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* The Head Office is scheduled to relocate to the Tokyo Nihombashi Tower in Nihonbashi 2-chome, Chuo-ku, Tokyo in December 2015.



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Being a group that
contributes to all
people and societies.

Tetsuhiro Kida

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



The T&D Life Group is a corporate group made up of the holding company T&D Holdings, Inc. and its 15 subsidiaries and 2 affiliates. Among these companies are the Group's three core life insurance companies, namely Taiyo Life Insurance Company, Daido Life Insurance Company, and T&D Financial Life Insurance Company.

The T&D Life Group has embraced the following corporate philosophy as the starting point for the Group and the bedrock of all of its business activities: "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." The T&D Life Group is centered on the life insurance business, which attaches fundamental importance to the principle of mutual assistance.

Therefore, we believe that contributing to people and society as a whole through our businesses constitutes our fundamental guiding principle as a business enterprise and the very rationale for our existence. In response to the diverse social issues facing individuals, households, and small and medium enterprises (SMEs), the T&D Life Group has endeavored to solve these problems by providing distinctive life insurance products and services. One of the most pressing issues now facing Japan is the rapid aging of its population. By 2025, ten years from now, Japan's baby boomers will reach the age of 75 years and older, and the country's nursing care issues are expected to become even more serious.

To address this urgent social issue, the T&D Life Group has delivered security to customers by developing nursing care products, and has been offering the Best Senior Service, which provides various services comprehensively to ensure that seniors can lead their lives with greater security and relief.

In these and other ways, the T&D Life Group has actively engaged in various issues spawned by social change, has always explored what it can do to solve such issues, and has taken actions accordingly. We promise to keep this unwavering commitment to this stance.

In addition to the aforementioned activities, we are also wholeheartedly engaged in activities to protect the environment, with a view to playing a role in the

formation of a sustainable society. As part of these efforts, in July 2014 the companies of the T&D Life Group signed on to the Principles for Financial Action for the 21st Century, which provide sustainability guidelines for the conduct of financial institutions.

And moreover, in July 2015, the T&D Life Group became a participant of the United Nations (UN) Global Compact, a cooperative framework between the UN and corporations to realize sustainable growth advocated by the UN, and publicly endorsed the Compact's Ten Principles.

Recognizing its roles and responsibilities, the T&D Life Group has set environmental targets and is working to mitigate its environmental impact by meeting those targets. In addition, we are conducting various social contribution activities, including initiatives undertaken together with the Group's foundations, to live in harmony with local communities and society. We aim to help create a diverse and inclusive society where everyone can reach their full potential. To this end, we support the active participation of women in business and are pushing ahead with work-life balance initiatives along with developing a supportive working environment and laying other vital foundations. In addition, the T&D Life Group has also announced its acceptance of the Principles for Responsible Institutional Investors (Japan's Stewardship Code) in order to fulfill its responsibilities as an institutional investor. Through a process of investment and dialogue, we will support the medium- to long-term growth of Japanese companies.

In the digest edition of CR Report 2015, we present these initiatives by the T&D Life Group in a clear, well-organized format. We hope that you will read this report and that it will increase your understanding of the Group's activities.

As we look ahead, the T&D Life Group is determined to contribute to the development of local communities and society through an expansive range of business activities, not just its core life insurance business. We look forward to your continued support and understanding of our activities.

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

T&D Life Group's Corporate Philosophy

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

Group CSR Charter

(Preamble)

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

Our Priority Areas (2015)

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



Building Strong Links with Customers and Society

CSR is not a special activity at all.

Ito: I often go out to see insurance agents whom I'm in charge of as part of my sales activities. I do not pay any particular attention to CSR on a daily basis. I am just mindful of the importance of engaging with customers with sincerity and integrity, knowing that every one of our duties is always linked to society.

Fukasawa: Taiyo Life has often conducted social contribution activities that are closely relevant to its customers, and so I feel that CSR is being promoted on a daily basis. The Customer Service Department interacts directly with customers. Sometimes, customer feedback received by the department can lead to the creation of new products.

Tsuchikawa: Before I joined the company, I had held the impression that CSR was all about donations and other philanthropic activities. However, in practice, I found that CSR is a very broad concept, encompassing the notion of compliance. In my daily duties, I have a lot of opportunities to deal with matters such as the Insurance Business Act, administrative guidelines and other regulations. Based on my experience, I am convinced that

ensuring appropriate insurance sales activities and customer protections are crucial for the business of our Group.

Maejima: Public scrutiny of compliance and customer protections have become increasingly stringent. CSR is absolutely essential to companies. Should a company's behaviors cause resentment from society, the company would suffer serious consequences, not just a negative impact on business performance, but, also in the worst case, difficulty in continuing its operations.

CSR is providing products and services that achieve high customer satisfaction.

Fukasawa: Features of insurance products ought to be revised in response to changing social circumstances. From 2014, Taiyo Life has begun offering the Best Senior Service to address the aging of Japanese society. This initiative seeks to revise every aspect of what we offer from the customer's perspective, from service to policy details and hospitality, in order to boost convenience for our elderly customers. I believe that the Best Senior Service will not only respond to the needs of our customers, but will also make a contribution to society.

Ito: In a shifting social landscape, I believe that it will be particularly vital for the insurance sector to always be ready to rapidly supply a steady stream of products that are attuned to current needs. I believe that doing so will also help companies to earn high marks from the public.

Maejima: In the asset management services provided by T&D Asset Management, in a way, we have been rated highly by customers for identifying their investment needs and rapidly offering products that meet those needs, including products that require considerable time and effort to develop.

Tsuchikawa: In response to the needs of SME owners in recent years, we have started to provide products that address the risk of work incapacitation during their tenure. When I was a member of our sales division, a large number of customers and insurance agents told me that those products were indeed the products that they really wanted. This experience reinforced my belief that as members of the insurance industry, we must address the needs of society properly.

through Familiar, Everyday CSR Activities

Exploring how CSR can reflect social needs

Fukasawa: Our customers often tell me that they feel comfortable putting their trust in Taiyo Life. These comments are delightful to hear, but they also bring home the tremendous responsibility we bear. Although some aspects of CSR can be performed by individuals, there are many CSR activities that can only be implemented by a large organization. Every day, I feel that those activities help us to earn high marks and trust from customers.

Tsuchikawa: There is also a growing need in society to figure out how to meet the nursing care requirements of an aging society. I think it would be great if the T&D Life Group could further enrich its nursing care support.

Ito: One major theme for the life insurance industry is to simplify and speed up insurance procedures in order to boost customer convenience. By speeding up the application review process, we can reduce the time spent by customers waiting for a decision on whether or not they may enroll in a policy. By simplifying and expediting payment assessments, we can deliver the necessary insurance claims and benefits to customers as quickly

as possible. For those reasons, the speedy development of systems is a crucial issue.

The future of the T&D Group and our CSR

Fukasawa: Insurance must be useful for our customers in their time of need. We must always preserve this essential aspect of insurance. We need to build systems that enable customers to complete procedures as smoothly as possible when enrolling in policies or going through other procedures. If the unexpected happens, we need to pay out insurance claims rapidly. We need to provide security to our customers, and continue to do so. I believe that doing these basic things appropriately and consistently is our CSR.

Ito: The financial services industry is going through rapid changes and susceptible to the impact of such changes. In this climate, it is vital to constantly remain attuned to changes, as well as to have the ability to anticipate and rapidly respond to changes. I believe that it is important to instill such an awareness throughout the Group to provide products that deliver even greater customer satisfaction, which will eventually lead to fulfilling our CSR.

Maejima: T&D Asset Management has commenced ESG investment. ESG is an abbreviation for environmental (E), social (S) and governance (G). ESG investment is an investment approach that focuses on selectively investing in the companies that give special consideration to ESG. I believe that companies that neglect CSR will be unable to achieve sustainable growth because they will not be accepted by society. Meanwhile, companies that pursue CSR in earnest will have the potential to increase their competitiveness in the future. Therefore, I believe that CSR and corporate value are inseparable from one another. As a fund manager, I believe that one aspect of T&D Life Group's CSR is to help build an even better society through our selection of portfolio companies.

Tsuchikawa: Corporate Philosophy of the T&D Life Group is "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." I believe that the T&D Life Group should strive to provide security to all people and to fulfill the unmet needs of customers and society by complementing each other across the entire Group. I believe that is one ideal form of CSR at the T&D Life Group.

Fuyuko Fukasawa
Customer Service Division,
Customer Service Department
Taiyo Life Insurance Company

Hironaga Tsuchikawa
Research & Planning Division,
General Planning Department
Daido Life Insurance Company

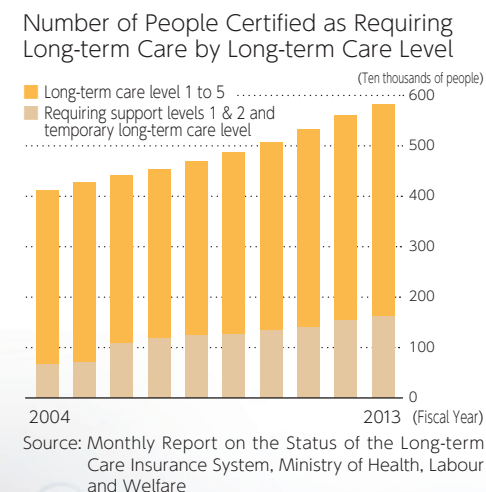
Ryoko Maejima
Global Equity Investment Department
T&D Asset Management Co., Ltd.

Nozomi Ito
Sales Promotion Department
T&D Financial Life Insurance Company



Toward a Society Where People Can Lead Their Entire Lives with Peace of Mind —In Preparation for the Changing Risks of the Future

Characteristics of risks that we seek to be prepared for in the future are constantly changing in step with various changes in society, such as acceleration of low birth rates and aging population, and advances in medicine. The T&D Life Group will help its customers prepare for the future through the development of innovative insurance products and services, starting at the changing risk characteristics of the future.



As the average life expectancy is extending, the number of people certified as requiring long-term care is also increasing every year.

Message from a Product Development Staff

The Road to the Launch of New Products

The number of people who require nursing have grown as a result of the aging population, and the risks associated with nursing have become more familiar.

In fact, our questionnaire survey conducted in fiscal 2014 revealed that a large number of people were concerned about the nursing problems they and their family members will be facing in the future.

Meanwhile, not many people have been enrolled in private-sector nursing care insurance. Compared with the insurance coverage for injury and illness, nursing care protection is not sufficient.

In light of these social circumstances, we anticipated that there would be stronger

Daido Life (Kaigo Relief)
Insurance coverage for nursing care costs including costs incurred when moving into a nursing care facility.

needs for nursing care protection products from customers going forward. That is why we developed two types of nursing care protection based on different product concepts. Together with a new service that comprehensively supports nursing care, these two types of products were launched on October 1, 2015.

Our Aspirations

The two new nursing care protection products were developed based on different product concepts. For cases in which customers require nursing care, the first product will cover the living expenses of the customer and his or her family members, whereas the second product will cover the costs associated with nursing care.

We developed these products with the aspiration that, should our customers require nursing care, they would be able to receive nursing care in relief, without having to feel

the financial burden.

Private-sector nursing care insurance products provide a means of supplementing Japan's public Long-term Care Insurance System, and so they will play a significant role in contributing to society.

Looking ahead, we will continue working to develop products that address changes in the social landscape such as low birth rates, an aging population, and advances in medicine.

Kousuke Sasaki
Associate Manager, Product Development & Planning Department
Daido Life Insurance Company

Daido Life (Shunyu Relief)
Insurance coverage for loss of income in the event that a business owner or sole proprietor requires long-term care.

Feedback from Customers

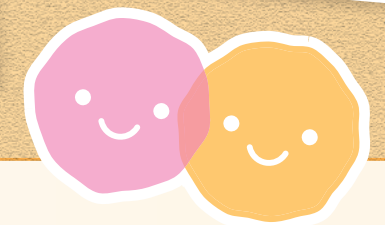
This product is reassuring because it has been designed with varied needs of companies and business owners in mind. I hope that you will continue to develop products with an enriched policy and coverage.

I purchased this insurance with confidence because it is a product that supports SME business owners.

I could clearly tell that this product was developed from the customer's standpoint and that the sales representatives were passionate about conveying its features.

I am glad that your firm was quick to provide the insurance product serving my purposes best. I hope that the sales staff will work even harder to promote such products.

(Customer feedback from the Customer Satisfaction Survey conducted in fiscal 2015.)



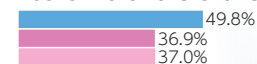
Toward a Society Where Everybody Can Work Vibrantly

—For the Sustainable Growth of Companies and Society

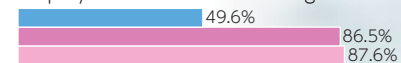
The environment surrounding companies and society is changing dramatically, highlighted by continuing progress of globalization, as well as diversifying lifestyles and work styles. For companies and society to attain sustainable growth, a diverse range of human resources must be able to demonstrate their respective abilities. The T&D Life Group is working to shape an environment where diverse human resources can play an active role, with a view to attaining the sustainable growth of companies and society.

Needs that must be met in continuing work while raising children (Multiple answers were possible)

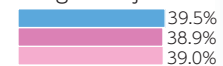
Tasks worth the challenge at work



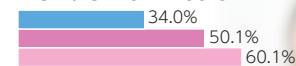
Systems and work environments that enable employees to continue working while raising children



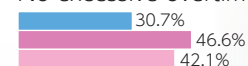
Long-term job security



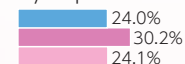
Flexible work hours



No excessive overtime



Recognition of job performance by supervisors and colleagues



■ Men (regular employees) n = 2,248
■ Women (regular employees) n = 1,131
■ Women (non-regular employees) n = 1,109

Source: Survey to monitor actual conditions of childcare leave and other systems
Fiscal 2011 Questionnaire survey of workers
Mitsubishi UFJ Research and Consulting Co., Ltd.,
commissioned by the Ministry of Health,
Labour and Welfare

Initiatives of the T&D Life Group

The T&D Life Group has advanced efforts to nurture a corporate culture where diverse human resources can feel job satisfaction and reach their potential.

Particularly in our Group, where female employees account for a significant part of the total workforce, it is a key driver for corporate value creation and sustainable growth to enable women to further demonstrate their abilities to the fullest. Therefore, we duly recognize that promoting the active participation of women is a crucial management priority for the Group.

With this in mind, the T&D Life Group's three core life insurance companies have revised their respective personnel and remuneration systems, as well as introducing various support systems to enhance work-life balance.

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

To steadily advance initiatives to promote the active participation of female workers, the Group's three core life insurance companies formulated action plans in fiscal 2014 based on their respective business models.

Going forward, the T&D Life Group will further promote the active participation of female employees with the aim of creating new value.



Terunori Yokoyama
Director and Senior
Managing Executive Officer
T&D Holdings, Inc.

Action Plans

Promote active participation of female workers at the Group's three core life insurance companies Initiatives

Implement systematic cultivation and promotion of female employees to management positions

Enhance career development and work-life-balance support measures

Transform the mindset of managers

Targets set for promoting female employees to management positions

Ratio of female managers (Achievement deadline)



TAIYO-LIFE

Systematically cultivate and promote motivated and talented female employees

Examples of initiatives

- Provide female employees with opportunities to assume larger roles and gain new business experience
- Provide female manager candidates with training for management positions
- Transform the mindset of managerial employees through training for managers and other programs and other initiatives

More than 20%
(April 2018)



DAIDO LIFE

Promote diverse work styles and support new challenges

Examples of initiatives

- Provide an expansive range of career development paths and long-term career development using various systems
- Improve the motivation of female employees and transform the mindset of supervisors through training and other programs
- Introduce innovative work styles using various systems, including working from home and other initiatives

More than 15%
— More than double the 2013 level of 7% —
(April 2020)



T&D FINANCIAL LIFE

Become a company where female workers can work free from anxiety and reach their full potential

Examples of initiatives

- Regularly hold training programs on career, capability, and upward skill development
- Implement job rotations
- Enrich initiatives to promote diverse and flexible work styles and other initiatives

More than 10%
(April 2019)

To Promote the Active Participation of Female Workers

Joint Group Co-Working Training in Pairs for Female Employees and Their Supervisors

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

The training was attended by 51 participating pairs, or 102 individuals, from the Group's three core life insurance companies. The participants were divided into groups of three pairs, or six people each, to give three-minute self-introductions based on the theme of "something you were praised for recently," and to conduct role-playing exercises in career counseling situations with the female employee and supervisor roles reversed. The groups also gave team presentations and conducted other activities.

The participants commented that the training deepened their understanding of career development and management, along with making them aware of differences in values and perspectives. One participant said, "The training program gave me a good opportunity to take a fresh look at my career plan." Another said, "I am now aware of the differences and gaps in thinking between female employees and their supervisors."

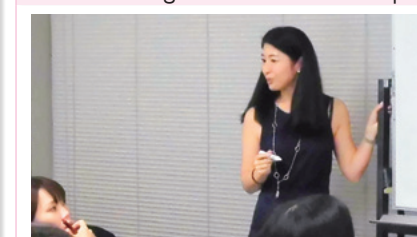


Taiyo Life Training of Female Office Workers



Taiyo Life conducts training focused on further inspiring female employees to challenge a new goal without fear of change, and to draw up and pursue their own career vision.

Daido Life The "Challenge Women's Workshop"



Daido Life created a four-month workshop attended by female employees only. Under the guidance of an external instructor (Ms. Satoko Gibbs), the participants learned about the mindset and skills needed by women to continue working vibrantly, and conducted studies and research activities as a group.

T&D Financial Life Training to Support Women's Active Participation



For female employees, T&D Financial Life conducted a training program to support women's active participation. The program is to draw an image of an ideal leader, and seeks to improve the leadership skills and tenability needed to become such a leader.

Toward a Sustainable Society

—Preserving a Healthy Global Environment for Future Generations

The society we live in rests upon the foundation provided by the global environment. In order to pass to the future generations a society where all people can work in relief vibrantly, we must preserve a healthy global environment for future generations. To hand a healthy global environment to the children living in tomorrow's society, the T&D Life Group is actively engaged in activities to protect the global environment.

Carbon Dioxide (CO₂) Emissions (Japan)
(Energy-derived emissions) Million tons



Source: National Institute for Environmental Studies,
Center for Global Environmental Research,
Greenhouse Gas Inventory Office

Approximately 90% of greenhouse gas emissions are CO₂ originating from the energy we use.

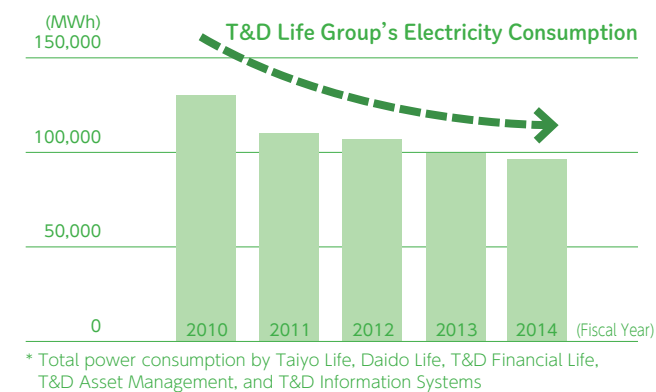
The T&D Life Group strives to protect the environment through its daily business activities. We set Group-wide targets for reducing electric power use, as presented below, as well as for reducing office paper use and improving the green purchasing ratio. The T&D Life Group companies are working hard to achieve these targets.



Initiatives for Reducing Environmental Impacts

Initiatives for Reducing Electric Power Use

Taiyo Life implements the Cool Biz campaign, which involves setting the air-conditioner temperature at 28°C in the office from May to October, and the Warm Biz campaign, which involves setting the room temperature at 20°C from November to March. We also endorse the "Reduce CO₂: 'Lights Down' Campaign" promoted by the Ministry of the Environment. As part of this campaign, we call for a simultaneous switch-off of all the lights in offices twice a year, in July and December.



In addition to the above-mentioned power-saving activities, we are implementing a multitude of measures to reduce electric power use. These measures include introduction of a power demand monitoring system for setting and controlling peak-time electric power use in each building and a "no overtime" day.

Our Aspiration to Help Solve Global Environmental Issues

Our daily lives and economic activities are premised upon the foundation of a healthy global environment. Although many different environmental issues are now making headlines, we believe that we can play a part in helping to prevent global warming, a major environmental issue, by raising a little bit more environmental awareness and, for example, saving power consumption. I hope that every one of us will continue to take consideration of the environment, steadily make small improvements, and work to reduce our environmental impact.

Shizuka Munakata
Manager, General Service Division,
General Affairs Department
Taiyo Life Insurance Company



Forest Conservation Activities

Taiyo Life conducts afforestation projects to protect forest resources and the biodiversity of forest ecosystems. It has established the "Forest of Taiyo Life" in Nasushiobara, Tochigi Prefecture and Takashima, Shiga Prefecture.

In December 2014, Taiyo Life conducted the first tree-planting ceremony for the "Acorn Project," a program implemented together with elementary school children in Takashima, Shiga Prefecture.

The first participants in this project, who were in the third grade of elementary school when the project got started in 2011, had grown to be sixth graders at the time of the tree-planting ceremony. At the ceremony, they planted the *konara* oak seedlings they had grown on their own from acorns. The ceremony marked a pleasant, memorable day for the children, who have played a key role in preserving the forest for the future.

Acorn Project: This program is carried out by Taiyo Life at the Kutsuki Forest of Taiyo Life in cooperation with a local elementary school. Children in the third grade grow seedlings from acorns gathered in the forest, and plant the seedlings in the Kutsuki Forest of Taiyo Life three years later when they graduate.

The project provides an opportunity for the children to experience and understand the importance of protecting the natural environment.



The T&D Life Group has established the Group CSR Committee, chaired by the president of T&D Holdings, and consisting mainly of directors in charge of CSR at each group company. Under this committee, we are pushing ahead with unified Group-wide CSR activities. The Group CSR Committee serves as the cornerstone for promoting the Group's CSR activities. It formulates basic policies for the Group's CSR activities and selects important focus areas, along with drawing up annual plans and regularly confirming the implementation status of those plans. In fiscal 2015, the Group CSR Committee positioned "Providing Better Products and Services," "Respect for Human Rights" and "Global Environmental Protection" as high priority areas as it advances the Group's CSR activities.



FY 2014 Group CSR Activities Progress Report (A Partial Account of the Activities)

Listed below are the major Group-wide activities. Apart from these activities, each Group company implements a variety of initiatives.

Initiatives Plan		Results/Performance	Do	Activities planned for FY 2015		Check	Action
● Providing better products and services							
<p>(Three life insurance companies)</p> <ul style="list-style-type: none">• Provide the best comprehensive coverage to households• Respond to the diversifying needs of SMEs comprehensively• Provide differentiated products through independent insurance agents such as financial institutions		<ul style="list-style-type: none">• Expanded the scope of <i>Hoken Kumikyoku Best</i> nursing care coverage, and launched <i>Keido Kaigo</i> nursing care protection, featuring coverage starting from care support levels 1 & 2, and long-term care level 1. Expanded the eligible age for medical care insurance products.• Launched the <i>T-Type</i> product covering the risk of retirement in case of physical disability (nonparticipating disability protection policy).• Added new types of annuity payments to income protection insurance, and expanded the eligible age of insured for mainstay single premium whole life insurance products.			<ul style="list-style-type: none">• Develop and provide products that meet changing customer needs.• Further promote the Best Senior Service initiative to enhance convenience and satisfaction for elderly customers.		
● Respect for human rights							
<p>[Human resource development initiatives]</p> <p>Conduct personnel exchanges within the Group</p> <ul style="list-style-type: none">• Promote understanding and penetration of Group management among corporate officers and employees		<ul style="list-style-type: none">• Conducted personnel exchanges through mutual personnel assignments among four Group companies.• Implemented Group management training for approximately 500 mid-level employees, in addition to corporate officers and general managers, of the three core life insurance companies.			<ul style="list-style-type: none">• Expand personnel exchanges among Group companies.		
<p>[Promoting the active participation of women]</p> <p>Further upgrade measures for promoting the active participation of women</p> <ul style="list-style-type: none">• Facilitate short-term exchanges of female employees within the Group• Set quantitative targets for promoting the active participation of women		<ul style="list-style-type: none">• Continued implementation of exchange programs for female employees among Group companies.• Implemented co-work training attended by pairs of female employees and their supervisors.• Formulated and announced action plans including quantitative targets for appointing female employees to management positions by the three life insurance companies.			<ul style="list-style-type: none">• Foster information sharing regarding the initiatives and plans of the Group companies in preparation for the enactment of laws to promote women's active participation.• Plan collaborative measures by the Working Group for Promoting the Active Participation of Women.		
<p>[Promoting work-life balance]</p> <p>Integrated promotion of active participation of women and work-life balance</p> <ul style="list-style-type: none">• Upgrade and improve work-life balance support measures• Deliberate and implement measures to reduce work hours		<ul style="list-style-type: none">• Formulated the Group-wide sixth action plan to address the extension of the Act on Advancement of Measures to Support Raising Next-Generation Children.• The three life insurance companies applied for certification for the "Platinum Kurumin" mark, whose approval is conditional upon achieving quantitative targets related to work hours.			<ul style="list-style-type: none">• Promote measures in the Group's unified action plan for the Act on Advancement of Measures to Support Raising Next-Generation Children.• Implement collaborative awareness-raising activities aimed at fostering a good workplace culture.		
● Global environmental protection							
<p>Reduction in power consumption</p> <p>Period: FY 2013-FY 2017 (Baseline year: FY 2009)</p> <p>Scope: Buildings owned, leased and used by the T&D Holdings and core Group companies</p> <p>Target: More than 10% reduction in power consumption per floor space</p>		<p>Implemented a multitude of measures, including lights-out before business hours and during lunch break, and turning off office appliances, as well as setting a "no overtime day" and implementing Cool Biz and Warm Biz campaigns plus a Lights Down campaign.</p>			<p>Steady progress through FY 2014: A reduction of 18.3% from the baseline year.</p> <p>Continue to implement the measures shown on the left in order to further reduce power consumption.</p>		
<p>Reduction in office paper use</p> <p>Period: FY 2014-FY 2018</p> <p>Baseline: Average of office paper usage between FY 2009 and FY 2013</p> <p>Scope: Paper used at T&D Holdings and head offices of the core Group companies</p> <p>Target: 9% reduction from baseline</p>		<p>Promoted reduction in office paper use primarily by introducing paperless conferences, reducing meeting materials, utilizing 2-in-1 and two-sided printing and enforcing stricter control over use of copies.</p>			<p>Steady progress: In FY 2014, achieved 87.3% compared to the baseline level and 98.2% compared to FY 2013.</p> <p>Continue to implement the measures shown on the left to reduce office paper use in addition to expanding paperless conferences.</p>		
<p>Green purchasing ratio</p> <p>Target: A green purchasing ratio for stationery and other office supplies of 80% or more</p> <p>Scope: T&D Holdings and core Group companies</p>		<p>Established Group-wide Green Purchasing Standards, and promoted preferential purchasing of green products.</p>			<p>Continued to achieve target, with an actual FY 2014 green purchasing ratio of 96.0%, compared with 95.4% in FY 2013. Continue to implement initiatives that give priority to purchasing eco-friendly products.</p>		
● Communication							
<ul style="list-style-type: none">• Enhance CSR awareness among corporate officers and employees• Provide CSR information to stakeholders		<ul style="list-style-type: none">• Conducted Group CSR seminars for corporate officers and general managers.• Issued Group CR reports. Prepared a "Focus Edition" for customers and the general public, and a "Data Edition" primarily for investment professionals. Obtained third-party assurance regarding environmental data.			<ul style="list-style-type: none">• Conduct multiple seminars focused on themes tailored to the corporate officer and general manager level and the section manager level.• Prepare and issue CR reports that address the interests and needs of readers.		
● Contribution to local communities							
<ul style="list-style-type: none">• Clean campaigns (local community clean-up activities)• Group-wide blood donation activities		<ul style="list-style-type: none">• Group companies participated in Taiyo Life's Nationwide Clean Campaign and the Tokyo Shiba District Clean Campaign.• Blood donation campaigns held twice a year at the Shiodome head office building through cooperation with the Group. (In FY 2014, 415 people in aggregate visited the sites for blood donation.)			<ul style="list-style-type: none">• Continue to participate in clean campaigns as a Group in FY 2015.• Continue blood donation in FY 2015.		

Contributing to the Sound Development of Society

Clean Campaign

Since 1982, Taiyo Life has carried out 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. Executives and employees from Group companies, as well as their family members, assisted with clean-up activities in the Shiodome district, where the Group's head office is located. In fiscal 2014, a total of around 8,100 people took part in community clean-up activities across Japan.



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 for over 20 years since the first National Sports Games for the Mentally Handicapped (Yuaipic) was held in 1992, when Daido Life celebrated its 90th anniversary. In fiscal 2014, the Nagasaki Ganbaranba Festival, as this year's event was called, was attended by around 200 people who served as volunteers, including executives and employees of Daido Life and Taiyo Life, as well as members of Daido Life's alliance partners.



Endowed open courses at universities

Daido Life has continued to endow open courses at universities since 2002, as part of the company's centenary celebrations. These courses provide managers of small- to medium-sized businesses and their successors with opportunities for acquiring knowledge and skills relevant to management and business, and they have been well received by over 10,000 attendees in total over the past 13 years. In fiscal 2014, seven courses were held at six universities across Japan.

Contributing to the Improvement of Health, Medicine and Welfare

Group-wide blood donation activities

In cooperation with the Japanese Red Cross Tokyo Metropolitan Blood Center, the T&D Life Group conducts blood donation activities at the Shiodome head office building twice a year in August and January. The Group jointly encourages executives and employees of Group companies to lend their cooperation in blood donation. In fiscal 2014, a total of 415 executives and employees participated in these blood donation activities.



Supporting the Japan Down Syndrome Association

Since 2006, Taiyo Life has been involved in various support activities for the Japan Down Syndrome Association. In 2014, Taiyo Life invited families from the Association's Tochigi Branch to join a forest studies class held in the Forest of Taiyo Life, where the company has been undertaking forest management activities since 2006. The invited families spent a pleasant day in the forest surrounded by fresh greenery.



Support for recovery from the Great East Japan Earthquake

Executives and employees of Group companies cooperated with the Project to Deliver Picture Books to the Children of Disaster-hit Areas, organized by the Japan Philanthropic Association. Through this project, the Group was able to donate a total of 1,381 picture books collected from across Japan to the children in disaster-hit areas.



Initiatives as an Institutional Investor (Responsible Investment)

The T&D Life Group operates the life insurance business as its core business, which is of a highly social and public nature. Accordingly, we believe that it is one of our most fundamental obligations to fulfill our social responsibilities as an institutional investor and contribute to the realization of a sustainable society through our investment and lending activities.

● Principles for Responsible Institutional Investors (Japan's Stewardship Code)

Institutional investors have responsibilities to improve and foster investee companies' corporate value and sustainable growth, and to meet the expectations of the clients for whom they perform asset management services. In February 2014, the Principles for Responsible Institutional Investors (Japan's Stewardship Code) was formulated to define principles and guidelines that are considered helpful to fulfilling those responsibilities. The T&D Life Group's three companies, Taiyo Life, Daido Life and T&D Asset Management have endorsed and expressed their commitment to the Principles for Responsible Institutional Investors (Japan's Stewardship Code).

T&D Financial Life has not expressed its commitment to these Principles because it does not hold any domestic listed shares.

● Principles for Responsible Investment (PRI)

The Principles for Responsible Investment (PRI) is the guidelines for financial institutions advocated by the UNEP

Signatory of:



Finance Initiative and the UN Global Compact, which encourage global financial institutions and institutional investors to promote investment activities in consideration of Environmental, Social and Governance (ESG) issues. In 2007, Taiyo Life within the T&D Life Group signed the PRI as the first Japanese life insurance company. The company developed its asset management processes based on the PRI and has conducted the asset management accordingly.

In 2012, T&D Asset Management signed the PRI, and since then has been working to improve its medium- to long-term investment performance by incorporating ESG factors into corporate evaluation.

Dialogue with Investee Companies (Engagement) and Exercise of Voting Rights

- We engage in purposeful dialogue with investee companies on a daily basis in order to foster their sustainable growth.
- When exercising voting rights as a shareholder, we decide whether to vote for or against a proposal based on not only formal assessments of financial information and other data, but also consideration of non-financial information on Environmental, Social and Governance (ESG) and other related issues.
- We have established guidelines on exercising voting rights to ensure that voting rights are exercised appropriately. We engage in dialogue with the investees on proposals that conflict with these guidelines. In the event that such dialogue offers no prospects for improvement, we strictly implement our guidelines by voting against the proposal.

● Group-wide Commitment to Social Responsible Investment (ESG Investment)

Taiyo Life and Daido Life have invested in a new ESG fund investing in Japanese equities, established and managed by T&D Asset Management. This is the start of a group-wide ESG investment by the T&D Life Group. (The fund operation started in July 2015.) This fund selectively invests in companies with an outstanding ESG (Environmental, Social and Governance) performance through ESG research. In doing so, the fund seeks to generate investment returns that outperform the medium- to long-term market average. And by investing in companies that seek to reduce environmental impact and help achieve a sound society, the fund aims to play a part in forming a sustainable society.

Participation in Initiatives (2014–2015)

● Participation in the UN Global Compact (July 2015)

The UN Global Compact is a voluntary initiative for participation in a global framework within which companies can practice good corporate citizenship and help to achieve sustainable growth by demonstrating responsible and creative leadership. The UN Global Compact proposes ten principles related to the protection of human rights, the elimination of unfair labor practices, the protection of the environment and the prevention of corruption. Considering that these ten principles are consistent with the T&D Life Group's approaches and policies, T&D Holdings decided to sign the ten principles on behalf of the Group and have the entire Group participate in the UN Global Compact.



● Participation in the Principles for Financial Action for the 21st Century (July 2014)

The Principles for Financial Action for the 21st Century were drawn up as guidelines for action by financial institutions seeking to fulfill their roles and responsibilities in shaping a sustainable society, based on the recommendations of the Central Environment Council of the Ministry of the Environment. T&D Holdings and its five directly owned subsidiaries have each endorsed and become signatories to the Principles for Financial Action for the 21st Century. The T&D Life Group companies are working to achieve a sustainable society not only through their core businesses but also through an expansive range of business activities.



Third-party Opinion

Proactive Communication with Stakeholders Worldwide

Takeshi Mizuguchi

Professor, Faculty of Economics, Takasaki City University of Economics

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 had also served as Chair of the Japanese Institute of Certified Public Accountants' Technical Committee on Environmental Accounting, 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, Chuoh Keizai-sha), and Environmental Management and Accounting (co-author, Yuhikaku Publishing).



In this year's digest version of the CR Report, the T&D Life Group's PDCA cycles were easier to understand. The report clearly presents the plans, performance and results, and future activities in each of the three priority areas laid out at the beginning of the report. In particular, I am pleased to see that "Providing Better Products and Services," which refers directly to the core life insurance business of the T&D Life Group, was positioned at the heart of the PDCA cycle for CSR. I wholeheartedly embrace the T&D Life Group's philosophy of defining the main thrust of its CSR as properly implementing the life insurance principle of mutual assistance.

In this sense, I believe that the T&D Life Group's development of two types of nursing care protection products, which is presented as an example of how the Group is addressing social issues, is very timely. It is evident that the issue of long-term care will become increasingly severe as social aging continues. Therefore, a large number of people will benefit from products that supplement Japan's public Long-term Care Insurance System. In particular, I believe that the T&D Life Group can make a crucial social contribution by providing even stronger support for small and medium enterprises (SMEs), which have served as the backbone of Japan's economy, through these sorts of insurance products.

I believe that the Forest of Taiyo Life program of having elementary school children in the third grade grow seedlings from acorns is an outstanding way to educate children about the environment. I also feel that training female employees and

their supervisors in pairs is a brilliant idea. In addition, I highly commend the T&D Life Group for setting quantitative targets for the ratio of female employees in management positions.

In fiscal 2015, the T&D Life Group became a signatory to the UN Global Compact, joining yet another international initiative. Moreover, Taiyo Life and T&D Asset Management have signed the Principles for Responsible Investment (PRI), which is closely related to the UN Global Compact. The time may be the right for the entire T&D Life Group to sign the PRI.

Another major step forward has been the start of joint ESG investment by the T&D Life Group, following Taiyo Life and Daido Life's investment in an ESG fund set up by T&D Asset Management. This report's introductory feature contains a discussion by Group employees. During the discussion, an employee said, "I believe that one aspect of T&D Life Group's CSR is to help build an even better society through our selection of portfolio companies." I found these words to be very reassuring. Meanwhile, responsible investment is advancing further around the world, particularly in Europe. Numerous pension funds and life insurance companies are proactively voicing their opinions on social issues such as global warming, and thereby exerting a positive influence on companies and governments. These pension funds and insurance companies are doing so because they believe that these efforts will ultimately help to preserve the value of their investments. I urge the T&D Life Group to proactively participate in discussions overseas and to make its presence felt on the world stage.

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

In preparing this fiscal year's report, we focused on identifying the key social issues for the T&D Life Group and on conveying how we are working to address those social issues.

The report covers the T&D Life Group's contribution to society through the provision of insurance products and services, which is our most fundamental obligation as an insurance group. The report also looks at the Group's measures to contribute to society by fulfilling our social responsibilities as an institutional investor. In his third-party opinion about our FY2014 CR report, Prof. Mizuguchi provided feedback regarding the execution of PDCA cycles for CSR activities through the Group's core business, and shared his expectations for the Group to implement stewardship activities as a responsible

institutional investor. This year, we assume that Prof. Mizuguchi has expressed an appreciation to the Group's social contribution activities, undertaken through its core business, and our initiatives for responsible investment. Furthermore, he expressed his expectations for the Group to make further strides and increase its global presence in the field of responsible investment by means of proactive communication of our views worldwide.

We have taken Prof. Mizuguchi's opinions seriously as reflecting his high hopes for the Group to continue making progress. To meet these expectations through our activities ahead, we will continue working as a group to advance to the next stage.