

CR Report 2013



T&D Holdings, Inc.

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Change for
the future.
Change by Japan.



T&D Holdings is participating in the Challenge 25 Campaign, a national movement to mitigate global warming.

FOR ALL THE LIFE ON EARTH



We are considerate of biodiversity



The T&D Life Group practices green purchasing.

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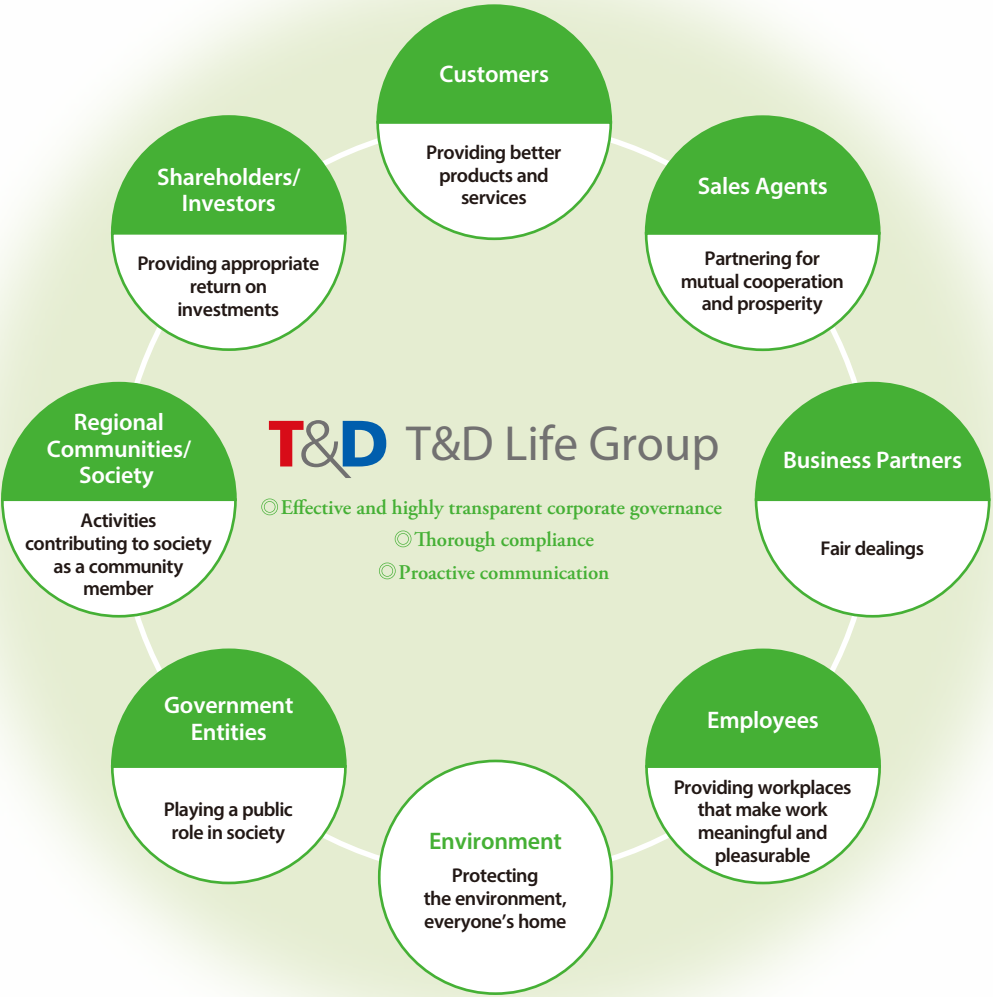


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T&D T&D Life Group

T&D Life Group and Stakeholders

The T&D Life Group co-exists alongside with a variety of stakeholders as a fellow member of society. We undertake CSR activities to enable us to sincerely and actively engage in dialogue with all stakeholders and create solid bonds of trust with them.



► T&D Life Group Corporate Philosophy

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

► T&D Life Group Management Vision

From the perspectives of customers
We aim to be the top insurance company in terms of customer satisfaction by providing the best products and services.

From the perspectives of shareholders, investors and financial markets
We aim to be a major life insurance group with a strong market presence by increasing our corporate value in a steady and sustainable manner by taking on new challenges toward growth.

What is the T&D Life Group?

T&D Holdings, Inc.

“T&D” is an acronym for “Try & Discover.” The company was so named because of its commitment to creating new value through a “try & discover” approach and to being a corporate group useful to the society.

Market: Households



Taiyo Life is engaged in the sale of comprehensive protection-oriented insurance products covering medical care, nursing care, and death. In-house sales representatives call on customers and suggest the most appropriate insurance products to them.

Principal products: comprehensive coverage including death protection, medical/nursing care products

Market: Small and medium enterprises



Daido Life teams up with many companies and groups of tax accountants and certified public accountants to deliver an insurance system designed to protect a growing number of small and medium-sized business operators from a variety of risks.

Principal products: term life insurance, insurance for serious illness, etc.

Market: Financial institutions and other agencies



T&D Financial Life provides life insurance products meeting customer needs through financial institutions, insurance shop agents, and other customer service points.

Principal products: whole life insurance, income protection insurance, etc.

Other Group companies

- Insurance Business
 - Pet & Family Small-amount Short-term Insurance Company
- Insurance-related Business
 - T&D Confirm Ltd., Toyo Insurance Agency Co., Ltd., Daido Management Service Co., Ltd.
- Investment Management & Advisory Business
 - T&D Asset Management Co., Ltd.
- Other Investment-related Business
 - T&D Lease Co., Ltd., T&D Asset Management Cayman Inc., Taiyo Credit Guarantee Co., Ltd., Alternative Investment Capital Ltd., AIC Private Equity Fund General Partner, Ltd.
- Administration-related Business
 - T&D Customer Services Co., Ltd.
- General Affairs and Calculation-related Business
 - T&D Information Systems, Ltd., Nihon System Shuno, Inc., Zenkoku Business Center Co., Ltd.



Group scale As of March 31, 2013

Employees *1

20,497

Policy amount in force *2

59,221.2 billion yen

New policy amount *3

6,722.4 billion yen

*1 T&D Holdings on a consolidated basis (including temporary employees)
*2 Aggregate of the three major life insurance companies (individual insurance, individual annuity insurance)
*3 Aggregate of the three major life insurance companies (individual insurance, individual annuity insurance)

Group financial soundness (Solvency margin ratios)

The solvency margin ratio is an indicator used by regulatory authorities to judge whether an insurance company has sufficient financial capability to pay insurance claims in the event of unforeseeable risks. A solvency margin ratio of 200 percent and above demonstrates that the insurance company meets the criteria for financial soundness. As of March 31, 2013

T&D Holdings (consolidated)

943.8%

Taiyo Life (non-consolidated)

823.4%

Daido Life (non-consolidated)

1,043.2%

T&D Financial Life (non-consolidated)

648.4%



Kenji Nakagome
Representative Director and President
T&D Holdings, Inc.

Aiming at steady and continuous growth of corporate value keeping in mind the social responsibilities of life insurance companies

➡ What kind of group is the T&D Life Group?

A major life insurance group with a robust presence that endeavors to contribute to people and society in a variety of insurance markets

The T&D Life Group is a corporate group centered on three life insurance companies: Taiyo Life, Daido Life and T&D Financial Life. These three life insurance companies offer products that meet the needs of customers in different markets, and there is no overlap among these companies in terms of products, customers or sales methods. Nevertheless, these companies do not operate in isolation and, although they do have their own particular identities and strengths, they are tied together by a firmly-established corporate philosophy, vision, and basic principles common to the entire Group, pursuing a wide range of life insurance business while mutually complementing and collaborating with each other.

As summarized in the corporate philosophy which forms the basis of the T&D Life Group’s activities, we aim to contribute to all people and societies, with our “Try & Discover” motto for creating value. The life insurance industry is involved in business of an extremely public/social nature in providing unshakable reassurance and emergency supports through products and services tailored to social changes and customer needs. Accordingly, we believe that our greatest social responsibility is to fulfill the roles expected of us by the public, and to grow steadily and continuously alongside the rest of society.

➡ The Group’s CSR views and approaches

Contributing to society through business is the foundation of our CSR

CSR is often associated with social and cultural projects as well as with monetary donations and volunteer activities. However, since our Group, centered on life insurance business, can help bring about a better society, a society in which people can live with peace of mind, through the provision of insurance, committing ourselves to our core business of life insurance is itself our CSR endeavor, efforts for fulfilling our corporate social responsibilities. The fundamental issues we must address first and foremost are establishing company operations capable of steady and continuous growth while developing and offering insurance products that customers want and appreciate having, all the while complying faithfully with laws, regulations and rules and creating comfortable workplaces for employees capable of meeting the needs of society. Traditional life insurance takes the form of “principal policy + riders,” with these riders automatically expiring upon the expiration of the principal policy. Taiyo Life has developed a highly-reputed product known as “*Hoken Kumikyoku Best*” that enables customers to freely combine insurance policies they need for the period of time they need them by making each and every insurance policy a principal policy. Taiyo Life has thus moved beyond the “conventional wisdom” surrounding insurance in pioneering a new approach ahead of the rest of the industry. With an average lifespan and an average length of active careers of company managers growing longer, Daido Life has discovered that conventional death

security is no longer adequate, and it has thus developed insurance products to provide sufficient security to policyholders in the event of a serious illness before retirement. To meet the changing needs of customers, T&D Financial Life has developed and marketed whole life insurance available to new applicants up to age 95 simply with a job notification as well as a savings-type plan for preparation for post-retirement life. I believe that promoting active roles for women is also a very important aspect of responding to social changes and demands, a stance underpinned in part by the demographic changes Japan is seeing. As you know, Japan’s population has begun to decline. The overall population is forecast to drop to about 87 million by 2060, by which time the percentage of the population aged 65 or older will have risen to about 40%. Contributing to our society’s efforts to halt this population decline and deal with a shrinking labor force, too, is one of our responsibilities as a company operating in our time. It is not sufficient to simply boost the number of women serving in managerial positions or entrust women with greater responsibilities. It is vital that we create workplace environments allowing women even after getting married to continue working as usual while raising children and enabling young people to get married and raise a family without anxiety. This is indeed a key social responsibility that companies must seek to fulfill at the moment, and we hope to lead the way forward.

➡ Looking to the future of the Group and the Group’s CSR

Achieving sustained growth together with, and fulfilling our responsibilities to, the society

CSR is not simply a “mantra” for our Group. Each year when reviewing financial results of the Group companies, for instance, we assess whether each Group company has been able to develop appropriate products and offer satisfactory services to customers, and whether they have ensured thorough compliance as stated in our CSR Charter. We then put our findings to good use in determining the management issues for the next fiscal year. As a Group, we established the Group CSR Committee in 2011 through which we monitor the CSR activities of Group companies, apply these activities throughout the whole Group, examine basic policies and priority areas, and plan new activities to implement. Enterprise risk management (ERM) has been introduced at the T&D Life Group’s three life insurance companies to manage profits, risks and capital in an integrated fashion. Unlike the conventional passive approach to risk management designed to avoid losses, ERM is a proactive approach to strategic risk management aimed at achieving the management targets of increasing corporate value and expanding profits. The introduction of ERM

makes possible comprehensive assessment and more rational management decision-making in determining whether risk is excessive vis-à-vis capital and whether capital policies and revenue management are adequate. The business of life insurance companies is to conclude insurance contract with customers, receive insurance premiums in advance, securely manage those funds over an extended period, and promptly pay insurance benefits whenever necessary. Given the nature of the relationships with customers, life insurance companies must remain sound and survive not for just 100 years but for 200 and even 300 years. 2013 is a milestone year, marking T&D Holdings’ 10th anniversary. The T&D Life Group now holds the insurance policies of an extraordinarily large number of customers. As one of the largest life insurance companies in Japan, the Group has a wide range of stakeholders and assumes heavy social responsibilities. Driven by a clear self-awareness of this position, the Group will work in concert to contribute to people and society through the creation of value via “Try & Discover,” as stated in the Group’s corporate philosophy.

Fulfilling our corporate social responsibilities through business activities

The T&D Life Group is ascertaining the issues our society is facing and providing better products and services to help resolve these issues through its business activities. Our aim is to be a firm enjoying broad public trust that fulfills its corporate social responsibilities through such efforts.



▶ Providing better products and services

TAIYO LIFE



Sanae Fukuoka
General Manager, Product Department
Taiyo Life Insurance Company

Taking insurance from “this is fine” to “this is it”

In October 2008, Taiyo Life began sales of “*Hoken Kumikyoku Best*,” a product that permits individual insurance plans (principal policies) to be freely combined. A hit product topping over 1.2 million sales in the four and a half years since it went on the market, “*Hoken Kumikyoku Best*” has the following three features.

Principal features of “*Hoken Kumikyoku Best*”

- (1) Optimal planning for each individual customer is possible by freely combining the most recent coverage plans to meet the customer’s needs.
- (2) Customers may freely revise their coverage and amend insurance policy in response to changes in their needs even after signing up for “*Hoken Kumikyoku Best*.”
- (3) Consolidating our products in “*Hoken Kumikyoku Best*” allows us to offer low-cost insurance premiums and develop and provide new insurance plans within a short period of time.

In April 2013, we took steps to enhance our medical coverage by amending the minimum length of hospitalization insurance coverage from two-day-one-night to one day (one day of hospitalization) and by extending coverage to day surgery, which is also covered by the public health insurance system. We will continue working to provide cutting-edge insurance products to meet the needs of our customers.



DAIDO LIFE



Kanaya Morinaka
Managing Executive Officer, General Manager
Marketing Planning Department
Daido Life Insurance Company

We protect more small companies from a variety of risks

Since the 1970s Daido Life’s mainstay product has been term life insurance for small and medium-sized companies covering the risks associated with the death of company managers. With recent years seeing the average age of company managers rising and their active careers extended, companies are confronted with a growing risk of managers being incapacitated while in office by a serious disease (cancer, acute myocardial infarction, or cerebral stroke) that would threaten business continuity. Because conventional term insurance only pays out insurance money in those instances resulting in death or disability, it cannot adequately address this growing risk. Daido Life has thus combined its term life insurance with a serious disease insurance plan (J-Type) to produce a mainstay product that addresses the business continuity risk arising in the event of a company manager being incapacitated by a serious disease, and the two insurance plans are being promoted in an integrated manner. In October 2012, we also launched a new comprehensive medical insurance (M-Type) based on the concept of protecting companies from the risk of diminished sales during periods of company manager’s hospitalization. As experts in corporate coverage, Daido Life is carrying out its mission of protecting more small and medium businesses from a variety of risks by offering total coverage combining J-Type and M-Type coverage with term insurance.



T&D FINANCIAL LIFE



Shingo Baba
General Manager, Product Department
T&D Financial Life Insurance Company

Making a difference in product development to meet changing customer needs

T&D Financial Life is developing products differentiated by benefits in order to meet the increasingly diverse needs of customers, and is endeavoring to enhance the product lineup of its agency business with a particular focus on OTC sales at banks. More specifically, we are providing three wealth-building products in the “*Shougai Premium*” series whereby an additional amount is added each year to the final insurance amount over a customer’s life for use in retirement, as well as “*Minna Ni Yasashii Shushinhoken*” available to new applicants up to the age of 95 simply with a job notification, and we have established a solid market position in OTC sales at banks, a market known for rapid turnover among the hottest-selling products. We are also providing via banks and insurance shop agents an installment premium product known as “*Takei Ni Yasashii Shunyuboshou*” to meet the need for revising coverage if the policyholder dies during the insurance period. This insurance makes annuity payments to surviving family every month for a specified period, and features lower insurance premiums than those for general term insurance as well as special provisions to ensure security if the policyholder is afflicted with one of the three designated serious diseases. We will continue endeavoring to provide products and services that satisfy our customers.



▶ Providing better products and services

T&D Asset Management



Kiyoshi Yamanaka
Executive Officer, Investment Division
Investment Management Department
T&D Asset Management Co., Ltd.

Contributing widely to society through our core business of asset management

We are an asset management firm that started as a captive fund manager of life insurance companies. Asset management operations constitute the core business of life insurance companies, and we have inherited the investment know-how accumulated over many years and have also taken on the challenge of developing new investment approaches. Leveraging these features under the action policy of “Make a Difference,” our company is responding to the diverse asset management needs of customers by providing highly distinctive investment approaches. In March 2012 we signed the UN Principles for Responsible Investment and incorporated the ESG (environmental, social and governance) perspectives into our investment analysis. We try to fulfill our social responsibilities by investing in companies that conduct business activities in consideration of ESG factors, according to our appraisal standards.

Pet & Family Small-amount Short-term Insurance



Takashi Nakao
Representative Director and President
Pet & Family Small-amount Short-term Insurance Company

“Genki Number One” insurance for pet owners

Interest in pet medical care is rising as it becomes generally accepted to regard pets as lifelong family members. However, pet owners must pay for veterinary care out of their own pockets, prompting growing anxiety among owners about these expenses. In response to these needs, we launched “Genki Number One,” an insurance covering pet veterinary expenses in 2008. This is a simple insurance product designed to meet the needs of individual pet owners that can also include coverage for advanced medical care. We consider that a key mission of our company is to meet the growing needs of pet owners for compensating for medical expenses incurred on their animal companions by popularizing pet insurance. To fulfill this mission, we will continue endeavoring to offer products that best suit individual customer needs and to enhance services, intending to help pet and their owner live healthy and pleasant lives together.

▶ Efforts by Group Companies

T&D Information Systems



Yasumasa Kawabata
Director and Senior Manager
Corporate Planning & Management Department
T&D Information Systems Ltd.

Strengthening information security management systems

T&D Information Systems first obtained ISO 27001 certification, an international standard for information security, in 2007, and obtained re-certification with an expanded scope of applicability in February 2013. During the recent re-certification, the outside accreditation body expressed high regard for our training in large-scale disaster scenarios and other efforts. Defining the information assets handled by our company as essential to ensuring the T&D Life Group’s competitiveness, profits, compliance, and image, we operate in accordance with our company’s ISO 27001-compliant “Information Security Policy” to safeguard these information assets by implementing appropriate security measures. We aim for two objectives by acquiring ISO 27001 certification: internal and external objectives. Internally, we are seeking to strengthen internal control functions for information security, while the external goal is to earn the reassurance and trust of stakeholders by obtaining “third-party certification.”

▶ COLUMN

To provide even greater reassurance and satisfaction

▶ Proving ourselves worthy of customer trust

Life insurance relies on a mutual aid scheme for “one for all, and all for one.” By purchasing insurance, customers can obtain security for surviving family members, cover costs of hospitalization, surgery, and nursing care as well as set aside funds for retirement. Life insurance companies serve a social role by receiving insurance premium from large numbers of customers and paying out insurance claims etc. in case of unforeseeable circumstances, thereby protecting the livelihoods of customers. It is when the customers receive insurance claims, benefits, and annuities that they realize the value of life insurance. The T&D Life Group believes that ensuring insurance payment is one of the most important roles to be fulfilled by life insurance companies. The three life insurance companies in our Group (Taiyo Life, Daido Life, T&D Financial Life) paid a total of 903.6 billion yen in insurance claims, benefits, and annuities in fiscal 2012, helping to support the livelihoods of customers. Acknowledging the social role of life insurance companies in delivering reliable security as an important social responsibility, we will seek to prove ourselves worthy of the trust of our customers and contribute to sustained social stability.

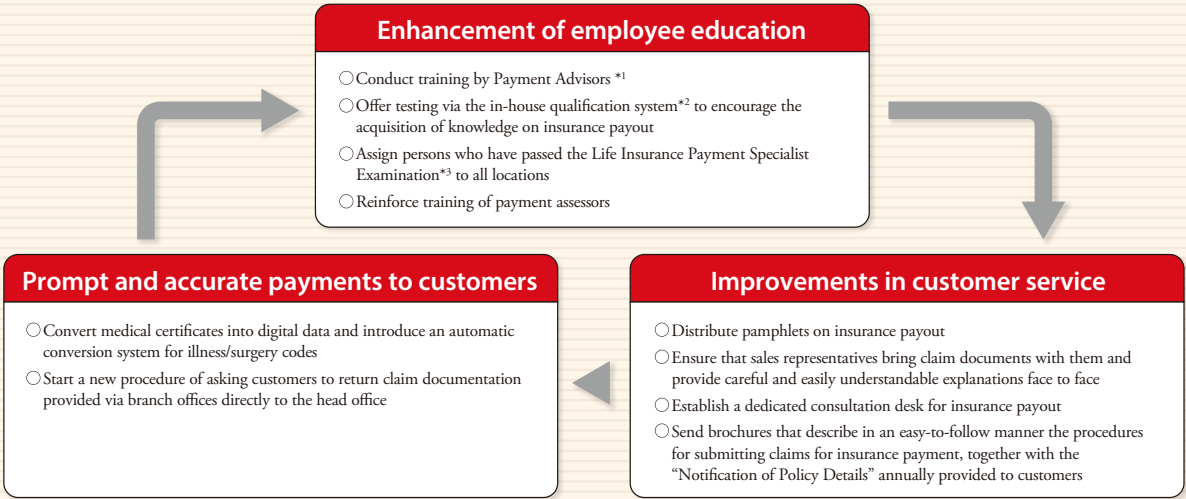


■ Payments of insurance claims, benefits, and annuities in FY2012

Total for three life insurance companies	
Insurance claims	449.2 billion yen
Benefits (hospitalization, surgery, etc.)	216.5 billion yen
Annuities	237.9 billion yen
Total	903.6 billion yen

▶ Efforts to ensure correct and prompt insurance payout

The T&D Life Group has undertaken a variety of initiatives to ensure appropriate insurance payout, including formulating basic guidelines, setting up special committees, increasing personnel and expanding payment organizations, bolstering employee education, stepping up payment audits, revamping the system for payment appraisal, and putting in place a management structure for product development, thereby enhancing our capabilities. We also make efforts to improve customer convenience and satisfaction. In addition to providing information to customers in a timely manner when they sign up for policies and during after-sales follow-ups, we have been working to simplify documentation required of customers, particularly to make insurance claims, and to achieve careful and attentive communication with every individual customer. We will continue making further improvement efforts for the sake of more accurate and prompt insurance payments.



*1 Payment Advisor: personnel who have acquired skills needed as consultants on insurance claims and payouts. They provide consultation to customers and also play a leading role at branches.
*2 In-house qualification system: internal training program established to help sales, customer service and administrative personnel acquire skills and knowledge necessary for customer service at the time of receiving insurance payment claims in order to explain relevant procedures accurately and completely to the customers.
*3 Life Insurance Payment Specialist Examination: an examination system run by the Life Insurance Association of Japan to encourage mastery of the basic level of knowledge and judgment required of payment assessors, aiming to maintain/improve human resources development and the assessment capability of payment assessors.
† The measures listed here are those being taken by the Group as a whole or by individual Group companies.

Aiming for greater financial soundness and sustained expansion of corporate value

[ERM]
We have introduced ERM* to boost corporate value through comprehensive risk management

* ERM (Enterprise Risk Management)



Sonosuke Usui
Representative Director and
Executive Vice President
T&D Holdings, Inc.

► What is ERM?

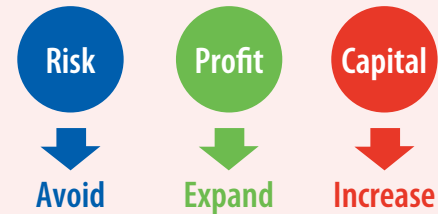
ERM stands for Enterprise Risk Management, and refers to a business management method that seeks to enhance corporate value in a stable and sustained manner while ensuring soundness by comprehensively ascertaining the risks a company is facing and integrally managing profit, risk, and capital.

► How does it help?

ERM is of help in management decisions not by managing risk avoidance and increases in profits and capital separately as a conventional risk management approach, but by managing these in an integrated fashion, clarifying the extent of capital leeway a company has relative to risk (capital adequacy) and the profit it can generate vis-à-vis capital (capital efficiency). The T&D Life Group measures, and grasps on a monetary basis, the size of various operational risks, including potential losses involving insurance underwriting and asset management as well as those from administrative errors, reputation damage and other such causes. At the same time, we assess the market value (on an economic value basis) of all the company assets and liabilities, measure the difference as capital for absorbing losses when risk does in fact emerge, and grasp this amount on a monetary basis. The incremental amount of capital is regarded as a profit. In this way we are simultaneously and integrally managing profit, risk and capital calculated in monetary terms uniformly on an economic value basis, and making management decisions based on the evaluation of financial soundness and profitability by comparing these. As a life insurance company responsible for extremely long-term insurance policies, we must first ensure financial soundness and then consider how we should use capital to steadily boost corporate value. Management process for achieving such two aims, which are seemingly excluding each other, is ERM, or ERM-based management.

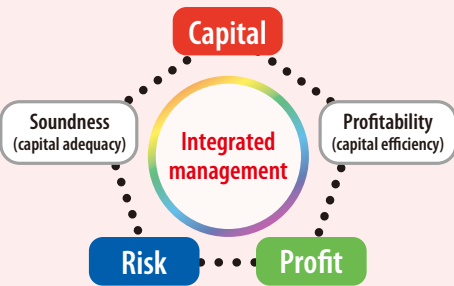


• Conventional concept of profit/ risk management



Enhance corporate value while managing each of these appropriately

• Concept of ERM



Enhance corporate value through integrated management of risk, profit and capital

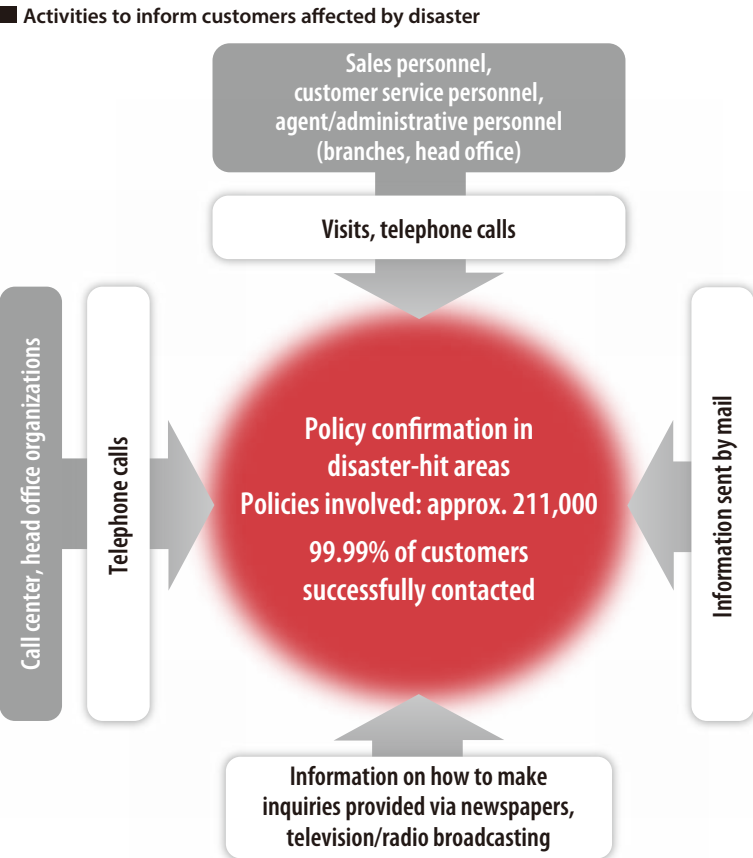
ERM facilitates rational decision-making for increasing corporate value while ensuring financial soundness based on integrated management of risk, profit, and capital.

► Providing customers with peace of mind

Efforts to deal with the Great East Japan Earthquake

Activities to inform customers
To robustly fulfill the social mission of insurance companies by paying insurance claims and benefits promptly to customers, the three life insurance companies of the T&D Life Group dispatched personnel from their head offices to disaster-hit areas, who teamed up with the personnel in charge in these areas to pay visits to all customers and provide them with information on submitting claims. In addition, the Group utilized newspapers, television, radio and other media to inform customers about its call center for customer inquiries and it extended the operating hours of the call center. In those areas inaccessible to company representatives due to the nuclear power plant accident, utmost efforts were made to supply information to all customers as soon as possible through telephone calls from the call center at the head office and postal mail. For customers facing difficulties in paying their insurance premiums as a consequence of the disaster, the grace period for paying insurance premiums was extended, or installment payments were arranged. Also, we reduced documentation required for insurance/benefit payments and policyholder loans for simpler and speedier processing.

Assistance to disaster-struck areas
Shortly after the Great East Japan Earthquake, the T&D Life Group began offering assistance toward recovery in the disaster-hit areas. The Group promptly dispatched its executives and employees to the affected areas, where they participated in volunteer activities such as removing rubble, conveying relief goods, and rebuilding individual homes and temples/shrines. In fiscal 2012, the second fiscal year after the disaster, the Group provided a broad range of assistance, including making part of branch premises available for use by local governments in the disaster-hit areas, coordinating purchases of local specialty produce from these areas, and providing donations.



■ Insurance payout related to the disaster

Total for three life insurance companies of the T&D Life Group	
Number of payments	2,044
Amount of payments	7.7 billion yen

Efforts to ensure business continuity during emergencies

The T&D Life Group is endeavoring to put into place a crisis management system to ensure the continuity of important business operations, including payment of insurance money in the event of an emergency. Under the system we are preparing for contingencies that would make ordinary operational administration difficult—for example, large-scale natural disasters, outbreaks of new strains of influenza, and computer system shutdowns—and that would have a serious impact on business operations. More specifically, the Group is striving to increase the workability of business continuity during emergencies through a range of measures, from acquiring alternate business premises for use in case of a large-scale natural disaster, back-up system functions to allow for provisional payments of insurance money, securing substitute personnel to continue key operations, formulating business contingency plans against computer system breakdowns, to conducting periodic training on emergency scenarios.



Review of business continuity initiatives based upon the experience of the Great East Japan Earthquake

- Review existing response plans (review scope of assumed damage, businesses to be continued, etc.)
- Secure and develop alternate business premises
- Establish a contact system including communications means such as satellite telephones
- Conduct various drills
- Implement other measures from a disaster-prevention perspective (stockpiling, etc.)

Efforts to contribute to society and conserve the environment

In seeking to achieve sustained growth alongside society and to fulfill its public mission and social responsibilities, the T&D Life Group is involved in a variety of social contribution programs to improve health, medical care and welfare, develop a sound society, and protect the global environment.

Supporting the Japan Down Syndrome Association

Taiyo Life and Friends of Taiyo Life Goodwill Circles have continued their support for, and interaction with, the Japan Down Syndrome Association as supporting members, providing meeting rooms in its company building to serve as venues for seminars held by the Association and for its Advisory Council/Board of Directors meetings. Taiyo Life also provides support in the form of participation in the Association’s activities by company executives and employees. In 2012, eight staff members from Taiyo Life’s Osaka Branch participated as volunteers in the “Yorokobi (Happiness) Festa 2012” held in Osaka on July 1.



Nationwide Clean Campaign

Since 1982 Taiyo Life has carried out annual clean-up activities in the vicinity of its head office as part of its social contribution to local communities. Since 2004 these activities have been expanded as the Nationwide Clean Campaign, with branches across the country undertaking clean-up activities in their own local communities. In fiscal 2012, a total of 8,638 employees and their family members from the head office, affiliate companies and branch offices participated in this Campaign. The head office (located in the Shiodome district) co-hosted the Minato Eco-conscious Consortium (mecc) with Tokyo’s Minato Ward, joining force in tackling local beautification, with participants from Group companies and “mecc” member companies working in the event.



Supporting the National Sports Festival for People with Disabilities

Daido Life has been a special sponsor of the National Sports Festival for People with Disabilities since the first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in 1992, when Daido Life celebrated its 90th anniversary. Each year it sets up a company booth in Fureai Hiroba (Get-Together Plaza), a venue for exchange with the participating athletes, and many executives and employees serve as volunteers. Taiyo Life has also participated in these volunteer activities since 2000, expanding the wave of the Group’s activities to support the event. * In 2001 the National Sports Games for the Mentally Handicapped was consolidated with the National Sports Games for the Physically Disabled and held as “the National Sports Festival for People with Disabilities.”



Endowed open courses at universities

As an expression of gratitude to its many supporters, Daido Life began endowing open courses at universities in fiscal 2002 as part of the company’s centenary celebrations. These courses provide managers of small- to medium-size businesses with opportunities for acquiring knowledge and skills relevant to management and business, and they have been very well received by the approximately 9,100 attendees in total over the past 11 years. Contents of the courses are developed by each university from different angles, with a lineup of topics and lecturers that offer a mixture of theory and practice useful in the management of smaller companies. In addition, the TKC National Federation dispatches lecturers to talk about practical issues from the perspectives of tax and certified public accountants.



Asset management services for universities

T&D Asset Management is providing asset management services to universities in the conviction that the true essence of its CSR is broadly contributing to society through its core business of asset management. By providing these services, the company is helping establish governance in asset management and the financial foundations needed for the universities to carry out high-quality education and research.



Forest conservation activities

Taiyo Life has established “Forest of Taiyo Life,” a contract-based project under a government program, in two locations in eastern and western Japan, where employee volunteers are engaged in forest conservation activities. In the Forest of Taiyo Life in Nasu-shiobara, Tochigi Prefecture, in March 2006, the company has been working in cooperation with the Enna District Forest Office and others in forest thinning and similar forest improvement activities as well as forest tours in which approximately 150 people have participated in total. At the Kutsuki Forest of Taiyo Life in Takashima, Shiga Prefecture in November 2007, the company has collaborated with a local NPO, the Asosatoyama Center, in forest improvement activities, including setting up deer guard fences and raking up fallen red pine needles, and in the “Acorn Project,” in which local elementary students grow broad-leaf trees from acorns and then plant them in the forest at graduation where approximately 310 students have participated in total.

Forest of Taiyo Life (Tochigi Prefecture)

Date of contract	March 2006
Area	Approx. 4.8 ha
CO ₂ absorption	19 t (Estimate by Forestry Agency)

Kutsuki Forest of Taiyo Life (Shiga Prefecture)

Date of contract	November 2007
Area	Approx. 12.7 ha
CO ₂ absorption	81 t (Estimate by Takashima City)



▶ COLUMN

Actively addressing work-life balance and diversity for better utilization of human resources

The T&D Life Group’s management policies include “creating a corporate environment that enables a diversity of people to enjoy job satisfaction and demonstrate their capabilities.” To be a corporate group where employees can feel motivated and work enthusiastically, the Group conducts various training, introduces systems for better working environments, and better utilizes and promotes personnel regardless of sex, age, etc. In recent years we have promoted talented female employees to management positions and have hosted seminars to enhance their career consciousness, in an effort to leverage the capabilities of women and create workplaces where they can play more active roles.

- Round-table talk held for female employees at three life insurance companies
A round-table talk chaired by Mikie Yumoto, the first female executive in the life insurance industry, was held for female employees of the three life insurance companies. In the event organized by a working group of female Group employees, participants engaged in payment operations and sales at their companies heard about the circumstances at other Group companies and eagerly exchanged opinions on various topics, such as commitment to work, roles in their respective workplaces, and future aspirations. Details of the talk were posted in the Group newsletter for dissemination to executives and employees.
- Executive/division manager seminar held on the topic of active roles for women
A seminar for Group executives and division managers was held featuring Naoki Atsumi, Director of Diversity and Work-life Balance Research Department at Toray Corporate Business Research, Inc. His persuasive lecture on the importance of promoting active roles for women as a corporate strategy, containing analyses and recommendations based on Mr. Atsumi’s own nursing and caregiving experiences, served as a valuable opportunity for top management to gain a deeper understanding of the issue.



The T&D Life Group has issued a “T&D Life Group Corporate Responsibility Report: Data Edition” that gives further details on CSR. Please see the report for information on the Group’s other CSR activities. [URL] <http://www.td-holdings.co.jp/en/csr/report/>

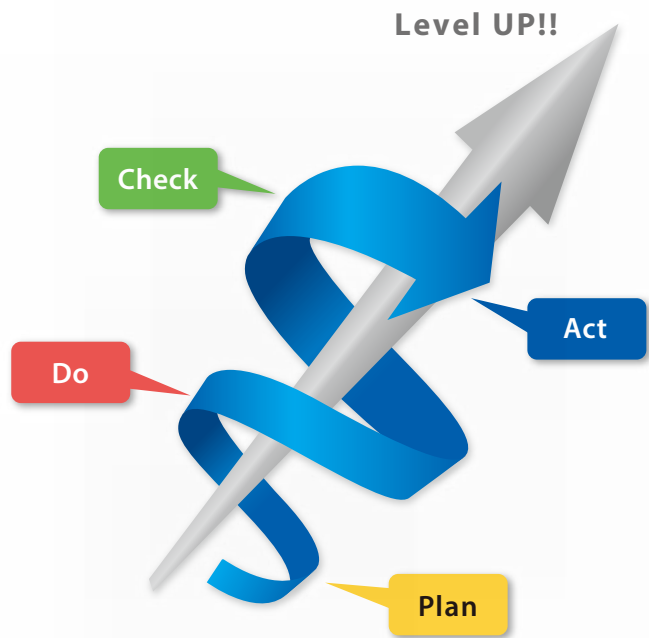
Promotion of CSR Activities and Status of Activities

The Group CSR Committee was established in 2011 to enable the Group to work as one in pursuing CSR activities.

The Group CSR Committee formulates basic policies for the Group's CSR activities and annual activity plans, checks/examines the progress and results of implementation, and develops activity plans for the next fiscal year.

Information is also being shared throughout the Group not only on the CSR activities to be tackled by the Group in common but also those being undertaken by individual Group companies.

Each year the Group CSR Committee sets priority areas based on assessments by SRI rating agencies (stakeholder perspectives) and the results of employee surveys (T&D Life Group perspectives). In fiscal 2012, "respect for human rights" and "global environmental protection" were selected as priority areas and we carried out CSR activities focusing on these areas.



■ FY2012 Group CSR Activities Status Report (excerpt)

Listed below are the major activities implemented as common Group measures. In addition, each Group company implements their own CSR activities. For details on these activities, please see the "Corporate Responsibility Report: Data Edition" (★ indicates a priority area for FY2012).

Group CSR Charter item	Our efforts	Results/performance	Activities planned for FY2013
★ Respect for human rights	Promote active roles for women as a Group personnel strategy	Continued working group activities by the Group's female employees, and the three life insurance companies jointly planned and held meetings twice for female employees to exchange views. Posted proceedings of the meetings in the Group's newsletter to broadly inform executives and employees of the event. Endeavored to boost interest in taking on the challenge of career building. Held a seminar for Group executives and division managers to share perspectives among the management team on promoting active roles for women.	Enhance and improve Group-wide efforts by strengthening collaboration among personnel divisions and by implementing policies in a cooperative fashion designed to foster awareness and educate executives and employees, while confirming the views of female employees.
	Educational activities to promote work-life balance	Continued to offer e-learning (9 courses in total since FY2008) to promote correct understanding of the work-life balance the Group is seeking.	Set out promotion of work-life balance and active roles for women as a target for the action plan for April 1, 2013 – March 31, 2015 in line with the Act on Advancement of Measures to Support Raising Next-Generation Children, and continue educational activities.
	Aggressive hiring of persons with disabilities	Shared information within the Group on the status of hiring of persons with disabilities. The number of persons with disabilities employed by the three life insurance companies totaled 316 as of March 2013, of whom 41 had been newly hired in FY2012, constituting 2.04% of the Group's workforce.	Make further progress in creating workplaces comfortable for persons with disabilities, and promote further hiring of persons with disabilities.
★ Global environmental protection	Establishment of green procurement standards including printing, real estate, system equipment	Established "Green Purchasing Standards and Detailed Rules" and promoted priority purchase of the products and services that helped diminish environmental impacts in printing of product pamphlets and policy documents and in procurement of real estate facilities and system equipment, etc. at the Group companies.	Ascertain the status of green procurement at Group companies, and communicate this information among Group companies.
	Reduction in electric power use Period: FY2008 – FY2012 Baseline year: 2nd half FY2006 and 1st half FY2007 Scope: Shiodome head office building Target: reduction in five-year average by more than 2% compared to baseline year	Continued to take steps to deal with power shortages due to the Great East Japan Earthquake. Pursued measures such as turning off lights during lunch breaks, putting PCs on standby when away from the desk, ensuring tight control of air conditioning outside working hours, and turning off copy machines and printers when not in use. [Target ratio: 82.3% (target achieved)]	Establish the following new long-term targets for a five-year period from FY2013, with the applicable scope extending to the head offices and branches of all core companies. Undertake Group-wide efforts to achieve targets. Period: FY2013 – FY2017 Base year: FY2009 Scope: all buildings owned, leased and used by core companies Target: reduction in power consumption per floor space on a five-year average by more than 10% from base year
	Reduction in office paper use Period: FY2009 – FY2013 Baseline: five-year average up to FY2008 Scope: Shiodome head office building Target: reduction in five-year average by 5%	Strengthened control over number of copies, reduced meeting materials, and utilized 2-in-1 and two-sided printing. [Target ratio: 76.1% (target achieved)]	Continue to implement such measures as strengthening control over number of copies, reducing meeting materials, and utilizing 2-in-1 and two-sided printing.
	Green purchasing ratio Target: more than 80% Scope: Holdings & core companies	Continued to enforce the strict internal rule of obtaining permission when purchasing products other than eco-friendly products, which has been in place since FY2010. [Green purchasing ratio: 95.7% (target achieved)]	Continue to implement FY2012 measures, and share information on innovative approaches taken by other companies such as paperless meetings using iPads, policy documents contained in CD-ROMs.
Communication	Issuance of Corporate Responsibility Report	Issued a "Focus Edition" in September intended for employees, customers, and general consumers, and a "Data Edition" in October primarily intended for investors. Their English versions were issued in December.	Issue the Corporate Responsibility Report 2013, "Focus Edition" and "Data Edition", in September, with their English version in November, which reflect a third-party opinion, results of employee surveys and assessments by outside organizations.
Contribution to communities and societies	Implementation of Group-wide blood donation campaigns	Blood donation campaigns were conducted in August and January at the Shiodome head office building in collaboration with Group companies. A total of 371 persons participated in these blood donation campaigns.	Similar to FY2012, implement Group's joint blood donation campaigns in August and January, when blood for transfusions tends to be in short supply.

Third-party Opinion

Toward further promotion of CSR

The T&D Life Group's Corporate Responsibility Report is divided into two editions—a "Focus Edition" and a "Data Edition"—and I see that this Focus Edition is intended to report with a narrow focus on the most important points for the Group. In this sense, the fact that the top management presents a clear-cut message at the beginning of the Report is praiseworthy as indicative of the Group's basic stance toward CSR. I am also sympathetic with the assertion incorporated into this message that "consistently pursuing our core business is itself CSR for the life insurance business."

Insurance has aspects that make it difficult for the general public to determine whether a particular product is good or bad, with insurance premiums paid from the outset but the benefits only tangibly felt when insurance money is actually received. For that reason, many people see the selection of insurance as a matter of trusting in an insurance company. Accordingly, conscientious management is essential; insurance companies must design products as advantageous as possible to policyholders and explain the details of these products in advance. Proving worthy of customer trust is a responsibility, and greater trust will inevitably produce greater corporate value. This is my understanding of the message at the beginning of the report.

Because insurance payments are generally not received until well in the future, insurance companies have a minimum responsibility to continue in business in the meanwhile. I think it commendable in this regard that the Group is maintaining a high solvency margin and pursuing enterprise risk management (ERM).

Following the principle that "focusing exclusively on our core business constitutes CSR" does not mean, however, that merely confirming the status quo is sufficient. This is connected with how one defines one's business. Is an insurance company's business simply to sell products whereby they receive premiums and pay out insurance money, or is it to provide security and peace of mind using

insurance as a means? If the latter, is sufficient peace of mind provided just with the payment of insurance money? I look forward to a more clear-cut vision for the long term on the role the Group should play in the face of such trends as a declining birthrate, an aging population and widening income gaps.

Insurance companies are also huge institutional investors, and their asset management can have a major impact on the future of society and the global environment. It is highly regarded that Taiyo Life signed on to the UN Principles for Responsible Investment, a first in the sector early stage, and that T&D Asset Management did last year. I would like to see this extended throughout the Group, and I hope that you will exercise leadership within the investment and asset management industry as a whole.



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

▶ Response to Third-party Opinion: CSR Group, Group Planning Department, T&D Holdings, Inc.

The Focus Edition of this fiscal year's Corporate Responsibility Report focused and reported on Group companies' efforts to fulfill their social responsibilities through business activities and to achieve greater soundness so as to be deserving of customer trust. The digest herein also reported on our social contribution programs, environmental protection activities, and personnel utilization efforts, as well as on the progress of CSR activities last fiscal year.

Professor Mizuguchi expressed a couple of expectations: that our Group should clarify the role we are to play and our long-term vision in the context of current social trends, and that our Group should exercise leadership within the investment and asset management industry as a whole. The Group is committed to working in concert on CSR activities to meet these expectations as well as those of the broader public so that we can earn the trust of a variety of stakeholders.