the materiality.

To facilitate easy access by responsible investors, in particular, the report follows the framework and reporting principles of the GRI Guidelines, and aims at providing the readers with a comprehensive overview of our corporate responsibility activities by this single report. Specific number of the corresponding GRI Indicators such as 3.5 is written in the relevant text, and the GRI Index based on the G3 Guidelines is available at the back of the report (☛ p. 41-44).

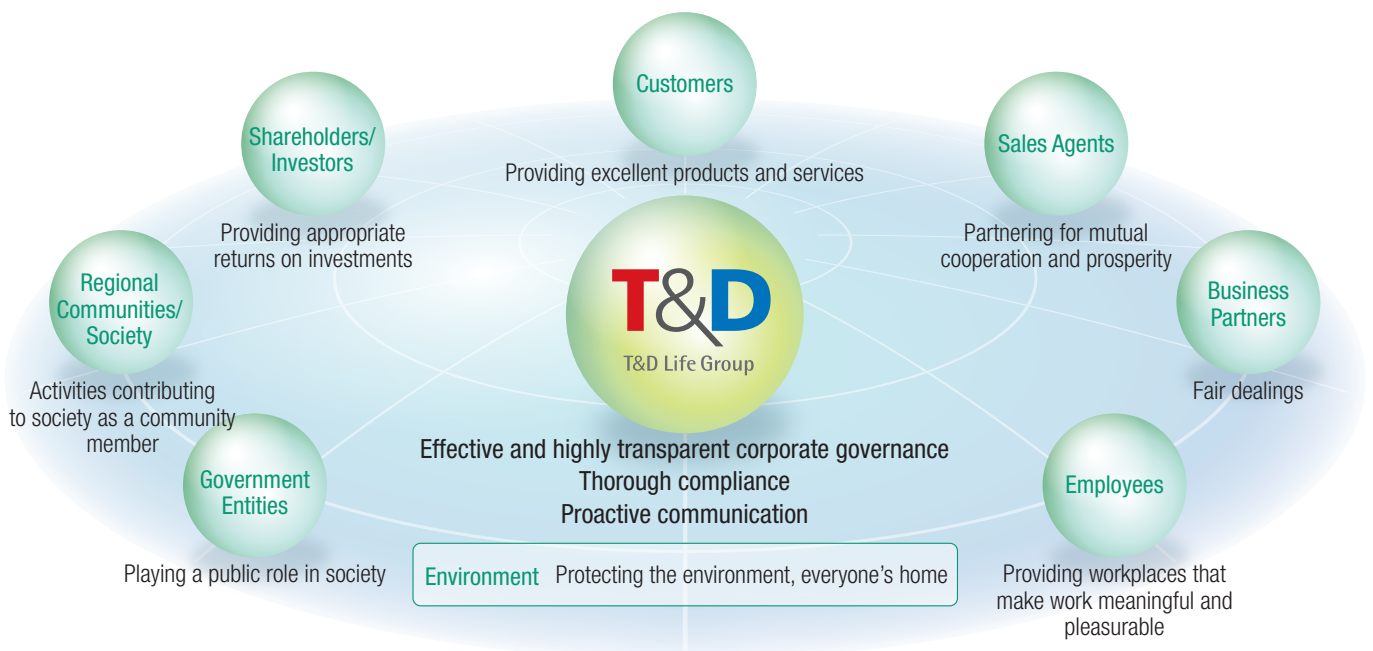
■ Third-party Opinion

3.13

Mr. Takaji Hishiyama, principal of the Center for Corporate Behavior, who has expert wisdom and good insight in corporate ethics, corporate responsibility and socially responsible investments, provides a third-party opinion and advice regarding the contents of this report (☛ p. 45).

The T&D Life Group and Stakeholders

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[Explanation of Terms]

Global Reporting Initiative (GRI): The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide.

<http://www.globalreporting.org/>

Description of Companies

(as of March 31, 2009)

2.1 2.4 2.8

T&D Holdings, Inc.

Established ▶ April 2004

Head office location ▶ 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan

Capital stock ▶ 147.6 billion yen

No. of employees ▶ 108

Independent auditor ▶ Ernst & Young ShinNihon LLC

Description of business ▶ Holding company for the T&D Life Group as well as for a small-amount short-term insurance company, conducting the following:

- Management control of life insurance subsidiaries and affiliates under the Insurance Business Law of Japan and other laws and regulations
- Other businesses associated with the above

Taiyo Life Insurance Company

Established ▶ February 1948 (Founded May 1893)

Head office location ▶ 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022

Capital stock ▶ 62.5 billion yen

No. of employees ▶ Sales : 8,226; Customer service: 937; Administrative: 3,032. Total 12,195

Daido Life Insurance Company

Established ▶ July 1947 (Founded July 1902)

Head office location ▶ 1-2-1 Edobori, Nishi-ku, Osaka, Osaka 550-0002, Japan
1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan

Capital stock ▶ 110 billion yen

No. of employees ▶ Sales: 4,156; Administrative: 3,439. Total 7,595

T&D Financial Life Insurance Company

Established ▶ July 1947 (Founded April 1895)

Head office location ▶ 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan

Capital stock ▶ 56 billion yen

No. of employees ▶ 340

Industry association to which the three life insurance companies belong

The Life Insurance Association of Japan

4.13

Business Performance

(as of March 31, 2009)

2.8

	Year ended March 2007	Year ended March 2008	Year ended March 2009
Consolidated operating results (billion yen)			
Ordinary revenues	2,286	2,330	2,539.8
Ordinary profit (loss)	158.1	155.7	(183.8)
Net income (loss)	38.7	36.7	(89)
Consolidated balance sheet data (billion yen)			
Total assets	14,090.9	13,366	12,498.5
Net assets	1,090.2	677.2	296.3
Consolidated per share information (yen)			
Net income per share (loss)	157.45	149.24	(359.65)
Net assets per share	4,419.55	2,743.16	1,076.35
Annual dividend per share	65.00	65.00	45.00
Management indicators (billion yen)			
Policy amount in force	59,899.9	59,340.3	58,097.1
New policy amount	6,634.7	6,201.8	5,991
Core profit (loss)	173.3	159.7	(27)
Consolidated return on equity (ROE) (%)	3.6	4.2	(18.4)
European Embedded Value (EEV)	2,072.1	1,621.6	866.5

Note: Management indicators other than ROE and EEV are based on aggregate non-consolidated business results of Taiyo Life, Daido Life and T&D Financial Life. Amounts of policies in force and new policies are the totals of individual insurance and individual annuities.

T&D Holdings Inc. Shareholders

(as of March 31, 2009)

2.6

Composition of Shareholders

(as of March 31, 2009)

Item	Status of shares (50 shares per trading unit)							Total
	Government and local public bodies	Financial institutions	Financial product dealers	Other corporations	Foreign corporations, etc.		Individuals and other	
					Other than individuals	Individuals		
No. of shares held (trading unit)	—	1,493,122	68,091	1,669,316	1,751,326	40	478,047	5,459,942
Percentage of shares held (%)	—	27.35	1.25	30.57	32.08	0.00	8.76	100.00

Principal Shareholders

(as of March 31, 2009)

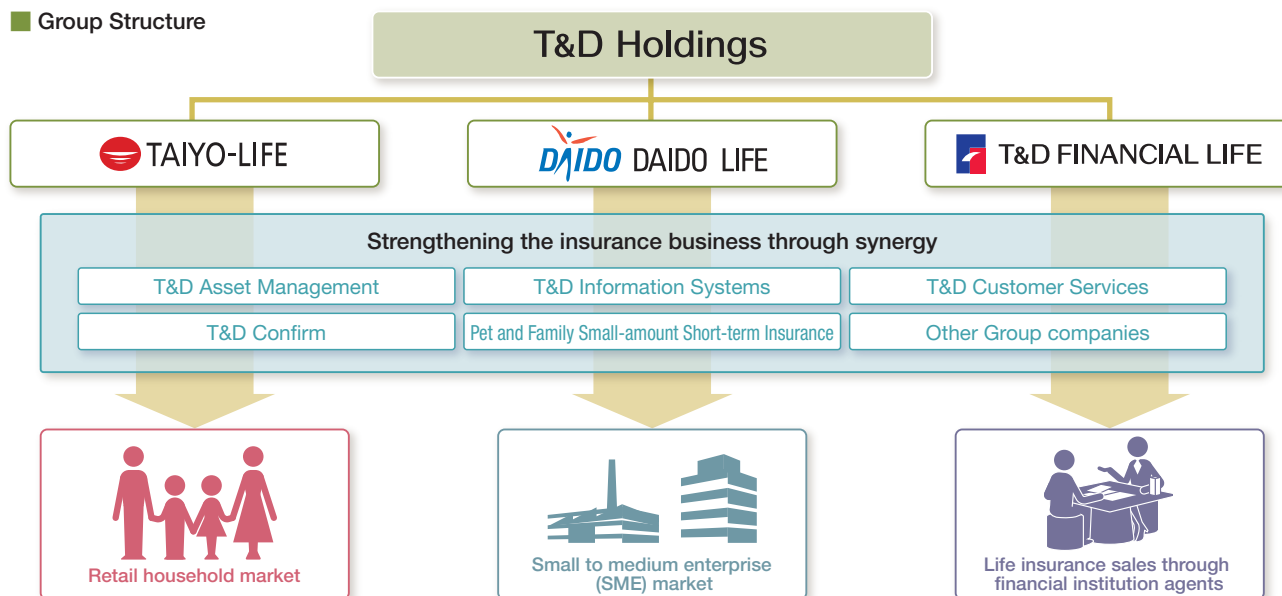
Name	No. of shares held (1,000 shares)	Percentage of shares held vs. outstanding shares (%)
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	14,940	5.45
Japan Trustee Services Bank, Ltd. (Trust Account)	13,980	5.10
The Master Trust Bank of Japan Ltd. (Trust Account)	12,744	4.65
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,524	3.84
CBNY-ORBIS Funds	9,674	3.53
CBNY-ORBIS SICAV	8,085	2.95
The Chase Manhattan Bank N.A. London SL Omnibus Account	5,068	1.85
NIPPONKOA Insurance Company, Ltd	4,819	1.76
State Street Bank and Trust Company 505225	4,681	1.71
Komatsu Ltd.	4,083	1.49
Total	88,602	32.35

Outline of the T&D Life Group's Business

2.2 2.3 2.7

The T&D Life Group is a corporate group mainly consisting of three life insurance companies (Taiyo Life, Daido Life and T&D Financial Life) under the group holding company, T&D Holdings. Taiyo Life, Daido Life and T&D Financial Life focus on and have a strength in the retail household market, the small to medium enterprise market, and the OTC insurance sales via financial institution agents respectively, and these group companies support clients' daily life and business activities to make the best use of their strong and unique business models.

Group Structure



T&D Life Group Companies and Foundations

2.5 3.6 3.7

<Group companies> As of March 31, 2009, the T&D Life Group consists of T&D Holdings, 17 subsidiaries and two affiliated companies, which carry out life insurance and other businesses as mentioned below

●: Consolidated subsidiaries ◆: Affiliated companies accounted for by the equity method

T&D Holdings, Inc. http://www.td-holdings.co.jp/e/			
Insurance and insurance-related businesses (7 companies)	Insurance	<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	<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	<ul style="list-style-type: none"> ● T&D Asset Management Co., Ltd. http://www.tdasset.co.jp/en/index.html ● T&D Asset Management (U.S.A.) Inc. 	
	Other	<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/english/index.html ◆ AIC Private Equity Fund General Partner, Ltd. 	
Administration-related Businesses (5 companies)	Administration-related	<ul style="list-style-type: none"> ● T&D Customer Services Co., Ltd. http://www.taiyo-seimei-careerstaff.co.jp/ ● Taiyo Life Career Staff Co., Ltd. 	
	General Affairs and Calculation-related	<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/ 	
Foundations	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/	

Ms. Mariko Kawaguchi, who has observed the Group's corporate responsibility activities and provided the third-party opinion for the *T&D Life Group CSR Report* for the past four years, talked with Naoteru Miyato, T&D Holdings representative director and president, about what life insurance companies can do for a better tomorrow. Their talk took place on August 7, 2009.

How Life Insurance Companies Can Contribute to a Better Tomorrow

Naoteru Miyato

Representative Director and President
T&D Holdings, Inc.



Mariko Kawaguchi

General Manager, Chief Analyst
Management Strategy Research Department
Daiwa Institute of Research Ltd.

M.A., Hitotsubashi University (with concentration in public economics and environmental economics). Main areas of research: socially responsible investment and corporate social responsibility. Served as a member of the Tokyo Metropolitan Environment Council, a council member of the NPO Sustainability Forum Japan and representative director of NPO Social Investment Forum Japan. Part-time lecturer at Aoyama Gakuin University.

Nature of the T&D Life Group Has Been Formed through a Quest for Distinctiveness

Kawaguchi The *CSR Report 2008* included a special feature about coexistence with forests.

Miyato Yes, last year's report included an article about Taiyo Life's forest conservation activities, the green space at the Daido Life Esaka Building (☛ p. 38), and other similar activities of the Group. The Green Space, for example, was the first attempt in this direction: when Daido Life's head office building in Osaka opened in 1972, they wanted to do something unique, so they created a green space. I worked in that building for a number of years, and as you went into the space the air was refreshing and you could enjoy aroma of wood. The space, which measures 2,500 square meters, has always been open to the public. Right from the start it's been a pleasant spot for visitors, and it's been used as a meeting place for the community too.

Kawaguchi That really must have been a novel idea 35 years ago, when corporations weren't much involved in corporate responsibility activities. Is a liking for doing something unique part of the corporate culture at the T&D Life Group?

Miyato I suppose so. I think the Group's three life insurance companies do have a penchant for doing things that other companies don't. After all, there's no progress if you don't try anything unique or different. The three companies specialize in different markets right now—Taiyo Life in the household market, Daido Life in the small to medium enterprise (SME) market, and T&D

Financial Life in the market of life insurance sales through financial institution agents—which has come about because each company has developed its uniqueness.

Kawaguchi You were the first life insurance company in Japan listed in the stock exchange while other life insurance companies remain a private mutual company. Is this something to do with the uniqueness of the T&D Life Group?

Miyato In the early 1990s, several life insurers went bankrupt due to the collapse of the bubble economy. We also took steps to ride things out, cutting costs and so on. But we realized there was a limit we could achieve through cutting alone, and so we decided to go public to break a deadlock. The fact that we were the first to do this made it a worthwhile challenge, given the importance we place on distinctiveness. The Revised Insurance Business Law was enacted in 1996, so the legal conditions for public listing were already in place. But since we were the first life insurance company to make the change, it turned out to be quite a job as we went over the details with the Financial Services Agency. We were really going into unknown territory, but our efforts for public listing over the three years resulted in the growth of the whole company and cultivated the corporate culture of taking on challenges.

Kawaguchi It's quite interesting that a corporate culture prizing originality ultimately led to the public listing.

Miyato As a public company, we were new. Since we followed the textbook and were very open to disclose performance to the investors, we were able to build a relationship of trust. That is why, I think, investors



supported us even bad time like last year when we recorded our first annual loss in the aftermath of the financial crisis starting last year.

Kawaguchi I see—that’s what behind your efforts toward better information disclosure. Being consistent with good disclosure could build trustworthiness and form the basis for recognition as a sustainable company.

Miyato That’s right. As an insurance company, we are still required to pursue safety, soundness and public mission. After going public, however, we are expected to achieve a growth additionally. This is a major change.

Kawaguchi Do you feel that such an external expectation from stakeholders for growth after public listing works for the company?

Miyato Yes, this generated energy for growth inside the organization. After we listed the shares, I experienced to what and how the stock price would react. For instance, when we develop new insurance products favorably accepted by our customers, the stock price moves instantaneously reflecting this. In a way, we always feel tension as we are closely monitored and assessed by people in the world, not just Japan. Because of this tension, however, we feel that we must pour our energy into governance in every facet of our daily operations, down from top management to individual employees and sales representatives. This results in a vitalization of the organization.

Life Insurance Companies Can Also Contribute to a Better Society through Asset Management

Kawaguchi Under the current difficult economic conditions, companies are required to do more for the global environment. In a broad sense, finance has the role of redistributing financial resources in the society. The Principles for Responsible Investment (PRI) (p. 20) is a concept that promotes this system in order to solve some problems in the world. In the T&D Life Group, Taiyo Life was the first Japanese life insurance company to sign the PRI which indicates that it would incorporate ESG (environmental, social & corporate governance) issues into investment activities. I guess that you have started to support a positive development of the world by integrating ESG factors into the decision-making for a large amount of assets under management.

Miyato Although other group companies have not signed the PRI yet, asset management of life insurance companies has been carried out with a basic stance of social and public benefits in mind, which is similar to the socially responsible investments (SRI) (p. 20).

Kawaguchi I hope that more aggressive approaches, such as adopting basic investment rules incorporating ESG factors for the entire Group, would be taken in the future. The life insurance business provides a security of life not only to existing policyholders, but to future generations. I am wondering if the current life insurance programs can really continue supporting a linkage of human lives over generations, given a rapidly deteriorating global environment. I feel it necessary for insurance companies

A Talk with the President



both to offer insurance products and services directly to the individuals and also contribute to the society indirectly.

I recently visited some pension funds in Europe and observed the growing interest in ESG in alternative investments, including forestry investments. I hope that the T&D Life Group would carry out investments that may not lead to a deterioration of our life 20–30 years later.

Miyato The Group company T&D Asset Management has launched a fund that invests mainly in companies that engage in environment-related business in China. For life insurance companies, which are in nature long-term investors, I do believe that it is meaningful to incorporate environmental and social elements into the investment activities.

I believe that adding elements that take the environment or society into consideration is significant.

Kawaguchi Precisely because economic conditions are so poor right now, there are many companies where employees have come up with innovative solutions to environmental issues or tried new things to help their companies grow. There's only one planet Earth, so we need to act now to change social systems rather than waiting for someone to take care of it. I feel that if the T&D Life Group believes that life insurance will still exist as a safety net for people's livelihoods in the future, it should place more emphasis on investing in businesses that will contribute to a better society.

Sharing the Corporate Responsibility Platform Will Create Virtuous Cycle in the Entire Group

Kawaguchi Daido Life has a strong image of self-reliance pursuing its own way. Taiyo Life has a strong lineup of products for women, and is viewed as a gentle and warm insurance service provider because of the close personal attention to customers. Which direction is the Group heading to?

Miyato Well, even though they're both a part of the Group, those two companies have different histories and products. Daido Life's customer base has been small to medium enterprises while Taiyo Life targets households by keeping close communication with customers, like a family doctor. The companies' approaches were originally

quite different, but over the past five years since the Group was formed, they have come to an idea that they can work together sharing the common values such as "customers' perspective" and "quality improvement." Group companies are gradually considering the best for the entire Group but not just for the individual companies. To facilitate this change, we started compliance officer exchange program on a trial basis in which compliance officers of the Group companies work at different Group companies for a certain period. This is exactly what we did during the preparation phase of the Group unification.

Kawaguchi It takes time to get used to different corporate culture and practices, but I suppose that it would stimulate employees and that they would learn a lot from that.

Miyato There are many that people can only learn from different workplaces. We intend to increase our corporate value by achieving a growth as a group while preserving the individuality of the group companies. For example, executives and employees of Taiyo Life recently started a cleanup drive around the Shiodome Head Office Building (☞ p. 34), and this activity has gradually grown to include executives and employees of Daido Life, T&D Financial Life, T&D Holdings and other group companies. At the National Sports Games for the Disabled (☞ p. 35), in which Daido Life works as a special supporter, Taiyo Life executives and employees also volunteer. I believe that this is a good sign of working together, a benefit of Group-based management.

Kawaguchi I'm not aware of such a successful case of corporate integration where a solidarity among different group companies has been nurtured. I am so impressed by what you have achieved over the past five years.

Miyato Each company has a good time and a bad time in



terms of business, and it is hard for every Group company to achieve a continuous growth. That is why we think it meaningful for the Group companies to complement each other to achieve a growth as a whole.

Kawaguchi It seems to me that it would be easier to get Group-wide synergy and generate profits if all the companies develop their own business while sharing the group-wide corporate responsibility platform.

Miyato In our case, one of the corporate responsibility platforms we share is “customers’ perspective.” I feel that this basic element of corporate responsibility has been fully shared throughout the Group lately.

Quality Improvements by Seeing Things from the Customer’s Perspective

Kawaguchi Last year you have been taking actions for ensuring proper insurance claims. What measures have you taken, and what results have you achieved?

Miyato We reviewed our processes from various angles to determine what we should do in order to pay insurance claims and benefits in full and implemented various measures. What is vital is to take care of the entire process as a whole starting from signing the contracts (entrance) to paying claims (exit). For example, simple practices like reading the contract aloud when making a contract, asking customers whether there’s anything else we can help them with, or reminding them to check the insurance policy when we get in touch with customers, etc. turned out to be quite useful for customers to claim even a small amount of insurance benefits for outpatient care or hospitalization.

Kawaguchi You are saying, then, that you’ve been able to prevent claim payment problems through proactive communications with customers at the start and end of the process?

Miyato That’s right. In addition, we implemented other measures such as digitizing medical certificates to avoid error of assessments, regular check of the policies by sales representatives, etc. We are also working on making our insurance products simpler and easier to understand. For example, Taiyo Life launched a new, fully revamped insurance product, and Daido Life reduced the number of special hospitalization options from 38 to 6. We used to think the more the better, but that made products overly



complicated and resulted in problems in making proper payments.

Kawaguchi So you reorganized and simplified your products to offer only basic elements. Has that also made your operations more cost-efficient?

Miyato Yes, and there have been other benefits too. As a result of the measures over the past three years, surrender rate fell, complaints from the customers reduced and we have heard more positive feedback now.

Kawaguchi And I suppose that makes employees happy too?

Miyato Yes. It improved motivation among our sales representatives. They tend to call on customers more frequently, and some of the customers kindly introduced us to their acquaintances. Overall, I would say that morale has improved across the organization.

Kawaguchi So, a crisis turned into an opportunity.

Miyato Yes, we really did cause a lot of troubles to our customers, but this provided us with a valuable opportunity to reevaluate our claim payment procedures and also hear customers’ voices. We’ll continue monitoring the business practices of Group’s three life insurance companies. We’ll remain vigilant and continue working hard to improve our products and services from the customers’ perspectives.

Measures Taken for Proper Payment of Insurance Claims and Benefits

As a result of insurance claim and benefit payment investigations undertaken by the T&D Life Group’s three life insurance companies (Taiyo Life, Daido Life, T&D Financial Life), it was determined that additional payments should be made to policyholders.

In connection with this problem, the Financial Services Agency (FSA) issued a business improvement order to Daido Life on July 3, 2008.

The T&D Life Group wishes to express its deepest apologies to its customers and other stakeholders for the inconvenience and concern caused by our lapse in properly paying insurance claims and benefits, the basic and most important job of insurance companies. In response, Daido Life submitted a business improvement plan to the FSA on August 1, 2008 and is continuing to steadily implement this plan.

Regarding Daido Life’s progress in implementing its business improvement plan and status of improvement, and the steps taken by Taiyo Life and T&D Financial Life to enhance their payment management systems, the three companies provide regular updates on their progress through their websites. In future we will make every effort to become an insurance group worthy of the public’s support.

The T&D Life Group's Corporate Responsibility

The T&D Life Group aims for sustainable growth together with society through life insurance and other businesses and promotes corporate responsibility to gain the trust of its stakeholders.

The T&D Life Group's Corporate Responsibility 4.8

The T&D Life Group's basic conception of corporate responsibility is to contribute to all people and to society mainly through the life insurance business in order to be a life insurance group that is trusted by its various stakeholders, with the aim of achieving sustainable growth together with society.

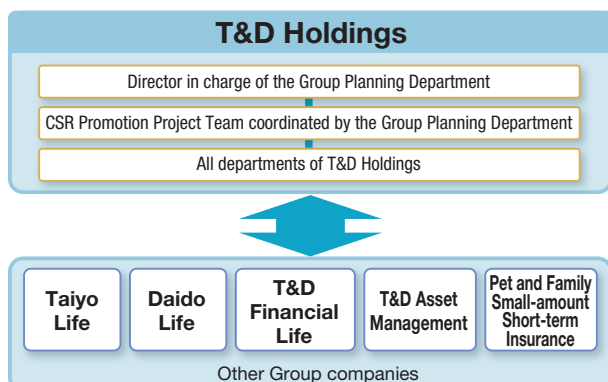
To further promote corporate responsibility activities, the Group has set out its basic policies toward corporate responsibility in the T&D Life Group CSR Charter, which is based on its Corporate Philosophy and Management Vision. Other basic policies related to corporate responsibility which have been laid down are the T&D Life Group Compliance Code of Conduct (p. 16) and the T&D Life Group Basic Policy for Strengthening the Compliance Structure. With regard to activities related to environment protection, the Group has set out the T&D Life Group Environmental Policy (p. 37). Through all these policies, the Group actively promotes corporate responsibility.

Promotion Structure for the Group's Corporate Responsibility 4.9

At the T&D Life Group, every T&D Holdings department and all Group companies promote corporate responsibility activities independently as part of their business. The T&D Holdings Group Planning Department coordinates group-wide corporate responsibility activities and reports on the status of activities to management as necessary.

There is also a CSR Promotion Project Team, in which all departments in T&D Holdings participate. Discussions on overall directions across all departments, ranging from the Group's core corporate responsibility policies to specific measures, take place within the CSR Promotion Project Team, a system designed to steadily promote the Group's corporate responsibility activities.

Group Corporate Responsibility Promotion System



T&D Life Group's Corporate Philosophy 4.8

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.

T&D Life Group CSR Charter 4.8 FSI

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.

The Public Mission of the Life Insurance Industry

The life insurance industry has the vital public mission of providing livelihood security to support individuals' everyday lives and society.

The Public Mission of the Life Insurance Industry

Life insurance is a mutual aid system based on pooling contributions from many people and intended to reduce the financial burden and worry in case of need due to death, illness or nursing care on the part of customers or their families. It also helps supplement the public social security system (public pensions, health insurance and so forth).

Meanwhile, life insurance companies support economic activity by supplying capital needed by various sectors—government,

corporate or private—through investment of customer premiums. The life insurance industry is playing an increasingly important role as part of the social infrastructure intended to support the public's everyday life in a society with an aging population and falling birthrate.

The three life insurance companies in the T&D Life Group will continue contributing to people and to society by fulfilling the public and social responsibilities their business entails.



Taiyo Life has launched *Hoken Kumikyoku Best*, a new product intended to meet customers' varied needs even more effectively. In-house sales representatives introduce this new product to customers, mainly the household market, through consultation sales, to provide customers with the protection-oriented products that meet their needs best. We are also working to improve the quality of our payment operations, to bolster the fundamental role of life insurance companies, which is the appropriate processing of insur-

Taiyo Life Insurance Company

ance claims and benefits. In addition to the perspectives of safety, profitability and public mindedness, we make an effort to invest insurance premium collected from our customers in line with the Principles for Responsible Investment (p. 20). We will continue working hard to earn the trust of customers and other stakeholders and perform to meet their expectations, and we will also work toward fulfilling our mission of making a contribution toward building a better society.



Kenji Nakagome
Representative Director
and President



Daido Life aims at being a life insurance company providing our customers greater sense of security and unmatched satisfaction. Corporate responsibilities of insurance companies, first of all, begin with fulfilling our social mission and responsibilities through our main insurance business. By concentrating management resources on our core business of insur-

Daido Life Insurance Company

ance sales to the small to medium enterprise market through relationships with partner organizations and promoting quality-oriented management, we will make our utmost efforts to be a life insurance company deserving the trust and mandate of our customers.



Haruo Kuramochi
Representative Director
and President



T&D Financial Life Insurance Company

T&D Financial Life specializes in life insurance sales through financial institution agents. Our mainstay product is annuities, a wealth-building product for which the market is expected to grow. We intend to contribute to our customers in spending comfortable post-retirement life by maintain a sound financial health, building a sol-

id brand in the high growth OTC insurance sales market, and keeping on providing products and services that reflect the opinions and requests of customers and sales representatives. This is our corporate responsibility I believe.



Muneo Takeuchi
Representative Director
and President

Business Activities of the Three Life Insurance Companies

2.2 2.3 2.7 FS6 FS7

Taiyo Life, supporting households through comprehensive livelihood security; Daido Life, helping small to medium enterprises (SMEs), which form the backbone of the Japanese economy; and T&D Financial Life, providing for livelihood in the form of individual annuities and other products—each of these companies fulfills its public mission through its own business model.

TAIYO-LIFE

Taiyo Life promotes the sale of protection-oriented insurance products covering medical, nursing care, death and others in the household market through in-house sales representative channels. The main customer base is homemakers, and women account for 70 percent of new contracts for individual insurance and individual annuity policies.

Until recently, endowment insurance and other savings-oriented products, which were well accepted by homemakers, had been our mainstay offering. Today, however, we recommend mainly protection-oriented insurance products covering medical and nursing care which meet diversified needs of our customers.

At Taiyo Life, we sell insurance products mainly through in-house sales representatives who call on customers, directly ask

their needs and suggest most appropriate insurance products to the customers. Sales representatives also assist customers in reviewing their insurance programs at key stages of their life cycle, such as getting marriage, having children, children starting school, or retirement.

Additionally, customer service staff call on customers regularly to let them know about new products and services, take care of various formalities on their behalf or handle various requests.

This extensive service system allows us to offer the most suitable products and services through detailed, face-to-face consulting sales and be a partner to our customers throughout their lives.

DAIDO LIFE

Daido Life's core business is insurance sales through relationships with partner organizations in the SME market. We provide our products through tie-ups with organizations to which numerous companies, tax accountants and certified public accountants belong a comprehensive benefits to cover the various risks of member companies and their corporate clients.* In fiscal 2008, over 90 percent of our new contracts were in the corporate market, and we specialize in the SME market.

Sales channel are two folds, in-house sales representatives and the agent organization, mainly consisting of tax accountants. Individual term life insurance, an insurance product offering a large protection by a small premium, is

suitable for corporate insurance, and Daido Life has the largest share (21 percent, as of March 31, 2008) in terms of policy amounts in force in this product category.

Daido Life will continue providing the most appropriate protection for company owners, taking advantage of many years of experiences in the SME market.

Note: We began handling the Major Comprehensive Protection System for Company Managers offered by the National Federation of Corporate Taxpayers Associations and the Federation of Tax Payment Associations in 1971, and the Company Protection System offered by the TKC National Federation in 1976, and selling life insurance products to the member companies of these organizations and to the corporate clients of tax accountants and certified public accountants belong to the member companies.

The TKC National Federation is an organization of professional accountants—a network of tax accountants and certified public accountants—dedicated to achieving a proper tax payment and perennial prosperity of the client.

T&D FINANCIAL LIFE

T&D Financial Life specializes in life insurance sales through financial institution agents, a market segment that we expect a significant growth going forward. We put emphasis on the following management policies: to strength our compliance program and internal control system to fully protect customers' interests; to improve efficiency of sales channel including financial institution agents to achieve sustainable growth; and to increase amount of insurance policies in force and improve profitability while maintaining a sound financial health.

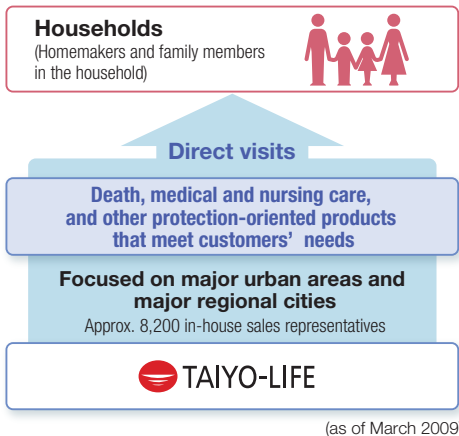
In accordance with these management policies, we will develop new products to meet customer needs and provide quality service through communicators (call-center agents)

who are dealing with inquiries and applications for benefits from customers.

Always keeping the perspectives of customers in mind, we will continue working hard to improve customers' satisfaction.

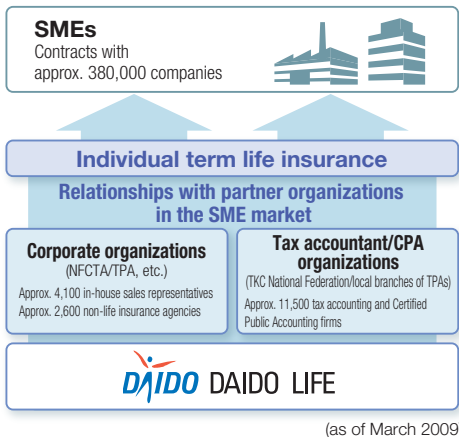
..... Supporting Households through Comprehensive Life Security

■ Taiyo Life's Business Model



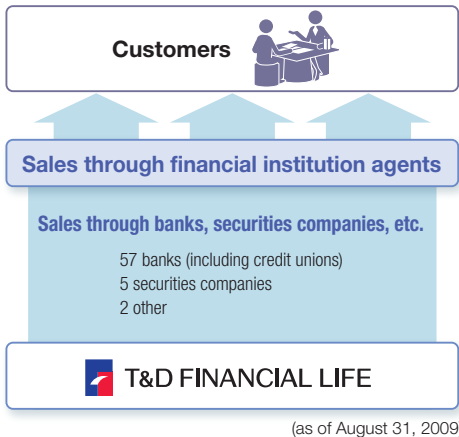
..... Supporting SMEs, Which Form the Backbone of the Japanese Economy

■ Daido Life's Business Model



..... Providing for Livelihood in the Senior Years through Individual Annuities and Other Products

■ T&D Financial Life's Business Model



VOICE <Voice of an In-house Sales Representative>

**Minako Suzuki, Group Assistant Manager
Yokosuka Branch**



"By suggesting adjustments to our customers' protection based on changes in their life cycle or needs, in-house sales representatives like me can provide customers with the most appropriate products and protect them and their families from all kinds of unforeseen occurrences. The healthier they are, the less people see the need for life insurance. It's also hard for people to get a good idea of how much protection they really need.

"Lately, more products are being sold over the Internet or by mail order too, but I feel that in-house sales representatives who meet customers face-to-face like us are the ones who can provide helpful protection should something happen.

"This type of activity, which wins the trust of so many customers, is what makes my work appealing to me. I intend to continue working enjoyably and with a bright smile, so that I can win the trust of many more customers."

VOICE <Voice of an In-house Sales Representative>

**Mikako Kawaguchi
Sales Division 3, Ueno Branch**



"My job is to recommend insurance products to business owners for protecting company and family, particularly in preparation for executive retirement payment, business succession, inheritance, employee fringe benefits. Foremost in my mind is what I can do to help company owners, and on my regular visits I provide appropriate information and make a point of handling matters quickly if the need arises. Business owners are very busy people, and when I drop in I always ask 'May I have just three minutes of your time?' I try to work on the basis of information gathered cumulatively over these short visits to get an accurate idea of what individual business owners want.

"Insurance is an intangible product, so it's my job to help customers understand how important it is for their companies. An owner who seem cold and distant when I first meet him gradually warm up; that motivates me to think of how I can help him even better on my next visit."

VOICE <Voice of a Wholesaler>

**Hiroyuki Hane, Sales Team Leader
East Japan Sales Promotion Office No. 1, Business Promotion Department**



"Since the deregulation in 2002 individual annuities have been marketed through financial institutions, and now one stop service, covering not only annuities but also other insurance products like those providing protection, is available over the counter at financial institutions. I feel that life insurance sales through financial institution agents have reached a significant turning point.

"In my job, I support financial institution agents in their sales efforts; one important role that I play is to build a good relationship with agent staff. To accomplish this, I try to help them solve problems in the way most appropriate for respective financial institution agents which operate under unique business conditions, by providing information not just about our insurance products but also about best practice at other areas or branches, overall market conditions, etc. I do hope that I would be able to extend better supports to our customers in their wealth building through financial sales agents."

Corporate Governance 4.10

The T&D Life Group endeavors to pursue an efficient and transparent business management structure capable of implementing flexible and unifying Group management.

Basic Concept of Corporate Governance 4.1

Basic concept of corporate governance at the T&D Life Group is to pursue an efficient and transparent business management structure capable of implementing flexible and unifying Group management.

Based on this concept, T&D Holdings determines the Group's business strategies, appropriately allocates management resources and sets capital policies. In addition, T&D Holdings appropriately identifies the business risks of the five direct subsidiaries (Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management, and Pet and Family Small-amount Short-term Insurance), to create a system for supervising Group management by thoroughly managing revenues and risks for the entire Group. Meanwhile, the direct subsidiaries, which have their own business strategies, develop marketing strategies and carry out operations playing to their strengths, in order to maximize their independence and individuality and increase the Group's corporate value.

In this way, the Group is committed to management clarifying the respective roles and responsibilities of T&D Holdings and its direct subsidiaries.

Corporate Governance Framework 4.2 4.3 4.5 4.7

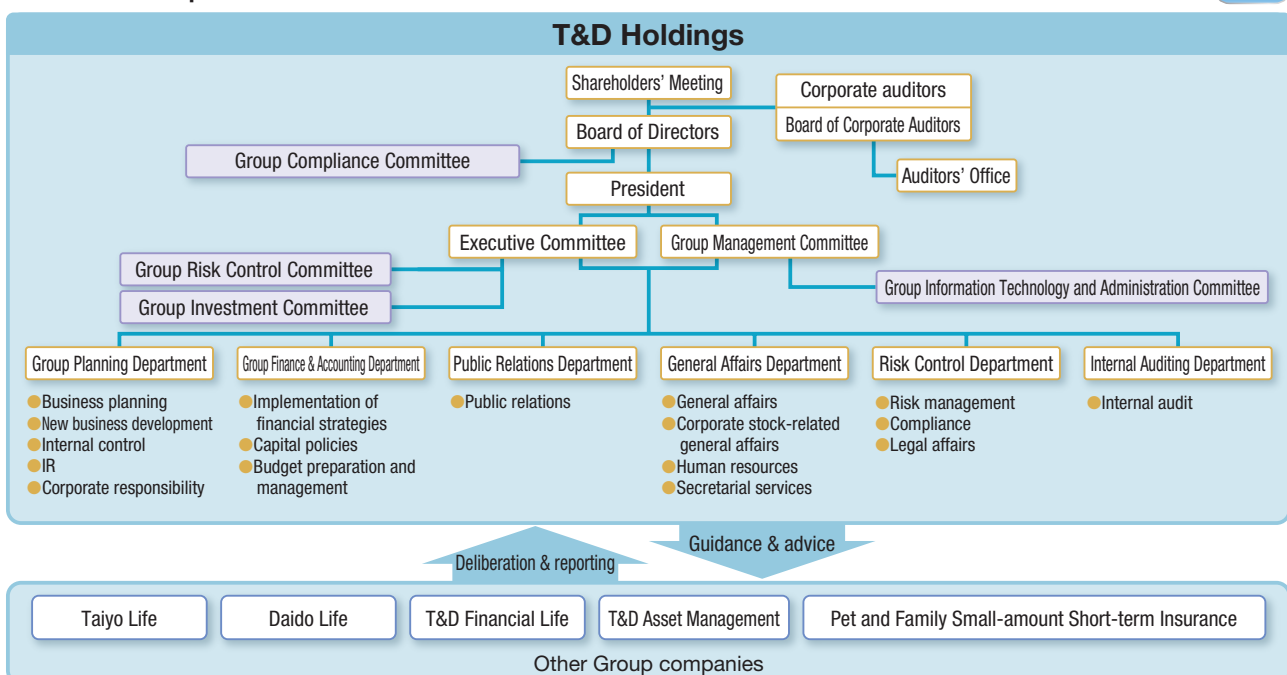
● Board of Directors

The Board of Directors at T&D Holdings makes decisions on important issues regarding its own operations, and as the holding company, on business strategies and allocation of management resources with regard to the entire Group. It also oversees the performance of directors and executive officers.

The Board of Directors chooses board members in examination of the qualifications. Director remunerations are performance linked and determined reflecting the performance of the company and the respective department in charge. Stock option program is not in place.

Chairman of the Board of Directors	President
Directors	9
External director	1
No. of meetings of the Board of Directors	22 times (Fiscal 2008)
External director's role	The Board's external director provides his specialized knowledge as a lawyer and offers comments regarding deliberation of the agenda as necessary.

■ Outline of Corporate Governance Structure 4.1



● Board of Corporate Auditors 4.6

T&D Holdings is required to have a Board of Corporate Auditors as a company with internal auditors.

The auditors monitor the operating performance of directors and executive officers by means of attending important meetings, such as Board of Directors' meeting, Executive Committee, Group Management Committee, Group Risk Control Committee and Group Compliance Committee as well as by others means. The Board of Corporate Auditors receives reports from individual auditors on the important audit issues, and discusses and makes a decision on the issues.

Auditors	4
External corporate auditors	2
No. of meetings of the Board of Auditors	14 times (Fiscal 2008)
External corporate auditors' role	The Board's external corporate auditors supply their specialized knowledge as financial institution managers or lawyers and offer comments regarding deliberation of the agenda as necessary.

● Executive Officer System 4.2

To improve corporate governance, T&D Holdings and its direct subsidiaries have adopted the executive officer system in order to clearly separate the supervisory and executive responsibilities.

● Executive Committee and Group Management Committee 4.2

Executive Committee at T&D Holdings is composed of President and the executive officers, and primarily discusses important business and management issues related to T&D Holdings and the Group.

Group Management Committee is consisting of President, executive officers in charge of the business planning and business management units, and Presidents of the Group's three life insurance companies, who are also members of the Group's Board of Directors. Group Management Committee discusses strategic issues affecting the Group as a whole.

Shareholders' Meeting 4.4

T&D Holdings views the shareholders' meeting as an important opportunity for communicating with shareholders and endeavors to hold accessible and open shareholders' meetings.

To allow shareholders enough time to study the agenda, we send a notice of AGM as early as possible and put the notice on our website, in both Japanese and English. Also we introduce electronic voting through the Internet to improve shareholders' convenience.

At the shareholders meeting, presentation, with a lot of charts and illustrations, by President was displayed on a large screen to help shareholders better understand the company's operations. The Fifth Annual General Shareholders' Meeting, which took place on June 26, 2009, was attended by many shareholders and there was an active question and answer session.



Fifth Annual General Shareholders' Meeting

Group Internal Audit System

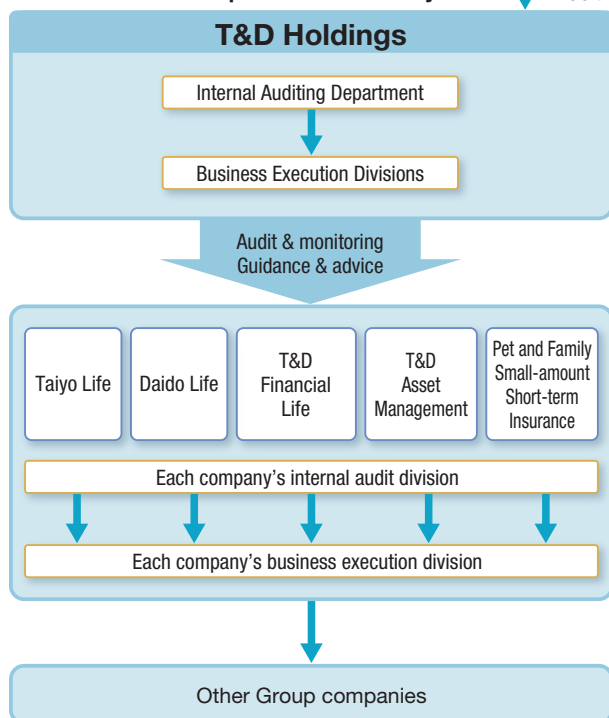
4.6 FS9

Within the T&D Life Group, T&D Holdings and the direct subsidiaries have established independent internal audit units. The internal audit units perform internal audits of the business execution divisions, examining and assessing the appropriateness and effectiveness of the internal management system and legal and other compliance, and identifying and raising issues related to internal management, in order to effectively achieve management objectives. The internal audit units also assess the internal management system and legal and other compliance and give advice on possible improvements.

By monitoring the performance of internal audits by direct subsidiaries and other means, T&D Holdings gains an overview of the internal management system of the entire Group and provides guidance and advice as necessary to strengthen the Group's internal audit systems.

■ Outline of the Group's Internal Audit System

↓ : Audit



Internal Control

4.6

● Establishment of Internal Control System

In light of the social and public nature of the Group's core life insurance business, the T&D Life Group believes it is important to properly control the execution of its business operations and minimize the management impact of unforeseeable developments arising out of Group operations, in order to ensure sound and appropriate management and respond to the trust and mandate of society. Based on this idea, T&D Holdings and the direct subsidiaries have decided, through Board of Directors resolutions of the respective companies, to establish an internal control system, as stipulated in the Company Law.

● The Internal Control Reporting System

With the implementation of the Financial Instruments and Exchange Law, an internal control reporting system was introduced starting in fiscal 2008. This system calls for setting up the internal control system necessary for preparing listed companies' securities reports and other financial reports following appropriate procedures. Company management assesses and reports on the accuracy of these statements, which are then audited for accuracy by certified public accountants or other outside auditors. In response, the T&D Life Group set up a Group-wide evaluation body in preparation for introducing and evaluating an internal control reporting system. Following study of the issue, the Group found that an internal control system for financial reporting for T&D Holdings should go into effect from fiscal 2008, the first fiscal year of implementation under the law. This was also evaluated as appropriate by the auditors.

The requirement to introduce an internal control reporting system is in response to social demand for accurate financial statements. However, the T&D Life Group believes that merely passively complying with the law is insufficient. The Group intends to use the visibility of operations resulting from the new reporting system to standardize operations and improve management transparency. Believing that this will increase corporate value, the Group is actively working to create and implement internal controls.

Compliance 4.11

The T&D Life Group views legal and other compliance grounded in strong ethics as a key management priority. We expect every employee to be highly aware of compliance and take steps to promote compliance.

Basic Concept of Compliance

The T&D Life Group publicly states that we will fulfill our social responsibilities based on high ethical standards and strict compliance practices as a part of its management vision, and place compliance as the priority in the corporate management.

Based on the understanding that compliance is indispensable to carry out corporate responsibility activities, the Group promotes compliance by ensuring that all the Group executives and employees thoroughly understand the T&D Life Group Compliance Code of Conduct.

Group Compliance Promotion Structure FS4

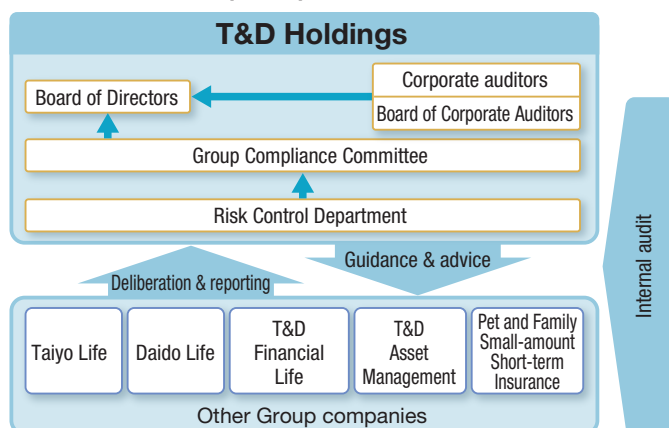
T&D Holdings has established a compliance promotion structure based on the T&D Life Group Basic Policy for Strengthening the Compliance Structure.

A Group Compliance Committee oversees and improves the Group's compliance arrangements. This committee, headed by the president and comprised of all executive officers, examines compliance-related matters and reports findings to the Board of Directors, presenting a detailed report if necessary, to ensure thorough compliance.

T&D Holdings also has a Risk Control Department, which has overall responsibility for promoting compliance. In coordination with the compliance units of the Group's three life insurance companies and other Group members, this department performs regular monitoring and provides these companies with guidance and advice.

The Group's three life insurance companies and other Group members also have compliance promotion systems consisting of the compliance committees and the departments in charge of compliance.

■ Outline of the Group Compliance Promotion Structure



The T&D Life Group Compliance Code of Conduct

4.8 FS1

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

SO3 FS4

Each T&D Life Group member company takes measures for legal and other compliance based on the Group's basic compliance policies and which are appropriate for the respective companies' size and characteristics. For example, T&D Holdings and the Group's three life insurance companies and other Group members have created compliance programs as detailed, implementable plans aimed at having all executives and employees act in compliance with laws and rules. Compliance training is also carried out, to reinforce compliance in the course of business.



Compliance training

Compliance Manual

FS4

The T&D Life Group has prepared separate compliance manuals for in-house sales representatives, administrative personnel, agents and others respectively, which work as a daily business operating manual and also as a compliance training manual.



Compliance manual

Compliance Card

FS4

To help ensure the strict compliance, employees of the Group's three life insurance companies carry with them a Compliance Card summarizing key issues of compliance.

Whistleblower System

At the T&D Life Group, each of the Group's three life insurance companies and other Group members had operated their own whistleblower systems. In April 2005, however, the T&D Life Group Helpline was established for use by all executives and employees in the Group. Since the Helpline was started it has become better known within the Group and has contributed to promoting compliance. In some cases, operating the Helpline has led to improvement in human relations and communications at the workplaces.



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.

Risk Management

The T&D Life Group identifies and manages various risks associated with the life insurance business in order to ensure sound and appropriate business management.

Basic Concept to Risk Management

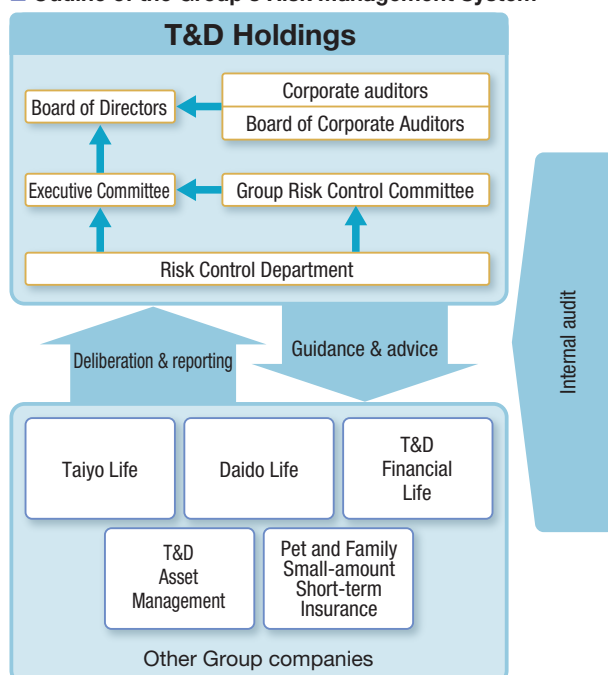
The T&D Life Group has formulated a Group Risk Management Policy setting forth the Group's basic approach to risk management. In light of the social and public nature of the life insurance business, the Group positions risk management as a key management priority in order to ensure sound and appropriate management. Under the comprehensive management of the holding company T&D Holdings, each Group company takes responsibility for implementing appropriate risk management based on the principle of self-responsibility.

Risk Management System

4.9 SO2

T&D Holdings has established a Group Risk Control Committee under its Executive Committee to control and manage risk within the Group. The Committee receives regular and ad hoc reports on risk conditions, assessed according to uniform risk management indicators, from the Group's three life insurance companies and other Group members and uses this information to identify and manage the various types of risk faced by Group companies. The Committee also reports to the Board of Directors on risks and provides guidance and advice to the Group's three life insurance companies and other Group members as necessary to enhance risk management for the entire Group.

Outline of the Group's Risk Management System



Risk Classification and Responses

4.9 4.11 EC2 FS2

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

Risk Classifications

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 T&D Holdings website.

Crisis Management

4.11

The T&D Life Group has formulated Rules on the Group's Crisis Management, which address basic matters related to the Group's response to crisis situations. In the case of major natural disasters and similar events, these rules place priority on the lives and safety of executives and employees, and taking into consideration support for affected areas and other contributions, recognize that continuing or rapidly resuming insurance claim and benefit payment operations is an important social mission and set forth basic policies for readying systems to make this possible. The Group has also implemented measures such as a system for confirming the personal safety of executives and employees and Group-wide drills for practice in the event of a major earthquake directly hitting Tokyo, to ensure the effectiveness of the Group's crisis response systems.



Crisis response drill

Toward Openness in Management

The T&D Life Group provides various opportunities to communicate with stakeholders, in order to reflect their views in the Group's management.

Management Reflecting Stakeholders' Voices

At the T&D Life Group, proactive communication with stakeholders is set out under "4. Communication" in the T&D Life Group CSR Charter. (See p. 9, "4. Communication") The Group's three life insurance companies set up opportunities for direct dialogue with and participation in management by the policyholders, sales agents and other stakeholders to reflect their voices in the management of the companies.

Policyholder Meetings Taiyo Life

4.16 PR5 FS5 FS16

Taiyo Life holds regular meetings with its policyholders called "Taiyo Life Fureai Club." The aim of the meetings is to provide policyholders with up-to-date information on Taiyo Life and life insurance in general, as well as to hear from the customers their opinions and requests.

In fiscal 2008, the policyholders meetings were held in 46 locations, 72 branches and one sales office throughout the nation. The meetings were attended by 727 people, who were updated about the company's business and services.

Business Partner Meeting Daido Life

4.16 PR5 FS5

Daido Life builds partnerships with the organizations of tax accountants and certified public accountants aiming at offering life insurance products to the clients of the members of these organizations. These partner organizations and agents are the key stakeholders of Daido Life. Daido Life holds various meetings and gatherings with the partners to report the latest developments of the business and to hear their views on Daido Life's business operations.



Business Partner Meeting

External Participation in Management 4.16

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

Payment Assessment Special Committee

Taiyo Life

<External members> Attorneys, consumer issue specialists, others
 <Main issues considered> Assessment of insurance claims and benefits, payment administration/Improvement of insurance claim documents/Appropriate insurance claim payment works

Advisory Council for Insurance Daido Life

<External members> Attorneys, consumer issue experts
 <Main issues considered> Re-examination of non-payment claims/Deliberation on payment complaint responses and dispute settlements/Improvement of understandability of notices and documentation sent to the customers

Payment Supervision Committee

T&D Financial Life

<External members> Attorneys, experts on consumer issues, media representatives
 <Main issues considered> Monitoring appropriateness of insurance claim payments/Analysis of payment-related complaints and improvement of the problems

VOICE <Comment from an Outside Expert>

A Consistent Response: Paying Legitimate Claims Attentively and Quickly, Rejecting Fraudulent Claims

Yasuo Fukuda, Ph.D.
 Professor of Law, Nihon University College of Law
 Member of the Payment Assessment Special Committee



"Although the public takes it for granted that insurers will carefully invest their customers' premiums and pay out insurance claims and benefits appropriately, errors arise from time to time. There are also, regrettably, a small number of customers who try to defraud the insurance system.

"For insurance companies, avoiding errors and preventing fraud is an ongoing issue.

"At Taiyo Life, executives and employees act with consistency, paying legitimate claims attentively and quickly, and rejecting fraudulent claims. This impressed me, given the fact that so many other insurance companies are nervous when it comes to paying on claims. In relation to appropriate payment, the Committee had discussions on many issues ranging from solicitation to claim payment, but I was also surprised at how quickly it responds even to negative comments and comes up with new measures.

"I believe that face-to-face communication with customers and building trust help ensure that insurance claims are paid appropriately, and I would like to contribute to encouraging that kind of relationship."

Proactive Disclosure

The T&D Life Group pursues proactive communication activities and works to provide straightforward information to customers, shareholders and investors, and all other stakeholders.

To maintain and strengthen the trust of society, T&D Holdings and the Group's three life insurance companies have formulated Disclosure Rules* and work to achieve information disclosure that results in transparent management and is timely, fair, accurate and consistent across the Group in the event of an emergency.

Each Group company issues disclosure materials on its management policies, business performance and other matters, and posts product and service information, company news and other information on its website.

T&D Holdings informs its shareholders, numbering 315,728 as of March 31, 2009, of the status of Group operations and other matters twice a year, in June and December, through shareholder news bulletins.

*T&D Holdings has prepared and makes available a Basic Disclosure Stance, which is based on its Disclosure Rules.

IR Activities

4.16

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 holds results briefings for domestic and overseas investors and results teleconferences, visits key institutional investors and actively engages in discussions with securities analysts. It also regularly provides management with valuable information received from investors through IR activities as feedback.

[Explanation of Terms]

SRI : Socially responsible investment. This has taken on the expanded meaning of sustainability in recent years, with the "S" in SRI increasingly referring to "sustainable." SRI often now stands for "sustainable and responsible Investment" or simply "responsible investment."

Inclusion in SRI Indexes

T&D Holdings is included in various SRI (socially responsible investment) indexes.

SRI is a method of choosing investment targets not simply based on financial considerations but also on an assessment of companies' corporate responsibility performance including contributions to the global environment and society.

Being a constituent of the recognized SRI indexes represents a positive external assessment of the T&D Life Group in terms of the corporate responsibility. At the same time, such an impartial assessment by outside professionals is a very useful yardstick to review and improve our corporate responsibility management. We aspire to be a corporate group trusted by global long-term investors.

■ T&D Holdings is a member of the following SRI Indexes (as of September 30, 2009)

MS-SRI (Morningstar Socially Responsible Investment Index)



MS-SRI is an investment index consisting of 150 companies selected from 3,600 companies listed in Japanese stock exchanges, based on the evaluation of five social perspectives, namely governance/accountability, markets, employment, social contributions and environmental consciousness, and also taking into consideration market liquidity.

FTSE4Good Global Index



The FTSE4Good Global Index is a global SRI index of companies meeting environmental, social and other globally recognized standards. It is compiled by FTSE, a company jointly owned by the Financial Times and the London Stock Exchange.

FTSE KLD Global Sustainability Index

The FTSE KLD Global Sustainability Index is a global SRI index developed by KLD Research & Analytics, Inc. composed of companies selected by region and industry based on environment, social and governance rankings.

Signatory to PRI Taiyo Life 4.9 4.12 FS12

In March 2007, Taiyo Life became the first Japanese life insurance company to sign the Principles for Responsible Investment (PRI), a global investor initiative in partnership with the UNEP Finance Initiative and the UN Global Compact. Since then, Taiyo Life has carried out its asset management activities paying more attention to environment, social and governance factors and adhering to the PRI standards when selecting companies to invest in or make a loan to and exercising the voting right at shareholders' meetings.

Economic Aspects

The T&D Life Group endeavors to achieve transparency and soundness in management and to conduct proactive information disclosure.

Business Overview

ECT

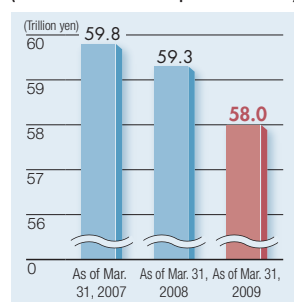
● Fiscal Year 2008 (Ended March 2009)

New insurance policies for the Group's three life insurance companies combined (individual insurance and individual annuities) were 5,991 billion yen, down 3.4 percent year on year, and surrendered and lapsed policies were 5,373.2 billion yen, up 6.1 percent year on year, and the amount of policies in force was 58,097.1 billion yen at the fiscal year end, down 2.1 percent year on year.

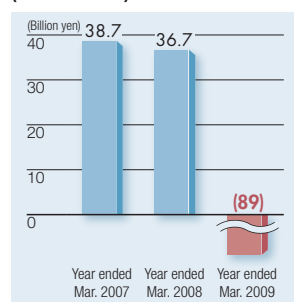
On a consolidated basis, income from insurance premiums was 1,654.4 billion yen, up 2.6 percent year on year, and insurance claims and other payments was 1,814.2 billion yen, up 10.2 percent year on year, resulting in the ordinary loss of 183.8 billion yen, down 339.5 billion yen year on year, and the net loss of 89 billion yen, down 125.8 billion yen year on year. Core profit, a performance indicator for the mainstay life insurance business, turned to a loss of 27 billion yen for the Group's three life insurance companies combined, down 186.8 billion from the preceding year.

For more information about performance results for the latest fiscal year, please visit the T&D Holdings website (<http://td-holdings.co.jp/e/>).

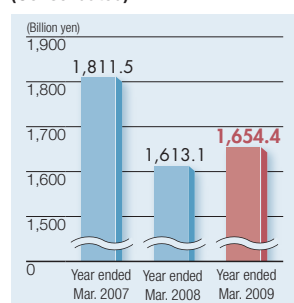
■ Policy Amount in Force (Three life insurance companies combined)



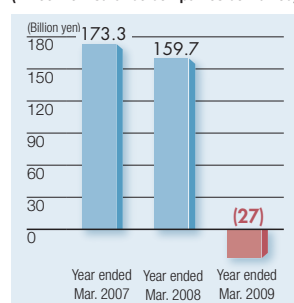
■ Net Income (Loss) (Consolidated)



■ Income from Insurance Premiums (Consolidated)



■ Core Profit (Loss) (Three life insurance companies combined)



● Corporate Value (EEV)

The T&D Life Group had disclosed its embedded value (EV), one of the indicators for assessing the corporate value of a life insurance company, and since fiscal 2006, the Group

switched to EEV (European Embedded Value) based on the EEV Principles, which get popular among European insurance companies.

In the calculation of EEV, we use a market risk-free rate for discount rates and investment yields, which solves some of the problems inherent in the traditional EV approach, and thereby improved the quality of disclosed information.

■ Corporate Value of the T&D Life Group (Unit: billion yen)

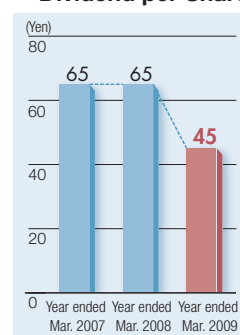
	As of March 31, 2008	As of March 31, 2009	Increase or (decrease)
EEV	1,621.6	866.5	(755.1)
Adjusted net worth	1,057.1	535.3	(521.8)
Value of in-force business	564.4	331.1	(233.3)
Value of new business	62	28.5	(33.4)

Please visit the T&D Holdings website (<http://td-holdings.co.jp/e/>) for more details.

● Basic Profit Distribution Policy

T&D Holdings has a policy of maintaining the soundness of its own operations and those of the Group companies, securing retained earnings required by the Group, enhancing shareholder value, and continuing a stable profit distribution. Annual cash dividend for fiscal 2008 was set at 45 yen per share, lower than the previous year.

■ Annual Cash Dividend per Share



● Solvency Margin Ratio

The Group's solvency margin ratio,* which is one of the indicators regulatory authorities use to gauge the soundness of an insurance company, remains at an adequate level.

■ Solvency Margin Ratio (Unit: %)

	As of Mar. 31, 2007	As of Mar. 31, 2008	As of Mar. 31, 2009
Taiyo Life	1,100.4	1,000.6	866.4
Daido Life	1,320.6	1,096.3	823.4
T&D Financial Life	1,189.7	912.4	832.0
Pet and Family Small-amount Short-term Insurance	19,841.6	17,561.0	4,212.7

*Solvency margin ratio is an indicator used by regulatory authorities to judge whether an insurance company has a sufficient financial capability to pay the insurance claims in case of unforeseeable risks. A solvency margin ratio of 200 percent and above represents that the insurance company meets a criteria for financial soundness.

New Business Strategies

● Asset Management Business

T&D Holdings made T&D Asset Management, which had been formerly an affiliate company owned by Taiyo Life and Daido Life, a direct subsidiary of T&D Holdings. This is based on the company's long-term management strategy of positioning the asset management business as a core business domain along with the life insurance business.

T&D Asset Management is aiming at building the most trusted asset management firm contributing to the society in the long-run, in the two market segments, institutional investors including pension funds and investment trusts for individual investors. The company intends to offer creative and flexible investment ideas while maintaining a consistent investment philosophy and approaches. Taking a few examples, T&D Asset Management offers such innovative financial products as the investment trust focusing on the companies conducting the environmental business in the rapidly growing Chinese market and the investment trust run by a fully computerized investment program (robot).

● Pet Insurance Business

Insurance market for pet animals is likely to grow further on the back of the changing social environments, such as more apartments allowing the residents live with pets, more pet owners giving medical cares to pets as a family member, etc.

T&D Holdings made the Pet and Family Small-amount Short-term Insurance a subsidiary in January 2007 and is aiming at expanding its business in the pet insurance market.

To meet the pet owners' wish to cherish bonding between them and companion animals, the Pet and Family Small-amount Short-term Insurance aims at contributing to the society by providing the best pet insurance product and service in support of healthy and happy living with pets.

In October 2008, a new simpler pet insurance product, called "Genki Number One," was launched. In November 2008, Pet and Family Small-amount Short-term Insurance became the first insurer in this market segment offering the products through the Internet. In August 2009, some steps were taken to improve customer satisfaction by relaxing the age requirement for pre-enrollment physical examination and for online contracts.



Pet insurance pamphlet

Credit Ratings

The three life insurance companies in the T&D Life Group have obtained credit ratings regarding solvency for paying benefits.

(As of October 15, 2009)

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		A	
Moody's Investors Service	A2		

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

These ratings are based on numerical figures and other data as of a certain date and may change in the future. The rating agencies listed above are designated as such by Japan's Cabinet Office regulations, and the definition of ratings is made public by each rating agency. The plus (+) and minus (-) signs or figures (2), etc. following the ratings show relative standing within the major rating categories.

All ratings were obtained through formal requests to the rating agencies by the Group's three life insurance companies.

■ Definition of Ratings

● Standard & Poor's (S&P)

<Insurer Financial Strength Ratings>

Rating A: Has strong ability to honor commitments on obligations but is somewhat more likely to be affected by adverse business conditions than insurers with higher ratings.

● Japan Credit Rating Agency (JCR)

<Insurance Claims Payment Ability Ratings>

Rating AA: Very strong ability to honor financial commitments on obligations.

Rating A: Strong ability to honor financial commitments on obligations.

● Rating and Investment Information (R&I)

<Insurance Claims Payment Ability Ratings>

Rating A: Strong ability to pay insurance claims and excellence in some evaluation factors.

● Fitch Ratings

<Insurer Financial Strength Ratings>

Rating A: High level of payment ability. Unlikely to suspend or stop payments and has strong ability to fulfill its obligations to insurance policy holders and other contract obligations without delay. However, faces a stronger possibility of being affected by changes in business or economic conditions than insurers with higher ratings.

● Moody's Investors Service

<Insurer Financial Ratings>

Rating A: Rating for insurance companies with favorable claim payment ability. However, some factors may affect the company's ability to pay claims at some point in the future.

Together with Our Customers PRI

With “taking the customers’ perspective” always in mind, each T&D Life Group company makes the utmost efforts to improve the quality of their products and services, by creating a system for gathering customers’ feedback and making use of their unique business model.

Obtaining Feedback through Daily Business Activities

In the course of daily business activities, the Group’s three life insurance companies receive feedback from their customers.

They set up as many points of contact with customers such as in-house sales representatives, agents, call centers, the Internet and so forth to continually boost the system for gathering customer feedback.




The companies also conduct regular as well as non-regular surveys to straightforwardly ask customers about their satisfaction level.

Reflecting Customer Feedback in Operations FS5

The Group’s three life insurance companies have set up a department and a committee consisting of external members in charge of customer satisfaction management. They are working on developing a total system ensuring customer satisfaction at all the stages of interaction with customers, from contract signing to payment of claims and benefits, based upon the clearly policy for customer satisfaction and specific guidelines for handling of customer complaints. All the feedback from the customers are integrated into a centralized database, and shared by the relevant units concerned for the development and improvement of quality of products and services as well as for the improvement of business practices.

■ Examples of Improvements Based on Customer Feedback

4.17

	Customer’s voice	How we responded
	<ul style="list-style-type: none"> Customer counters and ATMs close at 3 p.m. I’m working and can’t get there in time. 	<ul style="list-style-type: none"> As of the end of September 2009, business hours at 85 branches throughout the country, mainly those with ATMs, have been extended from 3 p.m. to 4 p.m. The company issues a membership card called “Himawari Card” which allows customers to make transactions at every ATM of affiliated institutions installed nationwide. Customer service personnel take care of paperwork on behalf of customers and also listen to their comments and requests while making regular calls.
	<ul style="list-style-type: none"> Policy provisions are written in small type and are very hard to read. 	<ul style="list-style-type: none"> Policy leaflet containing policy provisions for a new insurance product, <i>Hoken Kumikyoku Best</i>, has been enlarged to an A4 page, and is now available on a CD-ROM. Customers can enlarge the policy documents to a readable size and turn pages at the click of a mouse. And also it has a search function where customers can look up the meaning of terms in the policy leaflet and policy provisions.
	<ul style="list-style-type: none"> I can’t see which items of the policy provisions are written where. The document is also hard to read because the type is very small, the sentences are long and there is a lot of bracketed information. 	<ul style="list-style-type: none"> Index has been added to the front cover so that customers can easily find necessary information. Table of contents classified by category is now presented in the form of FAQ to enhance readability. Size of the policy document was expanded to an A4 page and the document was redesigned, for instance writing the titles larger and putting the supplementary information together in an explanatory note section, to make it easier to read.
	<ul style="list-style-type: none"> I was told that my insurance policy covers medical operation benefits, but that is not shown on my insurance policy certificate. 	<ul style="list-style-type: none"> In the past, insurance policy certificates stipulated only the type of supplemental insurances (e.g. “hospitalization benefits,” “natural disaster benefits”). Now the insurance policy certificates, with some exceptions, show the details of the policy and a chart of how the policy works so that policyholders can easily identify if they are eligible for benefits and the amount of benefits to be paid out.
	<ul style="list-style-type: none"> I received an account statement, but I was not sure what it was because it did not show the name of the insurance agent that I made the contract with or the name of the insurance product. Such an insufficient description is not helpful for customers. 	<ul style="list-style-type: none"> Starting from the fiscal 2007, we have described the name of soliciting agents such as banks as well as the name of products on the covering letter accompanying the statement.
	<ul style="list-style-type: none"> I transferred my deposit by means of switching through the Internet service but this deal was not reflected on the account immediately after the deal. 	<ul style="list-style-type: none"> We added a new Internet service function which enables customers to confirm the amount and proportion of the deposit to be transferred on a real time basis.

Measures Taken by Taiyo Life PR5

● Using Customer Feedback Effectively

We register all the valuable customer feedback, whether a comment, request or complaint, in our Customer Feedback Information System, and then classify, quantify, analyze and utilize them for improving our business practices.

■ Breakdown of Customer Feedback Received

(Units: no. of feedback; proportion: %)

	FY2007		FY2008	
	No. received	%	No. received	%
Complaint	21,417	44.6	16,207	31.6
Comment, request & suggestion	3,714	7.7	5,465	10.6
Appreciation & praise	22,904	47.7	29,676	57.8
Total	48,035	100.0	51,348	100.0

Appreciation & praise: Number of cases where customers expressed satisfaction, in a verbal or written form, regarding the words, actions, business practices, etc. of our staff.

Comment, request & suggestion: Number of cases where customers saw a room for improving our business practices.

Complaint: Number of cases where customers expressed dissatisfaction with us.

● “Q-up Campaign”—Company-wide Business Process Improvement Promotion Campaign

To enhance customer satisfaction by rectifying problems in our business practices and offering better service as suggested in the complaints, comments and requests from our customers, Taiyo Life regularly carries out a company-wide initiative to promote improvement of entire business practices, called “Q-up Campaign.” During the 2008 campaign, 145 branches, three sales offices and 27 departments published specific actions to take as a commitment and tried hard to implement them. As a result of the actions taken by the branches, sales offices and departments, we saw a marked improvement in customer feedback, with more praise (up 29.6 percent year on year) and fewer complaints (down by 24.3 percent).

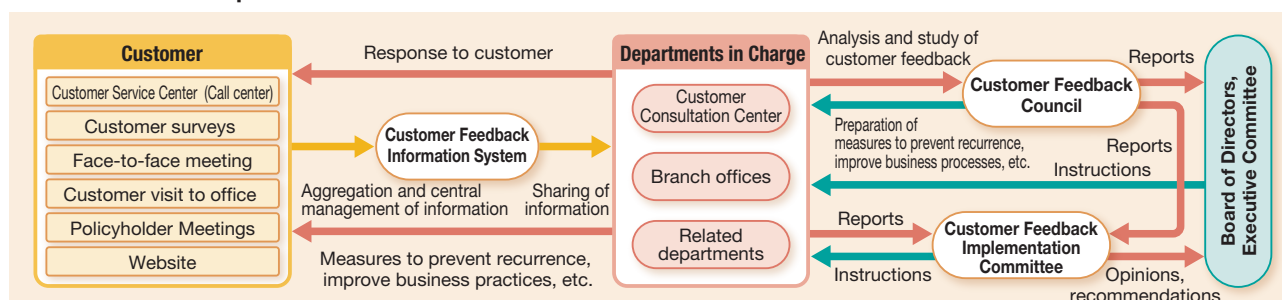
● Obtaining ISO10002 Certification

Taiyo Life is promoting business practice improvement based on the feedback from customers. In March 2008, as a part of such an initiative, Taiyo Life obtained ISO 10002, a third-party certification for Quality management—Customer satisfaction—Guideline for complaints handling in organizations, to prompt our business improvement activities widespread and settle within the organization. Taiyo Life was the first company in Japan to obtain this certification on a company-wide basis, to the best of our knowledge. Taiyo Life has undergone regular third-party inspections since obtaining the certification and, in March 2009, was evaluated that it had improved business practices appropriately from customer’s perspective.

● T-SMAP Won CRM Best Practice Award 2.10

In April 2008, Taiyo Life developed T-SMAP, a sales support system to make it possible to offer high-quality consulting sales from the customer’s perspective. This T-SMAP is a unique business model incorporates three elements: Customer Relationship Management (CRM), to help improving individual customer’s satisfaction; Sales Force Automation (SFA), to support optimal activities from planning to execution; and Knowledge Management (KM), to share the successful experiences and good sales talks within the company. This system won the CRM Best Practice Award 2008 by CRM Association Japan, as an innovative business model to change the basic concept of life insurance sales activities from placing sales increase above anything else to customer’s perspective first.

■ Framework for Improvements Based on Customer Feedback



Measures Taken by Daido Life PR5

● Response to Complaints

Daido Life endeavors to respond to the complaints and comments of customers quickly and with integrity till customers are fully satisfied. We take our customers' complaints seriously and are working to improve business practices from the viewpoint of customers.

■ Analysis of Customer Complaints

(Units: no. of feedback; proportion: %)

Description	FY2007		FY2008	
	No. received	%	No. received	%
Purchase life insurance policy	1,288	15.7	1,670	16.7
Payment of premiums	910	11.1	1,577	15.8
Procedures after making the contract	2,633	32.1	3,268	32.7
Payment of claims and benefits	2,173	26.5	2,181	21.8
Other	1,191	14.5	1,306	13.1
Total complaints	8,195	100.0	10,002	100.0

Note: Daido Life defines customers' expressions of dissatisfaction regarding the company's operations as "complaints."

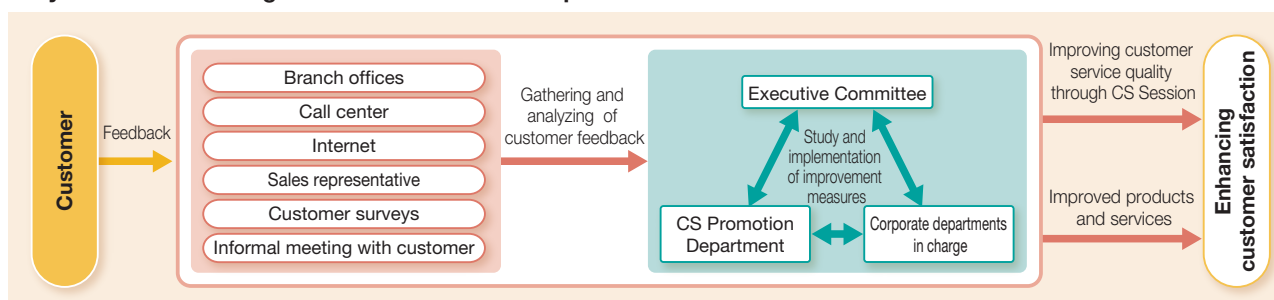
● Reflecting Customer Feedback in Operations

At any time, any client liaison and any operations from solicitation, after-sales service to payment of claims and benefits, Daido Life endeavors to provide a high-quality service that our customers expect. Daido Life is making greater efforts to reflect customer feedback in their operations under the theme of quickness, understandability and simplicity.



Poster for promoting customer service improvement

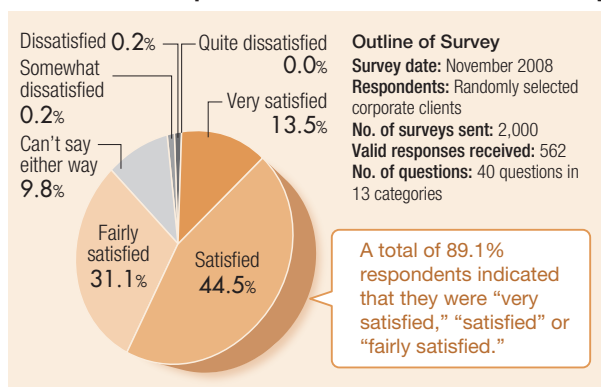
■ System for Reflecting Customer Feedback in Operations



● Conducting Customer Survey

Daido Life conducts an annual customer survey by mail to hear customer appraisal, comments and requests. The company also conducts a corporate customer survey of small to medium enterprise owners concerning their satisfaction about products, after-sales service and so forth. Another survey is carried out for the customers who applied for benefit claims or surrendered insurance policy regarding expeditious processing of procedures and understandability of application documents.

■ Results of Corporate Customer Satisfaction Survey



● Company-wide Initiatives Led by a Dedicated CS Unit

All the customer feedback from the nation are gathered by Customer Satisfaction Promotion Department, a business unit dedicated to promoting better customer satisfaction, and then analyzed to identify problems. Once problems are identified, relevant corporate departments in charge draw up necessary action plans to solve the problems and implement them after getting approval from the Executive Committee. Improvement measures so implemented are shared with all the employees through the activities of CS Session* and implemented company-wide in the course of regular business activities.

*CS Session: A company wide initiative led by branch general managers to discuss and implement measures to improve daily business activities and to prevent a recurrence of problems.

Measures Taken by T&D Financial Life PR5

● Responding Rapidly to Customer Feedback

T&D Financial Life takes all customer feedback such as complaints, comments, requests received through its Customer Service Center seriously and endeavors to improve the quality of customer service and business practices by making necessary operational improvements.

■ Analysis of Customer Complaints

(Unit: No. of complaints)

Item	No. of complaints	
	FY2007	FY2008
New contracts	170	143
Payment of premiums, etc.	52	33
Procedures after making the contract	335	168
Insurance claims and benefits	189	72
Others	79	64
Total	825	480

Note: "Complaints" refers to customers' dissatisfaction about products or services, and expressions of dissatisfaction.

● Customer Feedback and Company Responses on Website as "FAQ"

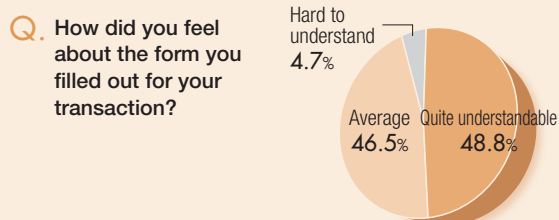
T&D Financial Life discloses the inquiries, complaints, comments and requests received from the customers as well as the responses from the company on the website in the form of Frequently Asked Questions to facilitate convenience for the customers.

● Customer Satisfaction Survey

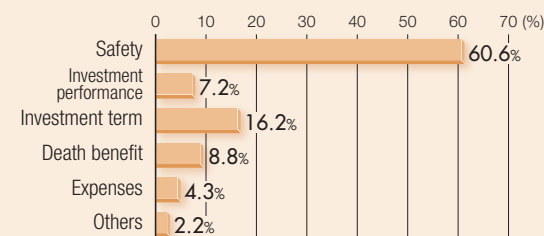
T&D Financial Life conducts an annual customer survey to actively reflect customer feedback in its operations.

All the executives and employees of T&D Financial Life promise to conduct business to enhance customer satisfaction on the basis of the survey, and act in the best interest of the customers.

■ Summary of Survey Findings



Q. If you think of a lump-sum variable annuity offered by life insurance companies, what factor(s) would you consider important? (Answer all that apply)



Outline of Survey

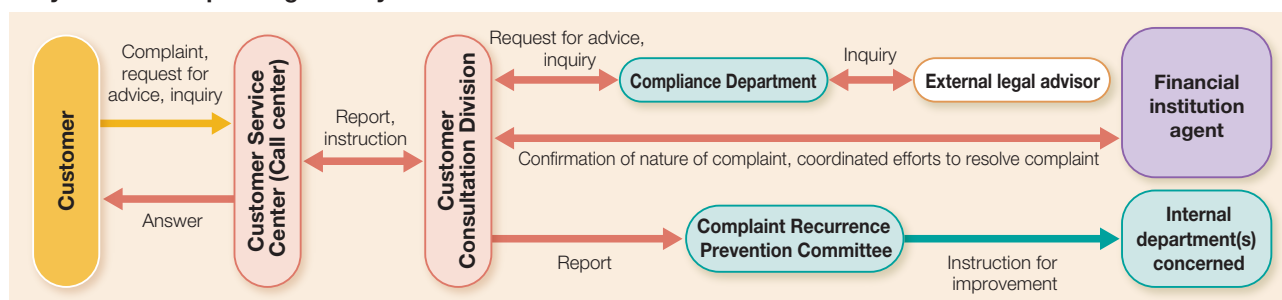
Methodology: Survey was sent, together with other documents, to the customers who purchased insurance through a financial institution agent and requested to safeguard their policy.

Survey period: November 4, 2008 to March 31, 2009 (Responses received up to April 30, 2009 were processed)

No. of surveys sent: 1,427 **Valid responses:** 543 **Retrieval rate:** 38.1%

This survey asked other questions as well concerning supports by communicators at Customer Service Center, handling of a series of procedures by our staff up, ways of informing customers about products and so forth. Results of the survey in full are available on our website.

■ System for Responding Quickly to Customer Feedback



Offering Insurance Products to Broader Public FS15

Life insurance is a mutual aid system in which costs paid to insured deaths, hospitalizations, nursing care, etc. are covered by premiums statistically calculated by mortality and accident rates according to the law of large numbers. For this reason, life insurance companies are unable to accept every person to purchase policies regardless of their circumstances. To maintain the viability of the life insurance system, some people whose expected mortality rates or insurance accident rates exceed certain limits are unfortunately either rejected or accepted only under certain conditions such as application of additional premiums and so on. The Group's three life insurance companies and other Group members respect customers' human rights and offer many unique insurance products which meet a wide variety of customer needs, health conditions, gender, enrollment age and other specific circumstances.

Products Meeting Social Needs FS7

The T&D Life Group offer high added-value products in response to the issues and needs occasioned by the changing social structure such as a rapid population aging and a low birthrate.

■ Examples of Unique Insurance Products

- Insurance offering protection against a wide range of medical or nursing care needs and allowing renewal or conversion to a whole life policy even if the policyholder develops an illness during the term of the policy.
 - *Hoken Kumikyoku Best* Taiyo Life
- Medical insurance for people with past hospitalization or surgery history, or who are currently under medical treatment
 - Nonparticipating nonselective medical insurance *Taiyo-seimei no Yasashii Hoken*
 - Nonparticipating semi-selective medical insurance *Kisei Kanwa* Taiyo Life
- Expanded-coverage term insurance providing benefits not only in case of death but also in need of extensive nursing care
 - Nonparticipating age-specific maturity term life insurance (for livelihood protection) Daido Life
- Lump-sum individual annuity with one-year grace period providing funds for post-retirement life and inheritance
 - Nonparticipating lump-sum individual annuity Daido Life
- Fixed amount individual annuity offering safety with yield and flexibility
 - Nonparticipating individual annuity (stock market index linked/type I) *Happy Bell* T&D Financial Life
- Insurance offering protection for illness or injury of pet animals
 - Pet medical insurance *Genki Number One* Pet and Family Small-amount Short-term Insurance

The insurance products on this page are shown for the specific purpose of explaining the T&D Life Group's corporate responsibility activities, and are not intended for solicitation. Please see the product brochures for details about these products.

Setting Solicitation Policies PR6 FS15

The Group's three life insurance companies and other Group members have established Solicitation Policies as the ground rules to comply with. Under these policies, the companies endeavor to develop and offer the appropriate products which meet the customers' desires and circumstances, and ensure that customers thoroughly understand the insurance protections when they purchase insurance policy.

Solicitation Policies (Taiyo Life)

The following are the Taiyo Life's basic solicitation policies for offering financial products including life insurances to customers. We always endeavor to develop and solicit right products in an appropriate manner in due consideration of customers' desires, circumstances and privacy, and provide suitable services through consultation sales activities.

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

Protection of Personal Information PR8

The Group's three life insurance companies have formulated Personal Information Protection Declarations (Privacy Policies) and publicly announced them through on their websites. In addition, T&D Information Systems, an information system support company in the T&D Life Group, handle various data, including personal information, appropriately and places strict controls on them. In May 2005, T&D Information Systems obtained a privacy mark certification, which is awarded to companies that are good at personal information protection. The company obtained the ISO27001 information security management system certification in March 2007.

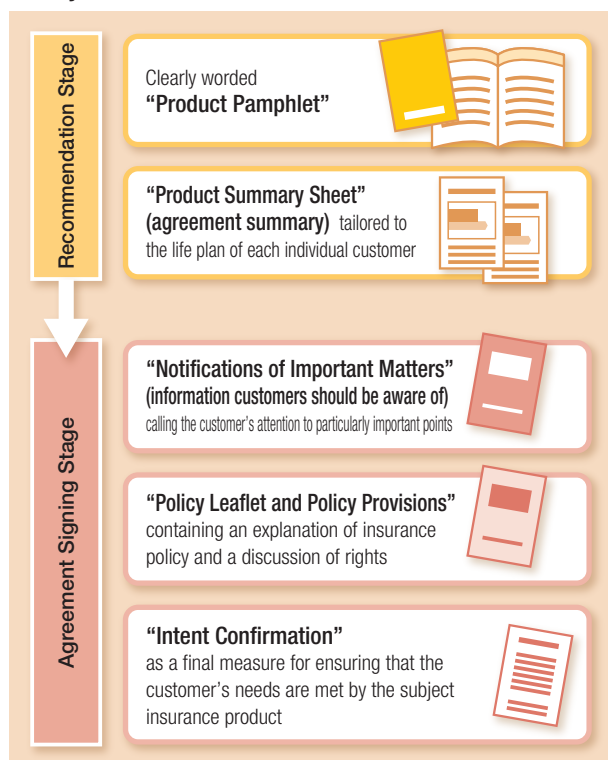


Services at the Time of Making a Contract PR6

The Group's three life insurance companies provide customers with clear explanations through face-to-face sales contacts, which is one of our advantages.

As an additional measure at the time of making contracts, a brief document is handed over to the customer to ensure that the customer fully understands the insurance product and that the product meets the customer's needs.

Major Documents



After-sales Services

The Group's three life insurance companies work to ensure customer satisfaction by providing various kinds of information after contracts have been made. They also work to enhance their services so that the policyholders can apply for insurance claims and benefits more easily.

Examples of Services to Facilitate Application for Claims and Benefits

- Distribution of pamphlets describing the procedures with examples for applying insurance claims and payments
- Regular notification of contract details
- Reimbursement of the cost to obtain medical certificates if a claim requiring a medical certificate is rejected.

Working toward Better After-sales Service

The Group's three life insurance companies have developed various systems to ensure better after-sales service. At the call center, professionally trained staffs respond to the telephone inquiries and applications for benefits from customers attentively and swiftly. All the employees including branch office counter staff, in-house sales representatives and customer service personnel also try their best to communicate with customers sincerely.

VOICE

<Voice of an In-house Sales Representative>

Developing Closer Links with Customers through After-sales Service

Masumi Ichinose
Sales Division 5, Tokyo Branch, Daido Life



"To ensure the customer's satisfaction over the long term and identify the product that best suits the respective customers, I think it's important for us to call on the customers as often as the customer's time permits. Different customers have different needs, of course, and even the needs of the same customer may differ as their circumstances change and as time passes by. It gives me a great satisfaction when I can take a cue from a chat with customers about what is needed and can propose a good product meeting their needs.

"To me, working in the insurance industry isn't just about getting contracts. Great charm of this job is to build a relationship of trust with the customers through our efforts to be of service to the customers. There's so much to learn from the customers who are business owners with a lot of experience in life and everything I learn from them is very useful for my own work.

"I want to continue supporting the business owners of small to medium enterprises, the backbone of the Japanese economy, through the activities of Daido Life."

Customer Service Staff: After-sales Service Experts

At Taiyo Life, not only in-house sales representatives but also customer service staff call on customers regularly after a contract has been made. The company has approximately 900 customer service staff who arrange various formalities on behalf of customers, such as change of registered address, insurance claims. They also offer other services to customers, such as introducing new products and services, hearing customers' requests, etc.



Customer service staff setting off on a regular visit to a customer

Development of Service Staff Skill LA11 FS4

The Group’s three life insurance companies pay close attention to improving the skills of their service staff, which is essential for improving customer satisfaction.

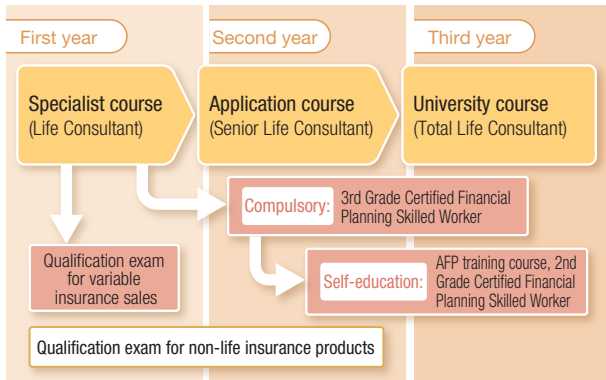
The companies actively provide education and training on fundamental and specialized knowledge of life insurance and on compliance to enable service staff to meet customers’ varied needs.

Further, the three life insurance companies, which are operating based on their different business models, have different types of staff on hand to provide the most appropriate customer service—in-house sales representatives, customer service personnel, sales agents and wholesalers. Each company develops a specific training program for a diversified scope of staff and strives to provide them with the best learning opportunities.

● **Initiatives to Strengthen Financial Planning Abilities** Taiyo Life

To be a life planning advisor truly valuable for the customers, an ability to offer a custom-made life plan is essential. This requires not only knowledge about life insurance but also broader knowledge about financial products, stocks, insurance, real estate, taxes, pensions, loans and so forth are necessary. As a part of the training program for new sales representatives, Taiyo Life provides an educational curriculum on financial planning. Going forward, all the company employees would learn to get financial planner’s qualification.

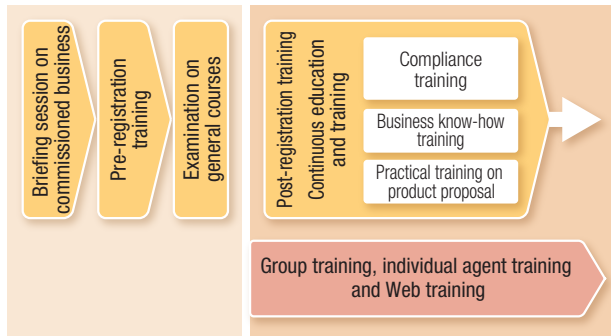
■ **Education Program for Professional Qualifications**



● **Soliciting Agent Training Program** Daido Life

At Daido Life, staff at the Head Office, branches and departments in charge work together to provide a high-quality agent support to enable them to meet customers’ varied needs.

The company also offers hands-on training program to the agents, using its own computer-based training materials and manuals as a part of soliciting agent training program, which is intended to ensure thorough compliance by agents, help agents learn about the insurance business and enhance their ability to propose products.



● **Wholesaler Support for Agents** T&D Financial Life

T&D Financial Life offers a unique support program to financial institution agents through corporate staff in charge of agents, called wholesalers, to enable them to make the best suggestions possible to their customers.

VOICE <Voice of a Wholesaler>

Aiming at Accurate Communication

Yuko Kuwano, Chief
East Japan Promotion Office No.1
Business Promotion Department
T&D Financial Life



“My job is to develop training materials for financial institutions acting as sales agents, particularly stressing on accurate communication of information with the customers who make a contract through financial institution agents. Also as a wholesaler, I continuously improve training materials, taking into account the feedback from front-line sales people.

“My previous responsibility was to check the contents of insurance policies, and sometimes I encountered the situations where customers did not correctly understand the terms of their policy. From this experience, I believe that the sales agents must understand the products correctly first of all, and that the agents must then explain customers about insurance products accurately and clearly. So I feel comfortable with my job to produce training materials to this end, and to support sales activities as a wholesaler.

“In June 2009, we produced video training materials covering everything from basic knowledge of life insurance to professional sales talk for the first time. Making of the video was done internally: the employees handled everything from writing the script, shooting scenes and role-play appearance for instance as a corporate employee nearing retirement age, a bank counter clerk, etc. We’ll continue working together to elaborate the ways of accurate communication of information to the customers.”

Other Services

In addition to the face-to-face customer services offered at branch offices, Head Office counters, etc., the Group's three life insurance companies offer various services via call centers and the Internet to enhance the customers' convenience.

The companies also offer a variety of services in response to the requests from customers.

● T&D Club Off

T&D Club Off provides a range of services for health promotion and leisure to the policyholders of three life insurance companies and Pet and Family Small-amount Short-term Insurance in the Group.

■ Examples of Services

- Accommodations in Japan
- Online reservations for hotels overseas
- Business hotel desk ● Golf desk ● Leisure facilities
- Complimentary telephone advisory service (on taxation, asset management, pensions, child-care, dietary life, etc.)
- Services supporting daily living (extensive menu of helpful services)



 For details about services, please go to each company's website.

● Customer Service Center Open on Saturdays

Taiyo Life

At Taiyo Life's Customer Service Center (call center), professionally trained communicators respond to customers' requests quickly and attentively.

Customer Service Center operates on Saturdays as well to render services to the customers who are busy on weekdays.



Customer Service Center

● Useful Services for SMEs **Daido Life**

Daido Life provides various services to corporate policyholders to support their business management and health enhancement.

■ Examples of Services

- Providing reports on management strategies, industry trends and other useful business information
- Providing standard form of company regulations
- Complimentary assessment of company rules
- Information on public subsidies & supports
- Health counseling and second-opinion service

● Services through the Internet **FS14**

The T&D Life Group provides all kinds of information on their websites. For better customer convenience, they also offer online services for payment procedures, inquiries and changing registered information. At Pet and Family Small-amount Short-term Insurance, customers can buy pet insurance on the company's website.

■ Examples of Services

Taiyo Life

- Loans to policyholders, transfer of accumulative dividends and deferred funds
- Inquiries about insurance policy details, change of address, reissue of life insurance premium payment certificate, request for application form

Daido Life

- Amendment of contract, insurance claims
- Web-ATM (loans to policyholders, withdrawal of accumulative dividends, etc.)
- Inquiries about insurance policy details, inquiries about account for automatic withdrawal of insurance premiums, accounting method of insurance premiums

T&D Financial Life

- Outline of policy details (coverage details and change in accumulative funds)
- Transfer of accumulative funds, set up transfer ratio (in the case of contracts with periodic increase)
- Requesting forms for various procedures to be sent by mail, change of address, reissue of life insurance premium payment certificate, etc.

Together with Our Employees

The T&D Life Group's policy is to develop human resources with rich creativity and a solid ability to get things done. The Group also works toward creating a workplace that encourages employees to work with vitality and pride.

Use and Development of Diverse Human Resources

● Human Capital Development Policy

The T&D Life Group has formulated education and training programs under the basic policy of developing human resources with rich creativity and a solid ability to get things done as set out in the T&D Life Group's Management Vision, and is working to develop and improve employees' skills.

● Employee Education and Training LA11 FS4

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

For more information about education and training for customer service employees, please see p. 29.

● Human Rights Education HR3

The T&D Life Group holds human rights education sessions for all employees more than twice a year, touching on discrimination due to social class or disability, sexual harassment and other human rights issues, to deepen employees' understanding of human rights issues.

● Human Rights Campaign Daido Life

Every year, Daido Life holds a Human Rights Slogan Contest during Human Rights Week (December 4–10), calling for participation by all the employees and their families. In fiscal 2008, there were 2,709 entries; three were chosen as the best slogan and 21 honorable mentions were awarded. The best slogan entries are printed on memo pads and other stationery for internal use so that they are always in view. Through such a continuing activity, we educate employees to raise their awareness of the dignity of humanity and help them develop better understanding of human rights issues.



"A pleasant and reassuring society that doesn't tolerate discrimination or bullying" (this slogan appears at the bottom of memo pads)

Memo pad carrying a printed human rights slogan

● Employment of People with Disabilities LA13

As of the end of March 2009, three insurance companies in the Group hire 287 employees with disabilities in total, which accounts for 1.85 percent of total employees. The Group endeavors to create workplaces that accommodate people with disabilities.

● Reemployment of Seniors LA11

The Group's three life insurance companies have introduced a reemployment program for employees reaching the mandatory retirement age. Under this program, individuals meeting certain criteria can be hired back up to the age of 65. In addition, Taiyo Life and Daido Life offer life planning seminars to the employees waiting to retire to help them consider their post-retirement life style including job opportunity and daily life.

■ T&D Life Group Employee Statistics LA1 LA2 LA13 (Group's three life insurance companies)

	Employees on staff		No. of people hired	
	March 31, 2008	March 31, 2009	FY2007	FY2008
No. of employees	19,484	19,997	3,830	4,417
Male	4,527	4,467	335	296
Female	14,957	15,530	3,495	4,121
Sales representatives	11,926	12,382	3,101	3,792
Male	741	644	66	54
Female	11,185	11,738	3,035	3,738
Administrative staff	6,624	6,811	692	614
Male (Managers)	3,786 (1,964)	3,823 (1,981)	269	242
Female (Managers)	2,838 (131)	2,988 (135)	423	372
Career-track/area career-track employees, others	4,461	4,582	380	388
Clerical employees	2,163	2,229	312	226
Customer service staff	934	804	37	11

(T&D Holdings consolidated)

Business division	No. of employees	
	March 31, 2008	March 31, 2009
Insurance and Insurance-related Businesses	19,579 (1,970)	20,084 (2,089)
Investment-related Businesses	500 (56)	547 (54)
Administration-related Businesses	812 (491)	868 (443)
Total	20,891 (2,517)	21,499 (2,586)

Note: The number of employees shows the number of employed staff and does not include executive officers. The number of part-time workers is shown in parentheses as an annual average, which is not included in the employees.

■ Workplace Data (Group's three life insurance companies)

	FY2007	FY2008
Employment rate of persons with disabilities (%)	1.97	1.85
No. of employees taking maternity leave	96	123
No. of employees taking child care leave	109	150
Male	35	43
Female	74	107
No. of employees taking nursing care leave	6	11
Male	0	0
Female	6	11
Avg. no. of paid vacation days taken	10.2	10.4

Change in method for calculating the number of employees taking maternity leave, child care leave and nursing care leave, respectively

In conjunction with different calculation standards now in effect when applying to the labor authorities, the method for tabulating the number of employees taking the respective leaves above was changed to include only employees whose leave began in the relevant fiscal year. Employees continuing on leave begun in a previous fiscal year are not counted.

Initiatives to Support Women's Careers

In line with its objectives of being an organization where all the employees can work with motivation and enthusiasm, the Group strives to provide opportunities and promotion to the employees without regard to gender. The Group is taking steps to make a full use of female abilities and develop workplaces where women can thrive by means of promoting talented female employees to managers, encouraging female administrative employees (clerical workers) to change their business carrier to main career-track, creating a new product development team comprising of female staff only aiming at developing new products from the female point of view, etc.

● Career Vision Seminars **Daido Life**

Daido Life holds so-called "Career Vision Seminars" for female administrative staff to give them an opportunity to think about their future career plans. At the seminar in March 2009, an outside lecturer working in a managerial position was invited to talk about how women can work in different life stages, starting job as a full-time employee, getting marriage, raising children and so on, how women can split time between work and private life, job satisfaction to be a manager, etc. Participants were very pleased to attend the seminar, saying "This has helped me develop a clear picture of my future business career" or "This seminar raised my motivation to work." Daido Life plans to continue offering similar seminars with a broader coverage going forward.



Career Vision Seminars

VOICE

<Voice of a Female Manager>

Norie Taniguchi, Manager
Internal Control Division
Internal Control & Business Process Planning Department, Daido Life

"I started working in my present position in April 2009. I feel that managers are expected to identify problems correctly, show effective and specific solutions to their subordinates, and work together with the staff in charge toward solving the problems. As my department often requests other departments to conduct detailed investigations or fact-findings, the manager needs to have a negotiation skill, flexibility and an ability to coordinate with others.

"Although I have been promoted to a manager's position, I try to stay relaxed, not being afraid of making mistakes, and just keep working steadily on my job. I've never felt that my job was difficult because I was a woman. My goal is not to be an ideal manager; but to fulfill my duties by taking a positive attitude toward solving problems. It might be important not to raise the hurdles too high and keep on challenging by being myself."



Initiatives to Offer Employees Opportunities for Growth

The T&D Life Group carries out a systematic job rotation so that employees can enhance their ability to carry out their works with a broad perspective over the entire company through experiencing varied jobs within the organization.

Young employees are rotated through different positions, for example moving between the Head Office and branches for a certain period after they start working, or moving from sales to administrative jobs, or vice versa, in order to acquire basic knowledge and improve their skills. At the managerial level, employees who have served as Head Office division managers are to serve as branch managers, or branch managerial staff are rotated to Head Office positions in order to strengthen their management skills.

The Group's three life insurance companies also give employees chances to improve their capabilities and support their career improvement.

● Internal Recruiting

Employees can apply for different job and positions and for MBA degree, etc.

Taiyo Life **Daido Life** **T&D Financial Life**

● Personnel Exchanges

Personnel transfers among the Group's three life insurance companies allow employees to have a working experience in a different company in the Group, which invigorates communication among Group companies and, through employees sharing the strengths of each company, can help make the Group more competitive.

● OJT at Different Workplace

On the job training at different workplace gives employees a valuable experience to grasp the whole picture of the business operations a part of which they are responsible for, and also an opportunity to build a human relationship with their colleagues working in the different part of the organization.

Taiyo Life

VOICE

<Voice of an OJT at Different Workplace System User>

Kaori Iwamura
Claims & Benefits Quality Management Division
Insurance Claims & Benefits Department, Taiyo Life

"I started working for Taiyo Life in April 2008. After training in the current department, I spent three weeks at the Urawa Branch.

"My task at the Urawa Branch was to check the appropriateness of works in three departments in charge of accepting contracts, keeping contracts in force and paying insurance claims respectively. During my stay at the branch office, I had a valuable experience to see key operations associated with life insurance including making a new contract, processing of insurance claims. This experience was quite useful to understand the hands-on operations of a life insurance company. Also to see how branch staff communicates with customers and to hear that branch manager compares customers to family truly impressed me. One of the customers expressed 'thank you' to me which was another valuable experience for me. I feel that the things I learned and experienced during my short stay at the branch office really help me in my daily job."



Creating a Good Workplace

● Work-life Balance Initiatives

The T&D Life Group promotes to achieve work-life balance as part of its efforts to create a workplace that makes work feel worthwhile and allows employees to use their capabilities to the fullest. E-learning training offered on a continuing basis explains what the Group is trying to accomplish by achieving work-life balance and provides employees with opportunities to reevaluate their workplaces and the way they work.

In November 2008, Toshie Komuro, president of Work Life Balance Co., Ltd., was invited to talk at a seminar for Group department managers on the theme of work-life balance as a management strategy.

Regarding support for the development of the next generation, following the first certification of April 2007, in May 2009 the Group's three life insurance companies received certification for their second-stage action plans as meeting the criteria of the Law for Measures to Support the Development of the Next Generation. Additionally, in April 2008, T&D Information Systems was the first company in Saitama Prefecture to acquire this certification among the companies with less than 300 employees and in information service industry.



Work-life balance training



E-learning

"Kurumin," the logo for Next Generation Certification



VOICE

<Voice of an Employee Who Took Child Care Leave>

Isao Uchida
Personnel Division
Personnel and General Affairs Department
T&D Financial Life

"I took a week of child care leave when my second child was born. That made my wife very happy since she was worried how she would be able to deal with a newborn baby and the three-year-old son. During my leave, I helped the baby take a bath every morning, and in the afternoons I took my elder son somewhere like park, swimming pool. My elder son learned how to go under water and helped me change the baby's diaper. It was really a wonderful experience to take care of my family and to see my son growing up like that. At the same time, I saw for myself how difficult child-rearing is: spending all my time either holding the baby or playing with my son. After I went back to work I made a point of working more efficiently, and when I finish my work of the day, I tend to go home as early as possible so that I could help my wife. "Child-rearing is a tough job, but it's fun and full of discoveries too. My experience made me want to work harder for my family, and I will cherish every moment spent with my children."



● Dialogue and Consultations with the Labor Union

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

● Employee Awareness Survey

The Group's three life insurance companies conduct employee awareness surveys addressing issues like job satisfaction, working conditions and the personnel evaluation system, and have implemented various measures based on the results. Employees opinions are used for management direction to gauge the extent to which the present human resources system has been accepted, to assess the management of this system, and to evaluate employees' satisfaction, which has a significant impact on customer satisfaction.

● Health Care for Employees

LA8 LA9

<Human Resources Department Initiatives>

The T&D Life Group pays attention to mental health of employees. A medical specialist under contract to the Group is available for employee consultations and treatment. The Group's three life insurance companies implement the following measures.

Taiyo Life

All the managers attend the mental health seminar by outside lecturers and encouraged to take the Mental Health Management Test sponsored by the Osaka Chamber of Commerce and Industry.

Daido Life

A "Mental Health Check" is conducted to help employees properly understand their own mental health situation and learn how to deal with stress appropriately.

T&D Financial Life

Mental health training via e-learning

<Health Insurance Societies>

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

Together with International Society and Local Communities EC 8

The T&D Life Group wishes to be a good corporate citizen and grow together with the society. The Group's companies, employees and foundations are engaged in a wide range of social contribution activities.

Social Contributions by the T&D Life Group

The T&D Life Group has formulated the T&D Life Group CSR Charter based on the Group's Corporate Philosophy of "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." The Group will, naturally, contribute to communities and to society through its main business, but takes it for granted that companies as corporate citizens are expected to contribute to society.

In accordance with this thinking, the Group contributes to society in numerous ways through the activities of T&D Holdings, Group companies and Group foundations and through volunteer work on the part of Group executives and employees.

Blood Donation Drive

The T&D Life Group arranges blood donations to the Japanese Red Cross Tokyo Metropolitan Blood Center. In a joint Group undertaking every year, a blood donation clinic is set up for two days at the Shiodome Head Office Building. Executives and employees are encouraged to donate and 134 people did so in fiscal 2008. Beginning in fiscal 2009, the Group is planning to hold this activity twice a year.



Donating blood at the Shiodome Head Office Building

Disaster Relief Fund Donations

The T&D Life Group or Group companies make contributions to disaster relief funds when major disasters occur.

● Group Donations in Fiscal 2008

In May–June 2008, Taiyo Life, Daido Life, T&D Financial Life, the Friends of Taiyo Life Goodwill Circles and the Daido Life Employees' Community Contribution Club gave a total of five million yen to support relief and recovery efforts after a major earthquake in China's Sichuan Province. The donations were made via the Japanese Red Cross Society, the Japan Committee for UNICEF and Japan Platform.

Nationwide Clean Campaign Taiyo Life

Wishing to contribute to the local community, in 1982 Taiyo Life began a clean-up drive around the Taiyo Life Head Office once a year. In 2004, it renamed this activity the "Nationwide Clean Campaign" and its branch offices throughout Japan have started clean-ups of the areas around their own buildings. In fiscal 2008, a total of 8,398 Head Office, affiliate and branch employees and their families participated in this campaign.

The Shiodome Head Office implemented the "Minato-Shiba Area Clean-up Project" in cooperation with Tokyo's Minato Ward Office and also in a tie-up with the "No Butts Here" (areas where throwing cigarette butts on the street is prohibited) movement. Member companies of the Minato Eco-conscious Consortium and local residents took part as well. In the Minato-Shiba Area Clean-up Project in July 2009, employees from other Group companies (Daido Life, T&D Financial Life, T&D Asset Management, T&D Holdings and others) also helped out, promoting stronger awareness of the environment of their work locations.



Nagoya West Branch



Shiodome Head Office

Supporting the Japan Down Syndrome Society Taiyo Life

Taiyo Life supports the Japan Down Syndrome Society and participates in some activities in partnership with them. The company makes meeting rooms in its building available to the Society for seminars and for council and board meetings. It has also placed ads for *Waku Waku Pokke* children's insurance in the Society's monthly journal. Head Office and branch employees take part in the Society's activities as volunteers and the movement has begun to spread.

In fiscal 2008, our employees supported, as volunteers, the activities of Japan Down Syndrome Society such as National Convention held in Gotemba, Shizuoka Prefecture, a bicycle-riding training session in Otsu, Shiga Prefecture, a gathering at the Society's Osaka branch.



A bicycle-riding training session for people with Down Syndrome

Supporting the National Sports Games for the Disabled **Daido Life**

In 1992 when the company celebrated its 90th anniversary, the first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in Japan, and Daido Life has been a special supporter of this annual event since then.

It is the largest sports event for people with disabilities in Japan, aiming at helping the disabled experience a pleasure of sports, deepen the public understanding about the disabled and promote greater social participation by the disabled. Every year, Daido Life sets up a place called Daido Life Corner in the Fureai Plaza where the athletes and others interact. Many executives and employees of Daido Life participate in this event as volunteer staff.



Eighth National Sports Games for the Disabled



A competition at the Games

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

Supporting Open Lectures at Universities **Daido Life**

Daido Life began supporting open lectures at universities in fiscal 2002 to mark the centenary of its founding. In the seven years since then, the lectures have been a popular event attended by a total of 6,000 people.

In fiscal 2008, open lectures were held at nine universities—Fukushima University, Hosei University, Meiji University, Yokohama National University, Nanzan University, Kansai University, Kwansai Gakuin University, Hiroshima University and Fukuoka University—to offer business owners of small to medium enterprises and others an opportunity to obtain the latest knowledge and skills relevant to business management.



Open lecture

Supporting Learning on Alternative Investing **Daido Life**

Daido Life supports lectures on alternative investing, which is one of several investment methods. From fiscal 2003 to fiscal 2008, Daido Life made a yearly donation of 100,000 US dollars to Columbia University's business school alternative investment program as a lead corporate sponsor.

Employees' Voluntary Initiatives

● Friends of Taiyo Life Goodwill Circles **Taiyo Life**

The Friends of Taiyo Life Goodwill Circles ("Friends") was established in December 2005 to support voluntary social contribution activities by the company's executives and employees.

The members of Friends are executives and employees of Taiyo Life and its affiliates totaling 8,521 people as of March 31, 2009. Members voluntarily contribute odd amounts under 100 yen from their monthly take-home pay or an amount, integral multiple of 100 yen (maximum 1,000 yen) per month.

At the same time, the company adopted a matching gift system to support the activities of the Friends. Under this system, the company provides a certain amount onto the donations made by the members or bears the associated costs.

Donating Book Bags to Children in Afghanistan and Mongolia

Taiyo Life began participating in and encouraging company-wide cooperation in this initiative by the Japanese Organization for International Cooperation in Family Planning (JOICFP) in fiscal 2006. That year, 108 book bags were collected, 209 in fiscal 2007, 182 in fiscal 2008 and 225 in fiscal 2009 (as of April 2009). The bags are sent to children in Afghanistan and Mongolia.

The Friends of Taiyo Life Goodwill Circles cover the shipping cost of 1,800 yen per bag. Please see the JOICFP website for local reports and other information concerning the donated book bags.



In-house sales representatives with donated book bags (Shinjo Sales Office)

● Daido Life Employees' Community Contribution Club **Daido Life**

The Daido Life Employees' Community Contribution Club is a volunteer organization of executives and employees established in 1992 to promote and support various volunteer activities. Funds from donation drives soliciting voluntary contributions from executives and employees and through rounding off the last digits of their salaries, and from events such as charity bazaars, are contributed to facilities and organizations dedicated to helping people with disabilities throughout Japan and are used to support relief efforts in disaster-stricken areas.

One-day Outing Volunteer Activity



Volunteers helping out

At Daido Life, the One-day Outing Volunteer Activity for the Physically Disabled, in which employees take a volunteer leave day to spend with the physically disabled, was established in 1994. This activity helps deepen understanding of disabilities as volunteers spend the day interacting or assisting disabled individuals who have few opportunities to go out.

Activities of Foundations

Establishment and Objectives	Main Activities		Related Photos
<p>Taiyo Life Himawari Foundation</p> <p>Established in 1984 to commemorate the 90th anniversary of the founding of Taiyo Life.</p> <p>This foundation works to improve social welfare in Japan by sponsoring projects to enhance welfare for the elderly and the disabled.</p>	<p>Project grants</p>	<p>Grants to projects by volunteer groups and NPOs working to benefit the elderly or the disabled living at home.</p>	 <p>Smiles from "Salon for Seniors" users</p>
	<p>Research grants</p>	<p>Grants for research and surveys regarding lifestyle diseases and the health and welfare of the elderly</p>	 <p>Children enjoying the uni-jump equipment</p>
<p>Daido Life Welfare Foundation</p> <p>Established in 1974. Based on the idea of "people first," this foundation helps promote health maintenance and social welfare in Japan by providing grants to reduce health hazards due to a poor living environment, etc.</p>	<p>Regional health and welfare research grants, volunteer activity grants</p>	<ul style="list-style-type: none"> ● Regional health and welfare research grants Provides grants for research in community health, medical care and welfare by people working in the health or welfare fields. ● Company worker volunteer activity grants Provides grants to salaried workers volunteering for senior or disabled persons' welfare activities on their days off. ● Senior volunteer activity grants Provides grants for volunteers aged 60 and above. <p>At the end of fiscal 2008, the foundation had funded a total of 2,835 projects through grants totaling 1,429.96 million yen.</p>	 <p>Grant presentation ceremony</p>
	<p>Home nursing consultation and training seminars</p>	<p>Provides advice regarding long-term care for the elderly and the sick, and classes for training in in-home care techniques. Held jointly with the Osaka Center of the Japanese Red Cross Society since 1980, with 4,400 people taking the course since then.</p>	 <p>At a home nursing consultation and training seminar</p>
<p>The Daido Life Foundation</p> <p>The Daido Life Foundation was established in 1985 to mark the company's 80th anniversary.</p> <p>The objective of the foundation is to promote international mutual understanding through cultural exchanges or grants, contributing to the internationalization of Japan.</p>	<p>Daido Life Foundation Awards for Area Studies</p>	<p>Daido Life Foundation Awards for Area Studies are presented to researchers with significant achievements in areas of particular importance to their part of the world, and to people with significant accomplishments in advancing mutual understanding at the international level. Since 1986, individuals with significant accomplishments in advancing mutual understanding at the international level have been recognized annually with the Area Studies Special Award.</p>	 <p>Awards for Area Studies presentation ceremony</p>
	<p>Translation and publication activities</p>	<p>Translation and publishing of modern Asian works into the Japanese language, and of Japanese literature and biographies into various Asian languages, for the purpose of deepening mutual understanding between Japan and Asian countries. Donation of books to national libraries and other bodies.</p>	 <p>Scholarship students</p>
	<p>Activities in support of education</p>	<p>Scholarships for students from Southeast Asia, to develop human resources contributing to international mutual understanding. Donation of Japanese-language literary works to universities with Japanese language courses. Donation of books and school supplies to disadvantaged children.</p>	<p><Activities in the Future: School Building Project> As part of commemorative activities for the centennial of its founding, Daido Life has built 16 schools in five Southeast Asian countries—Myanmar, Thailand, Cambodia, Laos, Vietnam. This commemorative project has been completed, but more schools will be built in Laos, where the education infrastructure is poor, from fiscal 2009 to fiscal 2013 to further advance international mutual understanding.</p> <p>Basic Policy and Approach</p> <ul style="list-style-type: none"> ● Schools suitable for the locale will be built after seeing local conditions and receiving input from local residents. ● Several schools will be inspected, to decide which schools to rebuild. ● Foundation officials will attend completion ceremonies, to ascertain that construction has been completed.

Together with the Global Environment

The T&D Life Group takes steps to reduce CO₂ emissions to preserve our precious global environment for the next generation, and undertakes various environmental conservation projects, such as preserving forests and afforestation projects.

T&D Life Group Environmental Policy

In April 2006, the T&D Life Group formulated the T&D Life Group Environmental Policy, to clarify the Group's stand on the environment and to make the policy known to executives and employees. The Group also promotes various activities to reduce the environmental load.

The Group has also set out Green Purchasing Standards and gives priority to purchasing environmentally friendly products whenever possible.

T&D Life Group Environmental Policy 4.8 FS1

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 the T&D Life Group (Fiscal 2008)

EN7 EN18

● "Cool Biz"/"Warm Biz"

As measures to help stop global warming, the T&D Life Group sets thermostats at 28°C (82.4°F) from June through September for "Cool Biz" and at 20°C (68°F) from November through March for "Warm Biz."

● Lights Down Campaign

At 8 p.m. on the evening of July 7, 2009, all lights were turned off in the offices at the T&D Life Group's Shiodome Head Office Building. This was done in support of the "Candle Night" movement organized by a private sector group and in cooperation with the Environment Ministry. Indoor lights and outdoor lighting were turned off to raise awareness of environmental issues from the viewpoint of preventing global warming as the Group's participation in the "Reduce CO₂: Lights Down Campaign."

To raise awareness of environmental issues, the Group is calling on executives and employees to turn lights out twice a year, in July and December, beginning in fiscal 2009.



The Group's logo on the Shiodome Head Office Building (before lights-off)



Lights in offices and on the logo were turned off simultaneously

Forest Conservation and Afforestation Activities

Taiyo Life

Taiyo Life has forests in two locations in Japan, Nasu-Shiobara (Tochigi Prefecture) and Takashima (Shiga Prefecture), and conducts afforestation projects there.

The life insurance industry uses vast amounts of paper in its business, for office use and for product pamphlets and other documentation. As a way of restoring resources, the Group is involved in forestry projects in these two locations.

The "Forest of Taiyo Life" at Nasu-Shiobara makes use of the Corporate Forest Program administrated by the Japanese government's Forestry Agency. With the cooperation of the local Enna District Forest Office and NPO groups, many Taiyo Life employees volunteer to plant trees, thin man-made Japanese larch forests and build forestry roads. The Group's second forest, "Taiyo Life Kutsuki no Mori," is inside a forest park owned by the city of Takashima. Kutsuki no Mori is a thickly wooded area containing mainly chestnut, *konara* oak and other broadleaf species. In April 2008, it was designated a "forest therapy base" by the National Land Afforestation Promotion Organization.

Working in partnership with NPO groups and the city of Ta-

kashima to conserve this forest, Taiyo Life hopes to restore habitats for various living organisms and also contribute to improving water quality in Lake Biwa through a river in the forest, which flows into the lake.



Employee volunteers thinning the woods at the "Forest of Taiyo Life" in Nasu-Shiobara



Observation taking place at "Taiyo Life Kutsuki no Mori," Takashima

"Chopsticks Project" to Promote Use of Culled Wood Taiyo Life

Taiyo Life implements the "Chopsticks Project" to promote use of disposable chopsticks made from timber culled in thinning operations and lumber scraps by the employees at lunchtime, which represents the "use it wisely" portion of the "plant it, raise it, harvest it, use it wisely" cycle.* The company also makes disposable chopsticks to give away to customers (five sets per pack), and executives and employees purchased 412,850 sets of these chopsticks between September 2006 and March 2009.



Disposable chopsticks made from culled wood

*In Japan, 40 percent of forests are man-made, planted to supply lumber. If the "plant it, raise it, harvest it, use it wisely" fails to work properly and forests are not conserved, they will not function effectively to absorb CO₂ or prevent natural disasters.

Life-nurturing Indoor "Green Space" Daido Life

The Daido Life Esaka Building, built in 1972 as part of commemorative activities for the company's 70th anniversary, was provided with an authentic indoor green space. Based on the concept of green space as the image of the life insurance business nurturing life, this "Green Space" forms a public area extending from the Esaka subway station to Esaka Park. Reproducing an evergreen broad-

leaved forest of western Japan, it fills the atrium of the building, occupying a 2,500 square meters, 17 meter-high area on the building's first two floors. Visitors can enjoy its pleasant, relaxing atmosphere and feel everyday cares fall away the moment they come into the building. This pioneering initiative has been maintained for over 30 years through the ingenuity of its countless contributors. Well-loved by the community as a place where people and plant life coexist, it has been praised as a prime example for the development of future urban greening technology.



The Daido Life Esaka Building "Green Space"

Environmental Communications and Educational Activities FS4

The T&D Life Group works together with Associates of the Earth, a Japanese environment-related non-profit organization that produces the Japanese-language editions of *Our Planet* and *TUNZA*, published by the United Nations Environment Programme (UNEP). These two publications are distributed to all T&D Life Group companies, primary and middle schools, public libraries and other bodies to raise awareness of environmental issues. The Group is also a supporter of the UNEP World Environmental Information Exhibition operated by Associates of the Earth and which is being held from July 2009 to October 2010.

The UNEP World Environmental Information Exhibition is a free exhibition featuring environment-related photos and information panels taking place at six locations in Japan, including Tokyo Big Sight, Makuhari Messe and Naha Airport.



Our Planet, Tunza



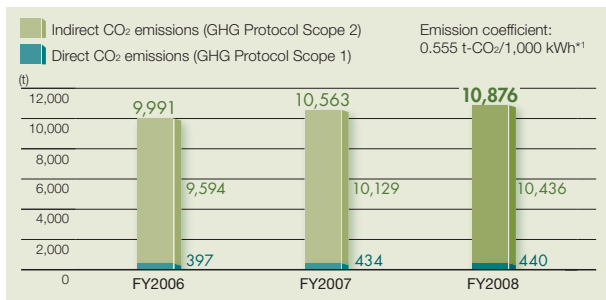
UNEP World Environmental Information Exhibition

Group Environmental Performance Data

The T&D Life Group keeps track of key environmental performance data and takes steps to reduce the environmental footprints.

1 CO₂ Emissions

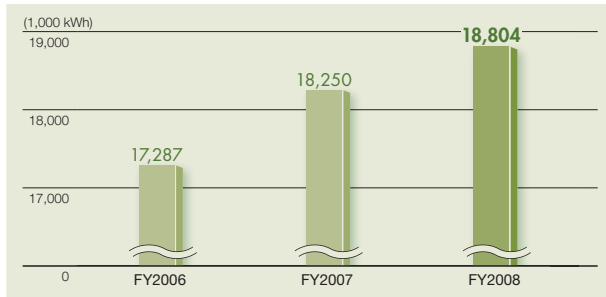
3.9 EN16 EN18



*1: Ordinance on calculation of greenhouse gas (GHG) emissions due to business activities of specified businesses

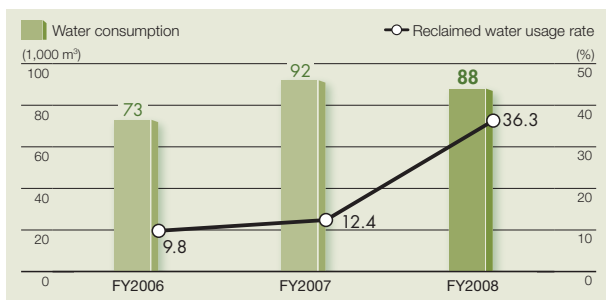
2 Electricity Consumption

EN4



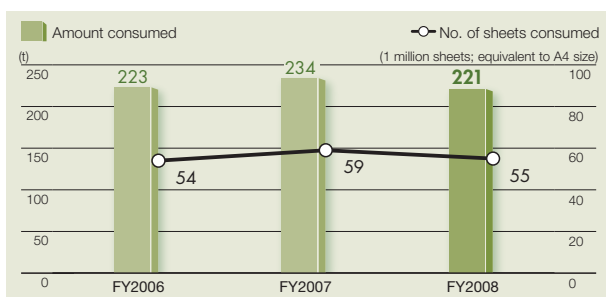
3 Water Consumption and Reclaimed Water Usage Rate

EN8 EN10



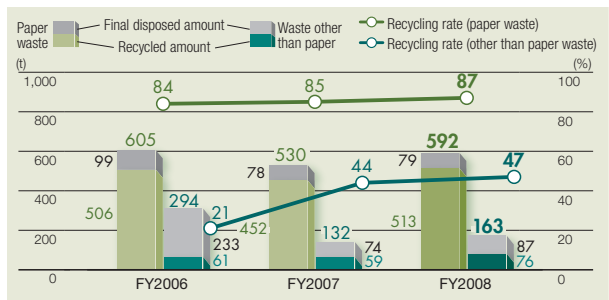
4 Office Paper Consumption

EN1



5 Waste Generation and Recycling

EN22



Scope of Environmental Performance Data

3.6 3.7

		Graphs		
		1 2 3	4 *3	5
Shiodome Shibarikyu Building	T&D Holdings	○	○	○*4
	Taiyo Life	○	○	
	Daido Life	○	○	
	T&D Financial Life	○	○	
	T&D Asset Management	○	×	
Tokyo Daido Life Building		○	○	○
Daido Life Osaka Head Office Building		○	○	○
Taiyo Life Urawa Building*2		○	×	×

*2: T&D Information Systems and T&D Customer Services are located in the Taiyo Life Urawa Building.

*3: Office paper consumption is for the Head Office units of the Group's three life insurance companies, and includes consumption by Head Office units in locations other than those noted above.

*4: 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.

Expansion of Scope of Energy Consumption Data (in response to the Revised Energy Conservation Law)

3.9

In response*5 to the Revised Energy Conservation Law, all Group companies now keep track of energy consumption for their entire unit.

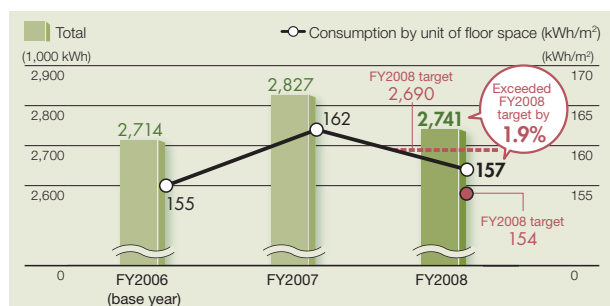
*5: Reporting to meet the law's requirement that enterprises using energy equivalent to 1,500 kiloliters of crude oil in fiscal 2009 declare and report this to the Ministry of Economy, Trade and Industry.

Environmental Targets and Achievements

In fiscal 2007, T&D Holdings began setting quantitative environmental targets. Using these targets, the company makes efforts to reduce environmental burdens. The company periodically reexamines environmental targets and continues improving its environmental performance.

● Electricity Consumption

EN4 EN5 EN6



Measured for: Shiodome Shibarikyu Building Head Office (T&D Holdings, Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management)

Base year: Fiscal 2006 second half through fiscal 2007 first half

<Long-term Target>

Total: Reduce more than 2% on average over five years (fiscal 2008–2012) compared to base year
Per unit of floor space: Not to exceed base year figures

<Result for Fiscal 2008>

Overall energy consumption was 1.9 percent above the target figure. Although the energy consumed by each company was down by 4.1 percent below the target, energy consumption in the Group's communal part exceeded the target by 14.2 percent. This is attributed to a large increase in the number of servers in the server room.

<Steps to Be Taken in Future>

- The Group will consider reducing number of servers by switching to high-performance, energy-efficient servers when current servers are due for replacement.
- We will strengthen control over electricity consumption by "Cool Biz" and "Warm Biz," turning off unnecessary lights and office equipment, restriction on the use of air-conditioner outside business hours, etc.

● Green Purchasing Ratio

EN1

Target	FY2007	FY2008
Over 95%	96.4%	95.6%

Measured for: T&D Holdings

<Result for Fiscal 2008>

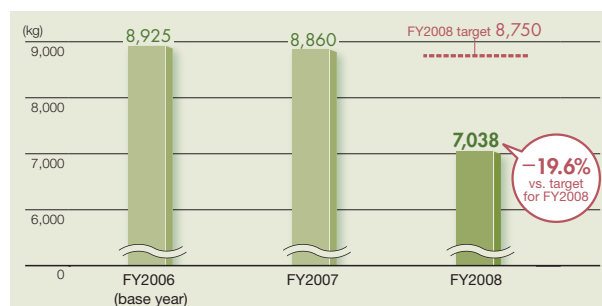
Target was achieved although slightly down from last year

<Steps to Be Taken in Future>

- In principle, a permission should be required to purchase any products other than eco products

● Volume of Office Paper Consumed

EN1



Measured for: T&D Holdings

Base year: Fiscal 2006 second half through fiscal 2007 first half

<Long-term Target>

Reduce more than 7% compared to the base year in fiscal 2012 (1.3% reduction vs. previous year)

<Result for Fiscal 2008>

Achieved 19.6 percent reduction compared to the target.

<Steps to Be Taken in Future>

- The Group will continue its efforts to reduce paper consumption by reducing printing of meeting materials, both sides printing, and other means.

Note: As the Group-wide target was established in fiscal 2009, T&D Holdings' target for office paper consumption has been discontinued.

● Expansion of Scope of Targets Setting for Office Paper Consumption and Green Purchasing

T&D Holdings and the Group's three life insurance companies have implemented the following common targets starting from fiscal 2009.

Reduction in office paper consumption	Volume of office paper consumed will be cut by 5% on average over the 5 year period of fiscal 2009–2013 compared to the base year* (Year on year target: 1.7% reduction. Scope: Head Office units of the Group companies).
Green purchasing ratio	More than 80% in case of stationery and office supplies orders through the Internet (Scope: Head Office and branches of the Group companies).

*Base year: 5 years ending fiscal 2008

T&D Life Group Corporate Responsibility Report 2009

G3 GRI Content Index 3.12

Item	Indicator	Pages in this report	Notes
1 Strategy and Analysis			
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	5–8	
1.2	Description of key impacts, risks, and opportunities.	5–8	
2 Organizational Profile			
2.1	Name of the organization.	3	
2.2	Primary brands, products, and/or services.	4, 11–12	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	4, 11–12	
2.4	Location of organization's headquarters.	3	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	4	Activities in Japan only
2.6	Nature of ownership and legal form.	3	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	4, 11–12	
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> ● Number of employees; ● Net sales (for private sector organizations) or net revenues (for public sector organizations); ● Total capitalization broken down in terms of debt and equity (for private sector organizations); and ● Quantity of products or services provided. 	3	
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> ● The location of, or changes in operations, including facility openings, closings, and expansions; and ● Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations). 	Not applicable	
2.10	Awards received in the reporting period.	24	
3 Report Parameters			
Report Profile			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1	
3.2	Date of most recent previous report (if any).	1	
3.3	Reporting cycle (annual, biennial, etc.)	1	
3.4	Contact point for questions regarding the report or its contents.	1	
Report Scope and Boundary			
3.5	Process for defining report content, including: <ul style="list-style-type: none"> ● Determining materiality; ● Prioritizing topics within the report; and ● Identifying stakeholders the organization expects to use the report. 	2, 46	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	1, 4, 39	
3.7	State any specific limitations on the scope or boundary of the report.	1, 4, 39	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable	
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.	39	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	—	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable	
GRI content index			
3.12	Table identifying the location of the Standard Disclosures in the report.	41–44	
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	2	
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.	13	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	13, 14	
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.	13	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	14	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	13	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	14, 15	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	13	
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.	9, 16, 37	
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.	9, 18, 20	

—: No information in this report. However, this report does not cover all activities of the Group.
 CORE: "Core indicator," meaning an indicator that most stakeholders are interested in.
 ADD: "Additional indicator," meaning an indicator for a new theme or a theme important to certain parts of the organization.

Item	Indicator	Pages in this report	Notes
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	13–14	
Commitments to External Initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	16–17, 18	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	20	
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. 	3	
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization.	2	
4.15	Basis for identification and selection of stakeholders with whom to engage.	—	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	19, 20, 46	
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, including through its reporting.	23	

5 Management Approach and Performance Indicators

Economic

		Disclosure on Management Approach	21–22	
aspect: Economic Performance				
EC1	CORE	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.	21	
EC2	CORE	Financial implications and other risks and opportunities for the organization's activities due to climate change.	18	
EC3	CORE	Coverage of the organization's defined benefit plan obligations.	—	
EC4	CORE	Significant financial assistance received from government.	Not applicable	
aspect: Market Presence				
EC5	ADD	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	—	
EC6	CORE	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	—	
EC7	CORE	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	—	
aspect: Indirect Economic Impacts				
EC8	CORE	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	34–36	
EC9	ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.	—	
Environmental				
		Disclosure on Management Approach	37–40	
aspect: Materials				
EN1	CORE	Materials used by weight or volume.	39, 40	
EN2	CORE	Percentage of materials used that are recycled input materials.	Not applicable	
aspect: Energy				
EN3	CORE	Direct energy consumption by primary energy source.	—	
EN4	CORE	Indirect energy consumption by primary source.	39, 40	
EN5	ADD	Energy saved due to conservation and efficiency improvements.	40	
EN6	ADD	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	40	
EN7	ADD	Initiatives to reduce indirect energy consumption and reductions achieved.	37	
aspect: Water				
EN8	CORE	Total water withdrawal by source.	39	
EN9	ADD	Water sources significantly affected by withdrawal of water.	Not applicable	
EN10	ADD	Percentage and total volume of water recycled and reused.	39	
aspect: Biodiversity				
EN11	CORE	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable	
EN12	CORE	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not applicable	
EN13	ADD	Habitats protected or restored.	Not applicable	
EN14	ADD	Strategies, current actions, and future plans for managing impacts on biodiversity.	—	
EN15	ADD	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not applicable	
aspect: Emissions, Effluents, and Waste				
EN16	CORE	Total direct and indirect greenhouse gas emissions by weight.	39	
EN17	CORE	Other relevant indirect greenhouse gas emissions by weight.	Not applicable	
EN18	CORE	Initiatives to reduce greenhouse gas emissions and reductions achieved.	37, 39	

Item		Indicator	Pages in this report	Notes
EN19	CORE	Emissions of ozone-depleting substances by weight.	Not applicable	
EN20	CORE	NO, SO, and other significant air emissions by type and weight.	Not applicable	
EN21	CORE	Total water discharge by quality and destination.	Not applicable	
EN22	CORE	Total weight of waste by type and disposal method.	39	
EN23	CORE	Total number and volume of significant spills.	Not applicable	
EN24	ADD	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not applicable	
EN25	ADD	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not applicable	
aspect: Products and Services				
EN26	CORE	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Not applicable	
EN27	CORE	Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable	
aspect: Compliance				
EN28	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Not applicable	
aspect: Transport				
EN29	ADD	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	—	
aspect: Overall				
EN30	ADD	Total environmental protection expenditures and investments by type.	—	
Labor Practices and Decent Work				
		Disclosure on Management Approach	31–33	
aspect: Employment				
LA1	CORE	Total workforce by employment type, employment contract, and region.	31	
LA2	CORE	Total number and rate of employee turnover by age group, gender, and region.	31	
LA3	ADD	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	—	
aspect: Labor/Management Relations				
LA4	CORE	Percentage of employees covered by collective bargaining agreements.	—	
LA5	CORE	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	—	
aspect: Occupational Health and Safety				
LA6	ADD	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	—	
LA7	CORE	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	—	
LA8	CORE	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	33	
LA9	ADD	Health and safety topics covered in formal agreements with trade unions.	33	
aspect: Training and Education				
LA10	CORE	Average hours of training per year per employee by employee category.	—	
LA11	ADD	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	29, 31	
LA12	ADD	Percentage of employees receiving regular performance and career development reviews.	—	
aspect: Diversity and Equal Opportunity				
LA13	CORE	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	31	
LA14	CORE	Ratio of basic salary of men to women by employee category.	—	
Human Rights				
		Disclosure on Management Approach	31	
aspect: Investment and Procurement Practices				
HR1	CORE	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not applicable	
HR2	CORE	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not applicable	
HR3	ADD	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	31	
aspect: Non-Discrimination				
HR4	CORE	Total number of incidents of discrimination and actions taken.	Not applicable	
aspect: Freedom of Association and Collective Bargaining				
HR5	CORE	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not applicable	
aspect: Child Labor				
HR6	CORE	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not applicable	
aspect: Forced and Compulsory Labor				
HR7	CORE	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Not applicable	

Item		Indicator	Pages in this report	Notes
aspect: Security Practices				
HR8	ADD	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not applicable	
aspect: Indigenous Rights				
HR9	ADD	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable	
Society				
		Disclosure on Management Approach	23–30	
aspect: Community				
SO1	CORE	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	—	
aspect: Corruption				
SO2	CORE	Percentage and total number of business units analyzed for risks related to corruption.	18	
SO3	CORE	Percentage of employees trained in organization's anti-corruption policies and procedures.	17	
SO4	CORE	Actions taken in response to incidents of corruption.	Not applicable	
aspect: Public Policy				
SO5	CORE	Public policy positions and participation in public policy development and lobbying.	—	
SO6	ADD	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	—	
aspect: Anti-Competitive Behavior				
SO7	ADD	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	Not applicable	
aspect: Compliance				
SO8	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Not applicable	
Product Responsibility				
		Disclosure on Management Approach	23–30	
aspect: Customer Health and Safety				
PR1	CORE	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.	23–30	
PR2	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	—	
aspect: Product and Service Labeling				
PR3	CORE	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	—	
PR4	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	—	
PR5	ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	19, 24, 25, 26	
aspect: Marketing Communications				
PR6	CORE	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	27, 28	
PR7	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not applicable	
aspect: Customer Privacy				
PR8	ADD	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	27	
aspect: Compliance				
PR9	CORE	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Not applicable	
Financial Services Sector Specific Disclosure on Management Approach				
FS1	CORE	Policies with specific environmental and social components applied to business lines.	9, 16, 37	
FS2	CORE	Procedures for assessing and screening environmental and social risks in business lines.	18	
FS3	CORE	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	—	
FS4	CORE	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	16, 17, 29, 31, 38, 46	
FS5	CORE	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	19, 23	
FS6	CORE	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	11–12	
FS7	CORE	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	11–12, 27	
FS8	CORE	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	—	
FS9	CORE	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	15	
FS10	CORE	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	—	
FS11	CORE	Percentage of assets subject to positive and negative environmental or social screening.	—	
FS12	CORE	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	20	
FS13	CORE	Access points in low-populated or economically disadvantaged areas by type.	Not applicable	
FS14	CORE	Initiatives to improve access to financial services for disadvantaged people.	30	
FS15	CORE	Policies for the fair design and sale of financial products and services.	27	
FS16	CORE	Initiatives to enhance financial literacy by type of beneficiary.	19	

Third-party Opinion



Takaji Hishiyama, Principal
Center for Corporate Behavior

Formerly senior executive in Mitsubishi Oil Co. (now Nippon Oil Co.). Studied global business ethics at Center for Business Ethics in U.S. as a Visiting Executive Scholar. Established Center for Corporate Behavior in Japan and is engaged in consulting works, operation of non-profit organizations, as well as teaching at many institutions on ethical matters and corporate social responsibility. Wrote many books in these fields including the most recent book, *Ethics, Compliance and CSR*, Second Edition (Aug. 2009).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

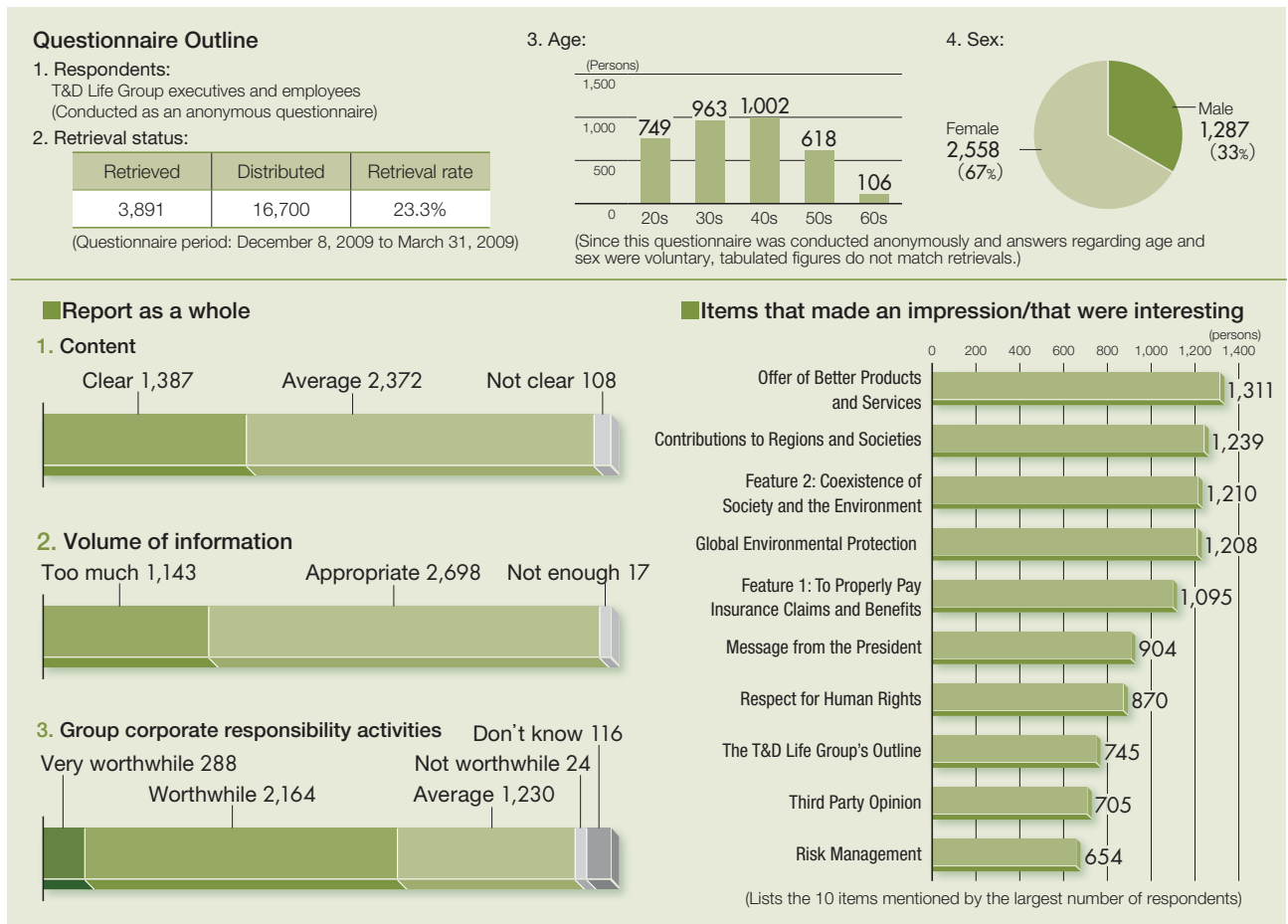
Establishing Connections, Fostering Communication in the Group

3.5 4.16 FS4

T&D Holdings, endeavoring to be the insurance group everyone can trust, issues the *T&D Life Group Corporate Responsibility Report (formerly CSR Report)* every year. This report is produced with the aim of acquainting outside stakeholders with our Group, but it is also useful internally as a mirror to help us improve our corporate responsibility awareness.

In order to continue improving this report and enhance the Group's corporate responsibility undertakings, T&D Life Group executives and employees were asked to answer a questionnaire about the *T&D Life Group CSR Report 2008*.

Just as we make efforts to communicate effectively with external stakeholders, we also consider communication within the Group important. We want to grow together with our employees, who are among our most important stakeholders, and fulfill the Group's public mission and social responsibility.



Comments and requests received	Our response
The Message from the President was good. Please expand this more.	In the 2009 Report, the president's message was in the form of a conversation with Ms. Mariko Kawaguchi talking with the president as a third party, in an attempt to make the message feel more familiar and more accessible.
The Third Party Opinion should continue offering frank views. Third party views touch on issues that employees don't pay much attention to, so that's useful for making the Group better.	Mr. Takaji Hishiyama offered frank comments about the Group's corporate responsibility from an objective viewpoint.
We should take steps to communicate to a broader audience our desire to contribute to economic growth and a better society through our main business of life insurance business.	The report made an effort to describe the Group's initiatives in the life insurance business and other areas straightforwardly and in detail. But there are still many areas that can be improved, and we hope to hear frank views and requests in the future too.
This report gave me a good idea of our Group's initiatives, so I'd like to think of what I can do too.	
Information about what other companies in the Group are doing to improve their work has given me hints about what I can do in my own job.	
Reading sample customer feedback made me feel that I wanted to hear more from customers.	
Hearing how employees from other Group companies are working hard to boost their potential resonated with me, and it made me feel that I want to encourage them.	We aimed to present lively employee interviews so that as many people as possible can identify with the interviewees.
I wasn't that familiar with the word "corporate responsibility" before, but the Report helped me understand what it means and the Group's approach to corporate responsibility activities, so it was a chance for me to think about this.	Explanations of terms related to corporate responsibility may be found at the bottom of the pages where those terms appear (only for the Japanese version of the Report).
The Report contains a lot of words imported from English that are hard to understand.	

Try & Discover

T&D T&D Life Group

T&D Holdings, Inc.

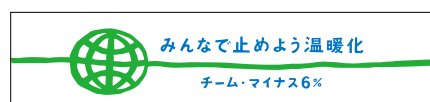
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The T&D Life Group is a member of "Team Minus 6%."



The T&D Life Group practices green purchasing.



T&D Holdings believes it is important to proactively use domestic wood products in order to nurture Japanese forests. To this end, it supports the Kizukai-undo (wood use promotion campaign) sponsored by the Japanese government's Forestry Agency. This report is printed on paper produced using domestic resources, by which the company contributes to increasing the amount of CO₂ absorbed by cultivating Japan's forests.



This report was produced using FSC-certified paper, vegetable-oil-based ink, and a waterless printing process.