

T&D Life Group

Corporate Responsibility Report 2010

Data Edition

The Insurance Group You Can Trust



Contents

Contents/About Corporate Responsibility Report 2010.....	P1
[Outline of the Organization].....	P2
Outline of Businesses	P5
Business Overview	P6
[Management]	
Corporate Responsibility Management.....	P8
Corporate Governance	P10
Compliance	P12
Risk Management	P14
Toward Openness in Management	P15
[Social Aspects]	
Together with Our Customers	P18
Together with Our Employees	P27
Growing with Society	P30
[Environmental Aspects]	
Together with the Global Environment.....	P33
Third-party Opinion.....	P37
Establishing Connections, Fostering Communication in the Group.....	P38
G3 GRI Content Index.....	P39

About Corporate Responsibility Report 2010

■ Report Publication Information

3.1 3.2 3.3 3.6 3.7

Published in	November 2010 (Previous Issue: December 2009; Next Issue: Scheduled for November 2011)
Scope of report	All companies and foundations in the T&D Life Group *However, the contents of the report take into account the importance of each item, and we indicate the scope of each item as necessary.
Period covered	April 2009 to March 2010 (annual) *Also includes reports on some activities after April 2010.

■ For further information, please contact the following **3.4**

Public Relations Department, T&D Holdings, Inc.
1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan
E-mail: csr@td-holdings.co.jp

■ Third-party Opinion **3.13**

Continuing from 2009, Mr. Takaji Hishiyama, principal of the Center for Corporate Behavior, who has expert knowledge and good insight into corporate ethics, corporate responsibility and socially responsible investments, provides a third-party opinion and advice regarding the contents of this report.

■ Editorial Policy **3.5**

This report was prepared with the aim of providing the stakeholders with a clear picture about the concept on and approach to corporate responsibility at the T&D Life Group. In order to have more stakeholders understand the activities of the Group, we disclose information by dividing the 2010 edition into two types of document: the Special Topics and the Data Edition. We have compiled the Special Topics, which focuses on items of great interest to stakeholders and on information that the Group would especially like to convey, into a total of 16 pages. Furthermore, in the Data Edition, we comprehensively report activities related to management, society, and the environment, in accordance with the GRI Guidelines. In collating the 2010 report, we duly took into consideration the opinions of employees, who are among our most important stakeholders, and worked together with the CSR Promotion Project Team at T&D Holdings to enrich and improve the contents and descriptions of this report.

About the Special Topics and the Data Edition (this Document) of the T&D Life Group Corporate Responsibility Report 2010

The T&D Life Group Corporate Responsibility Report 2010 discloses information in two styles: the Special Topics and the Data Edition.

Special Topics

- Discloses information, in an easily readable and intelligible way, that the Group would especially like to convey to our stakeholders

Contents

Chapter 1 "Try & Discover" for Our Customers
Chapter 2 "Try & Discover" as a Good Corporate Citizen
Chapter 3 "Try & Discover" to Protect the Global Environment
The T&D Life Group CSR Charter and Major Approaches
Top Message
Third-party Opinion

Data Edition

- Covers and reports the details of the T&D Life Group's activities
- Presents a report in accordance with the GRI Guidelines

Description of Companies (as of March 31, 2010)

2.1 2.4 2.8

T&D Holdings, Inc.

- Established ▶ April 2004
- Head office location ▶ 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan
- Capital stock ▶ 207.1 billion yen
- No. of employees ▶ 103
- Independent auditor ▶ Ernst & Young ShinNihon LLC
- Description of business ▶ Holding company for the T&D Life Group as well as for a small-amount short-term insurance company, conducting the following:
 - Management control of life insurance subsidiaries and affiliates under the Insurance Business Act and other laws and regulations
 - Other businesses associated with the above

Taiyo Life Insurance Company

- Established ▶ February 1948 (Founded May 1893)
- Head office location ▶ 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan
- Capital stock ▶ 62.5 billion yen
- No. of employees ▶ Sales: 9,014; Customer service: 823; Administrative: 3,013. Total 12,850

Daido Life Insurance Company

- Established ▶ July 1947 (Founded July 1902)
- Head office location ▶ 1-2-1 Edobori, Nishi-ku, Osaka 550-0002, Japan
- 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan
- Capital stock ▶ 110 billion yen
- No. of employees ▶ Sales: 3,976; Administrative: 3,543. Total 7,519

T&D Financial Life Insurance Company

- Established ▶ July 1947 (Founded April 1895)
- Head office location ▶ 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan
- Capital stock ▶ 56 billion yen
- No. of employees ▶ 330

■ Industry association to which the three life insurance companies belong

4.13

The Life Insurance Association of Japan

Awards Received during the Reporting Period

2.10

- UCDA Award 2010, Business Forms Division, Comprehensive Notification Category (July 2010, Sponsored by: Universal Communication Design Association)
Daido Life won the "UCDA Award 2010" and the "Information Intelligibility Award," and Taiyo Life won the "Special Award."

- Informatization Month Promotion Conference Chairman's Award (October 2009, Sponsored by: Ministry of Economy, Trade and Industry, and others)
Daido Life's sales support system "Ace Navi" (developed by T&D Information Systems and Daido Life) was commended for balancing security and usability, drastically improving the productivity of existing operations, and building a highly secure system.

Performance of the Group Companies

2.8

	Year ended March 2008	Year ended March 2009	Year ended March 2010
Consolidated operating results (billion yen)			
Ordinary revenues	2,330.0	2,539.8	2,348.9
Ordinary profit (loss)	155.7	-183.8	80.5
Net income (loss)	36.7	-89.0	24.2
Consolidated balance sheet data (billion yen)			
Total assets	13,366.0	12,498.5	12,878.7
Net assets	677.2	296.3	630.4
Consolidated per share information (yen)			
Net income per share (loss)	149.24	-359.65	82.95
Net assets per share	2,743.16	1,076.35	1,845.79
Annual dividend per share	65.00	45.00	45.00
Management indicators (billion yen)			
Policy amount in force	59,340.3	58,097.1	57,700.0
New policy amount	6,201.8	5,991.0	6,329.9
Core profit (loss)	159.7	-27.0	131.0
Consolidated return on equity (ROE) (%)	4.2	-18.4	5.3
EEV	1,621.6	866.5	1,374.9

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

T&D Holdings, Inc. Shareholders

2.6

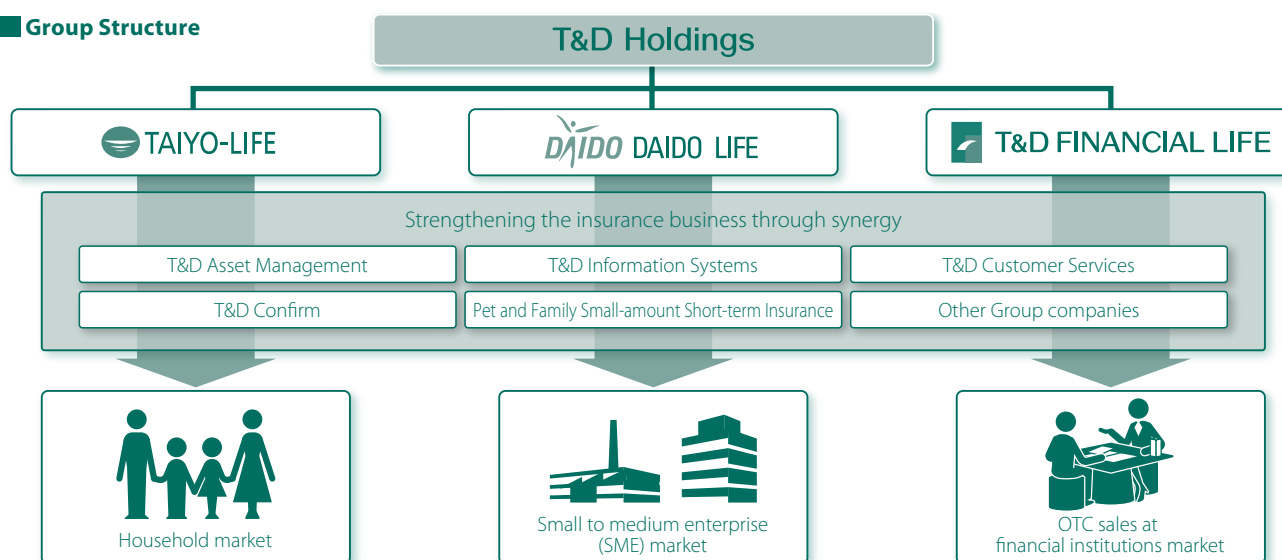
Proportion of Shares Held (as of March 31, 2010)						
Shareholder category	Financial institutions	Financial product dealers	Other corporations	Foreign corporations, etc.	Individuals and others	Total
No. of shares held (1,000 shares)	91,248	8,111	81,121	130,491	29,768	340,740
Proportion of shares held (%)	26.78	2.38	23.81	38.30	8.74	100.00

Principal Shareholders (as of March 31, 2010)		
Name	No. of shares held (1,000 shares)	Percentage of shares held vs. outstanding shares (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	16,970	4.98
The Master Trust Bank of Japan Ltd. (Trust Account)	16,851	4.95
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,524	3.09
CBNY-ORBIS Funds	6,874	2.02
The Chase Manhattan Bank N.A. London SL Omnibus Account	6,841	2.01
CBNY-ORBIS SICAV	6,782	1.99
State Street Bank and Trust Company 505225	5,673	1.67
Japan Trustee Services Bank, Ltd. (Trust Account 9G)	5,065	1.49
NIPPONKOA Insurance Company, Ltd.	4,819	1.41
OD05 Omnibus China Treaty 808150	4,104	1.20
Total	84,506	24.80

The T&D Life Group is a corporate group mainly consisting of three life insurance companies (Taiyo Life, Daido Life and T&D Financial Life) under a group holding company, T&D Holdings.

Taiyo Life, Daido Life and T&D Financial Life focus on and respectively have strength in the household market, the small to medium enterprise market, and OTC life insurance sales through financial institution agents, and these group companies support our clients' daily lives and business activities by making best use of their strong and unique business models.

■ Group Structure



T&D Life Group Companies and Foundations

<Group companies> As of March 31, 2010, the T&D Life Group consists of T&D Holdings, 16 consolidated subsidiaries and two affiliated companies, which carry out life insurance and other businesses as mentioned below.

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

T&D Holdings, Inc. <http://www.td-holdings.co.jp/e/>

Insurance and Insurance-related Businesses (7 companies)

Insurance	<ul style="list-style-type: none"> ● Taiyo Life Insurance Company http://www.taiyo-seimei.co.jp/ ● Daido Life Insurance Company http://www.daido-life.co.jp/ ● T&D Financial Life Insurance Company http://www.tdf-life.co.jp/ ● Pet and Family Small-amount Short-term Insurance Company http://www.petfamilyins.co.jp/
Insurance-related	<ul style="list-style-type: none"> ● T&D Confirm Ltd. ● Toyo Insurance Agency Co., Ltd. http://www.sonpo.co.jp/toyohkdaiko/ ● Daido Management Service Co., Ltd. http://www.dms-hp.co.jp/

Investment-related Businesses (7 companies)

Investment Management and Advisory	<ul style="list-style-type: none"> ● T&D Asset Management Co., Ltd. http://www.tdasasset.co.jp/en/index.html ● T&D Asset Management (U.S.A.) Inc.
Others	<ul style="list-style-type: none"> ● T&D Lease Co., Ltd. http://www.taiyo-life-lease.co.jp/ ● T&D Asset Management Cayman Inc. ● Taiyo Credit Guarantee Co., Ltd. http://www.taiyo-sinyo-hosyo.co.jp/ ◆ Alternative Investment Capital Ltd. http://www.aicapital.co.jp/english/index.html ◆ AIC Private Equity Fund General Partner, Ltd.

Administration-related Businesses (4 companies)

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

Foundations

The Taiyo Life Welfare Foundation	http://www.taiyolife-zaidan.or.jp/
Daido Life Welfare Foundation	http://www.daido-life-welfare.or.jp/
The Daido Life Foundation	http://www.daido-life-fd.or.jp/

Outline of Businesses

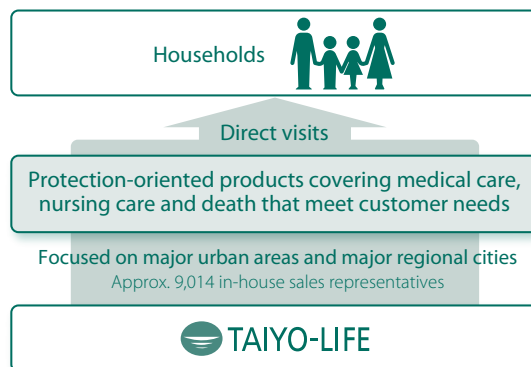
2.2 2.3 2.7 FS6 FS7

Life Insurance

Taiyo Life Insurance Company Supporting Households through Comprehensive Life Security

In the household market, Taiyo Life promotes the sale of protection-oriented insurance products covering medical care, nursing care, and death, through in-house sales representative channels. As of the end of fiscal 2009, the number of customers was 2.41 million, more than 70 percent of whom were women. Our in-house sales representatives call on customers, directly ask their needs and suggest most appropriate insurance products to them. Additionally, customer service staff calls on customers regularly to let them know about new products and services, take care of various formalities on their behalf and handle various requests. In order to earn the trust of our customers and become a much needed lifelong partner for them, we are striving to be better prepared to offer the most suitable products and services through face-to-face consultation.

Taiyo Life's Business Model



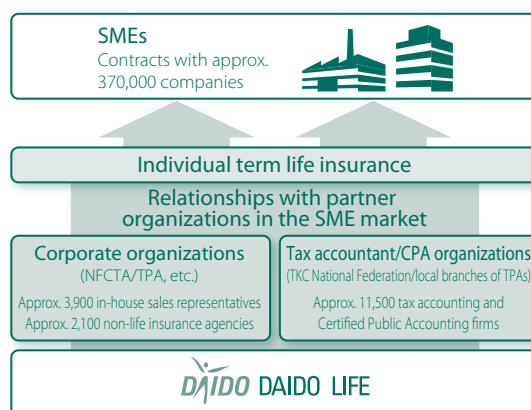
as of March 2010

Daido Life Insurance Company Supporting SMEs, which Form the Backbone of the Japanese Economy

Daido Life positions, as its core business, the sale of partner-specific insurance products through its partner organizations in the SME market, and has developed an effective marketing system that links market, sales channels and products organically. Daido Life develops insurance products specially designed for each partner organization and the partner-specific products so developed are proposed by in-house sales representatives to member enterprises of the partner organizations. These products are also introduced by tax accountants belonging to the partner organizations to their corporate clients as a part of their management advice.

In fiscal 2009, over 90 percent of our new contracts were made with corporate clients and our market share in individual term insurance was the largest in Japan, 20.1% as of March 31, 2009, in terms of policy amounts in force. We will continue developing and offering the insurance products that meet the needs of corporate owners in the SME segment.

Daido Life's Business Model



as of March 2010

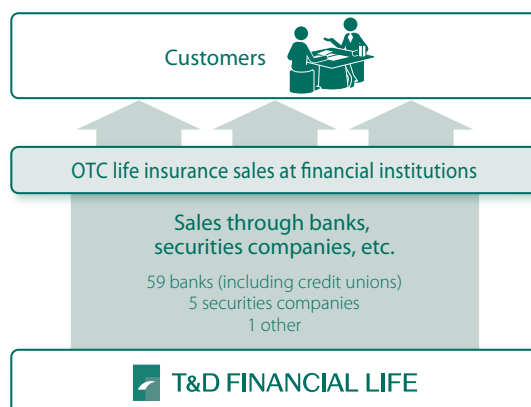
T&D Financial Life Insurance Company Providing Living Expenses for Surviving Families and Post-retirement Life

T&D Financial Life specializes in OTC life insurance sales through financial institution agents.

We put an emphasis on the following management policies: to strengthen our compliance program and internal control system to fully protect customers' interests; to improve the efficiency of sales channel including financial institution agents to achieve sustainable growth; and to increase the amount of insurance policies in force and improve profitability while maintaining sound financial health. In accordance with these management policies, we will develop new products to meet customer needs and provide quality service through the communicators (call-center agents) who handle inquiries and applications for benefits from customers.

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

T&D Financial Life's Business Model



as of August 31, 2010

Asset Management

T&D Asset Management Co., Ltd.

As the core asset management company in the T&D Life Group's asset management business, T&D Asset Management aims to be one of the most highly trusted asset management companies in Japan. In addition, as a fundamental strategy, guided by the slogan "Make a Difference," T&D Asset Management strives to be a high-quality asset management company strongly differentiated

from its competitors in the investment trust and investment advisory business. T&D Asset Management is strengthening internal asset management expertise and leveraging alliances with leading overseas asset management institutions to provide products and services that respond to new investor needs in a timely manner.

Pet Insurance

Pet and Family Small-amount Short-term Insurance Company

Pet & Family Small-amount Short-term Insurance Company is an insurance company specializing in pet insurance that compensates for a certain percentage of the costs incurred when a pet, a member of the family, receives treatment at an animal hospital. With the acceleration of Japan's declining birthrate and aging population, and the rise in the number of single-member households, the number of pets is increasing and the attitude of pet owners is

changing as they see their pets as family members. Pet insurance market is expected to continue growing and, in such an environment, Pet & Family Small-amount Short-term Insurance Company will strive to enhance its products and services more than ever so that pets and pet owners can enjoy healthy and affluent lives with peace of mind.

Business Overview

Fiscal 2009 (Ended March 2010)

EC1

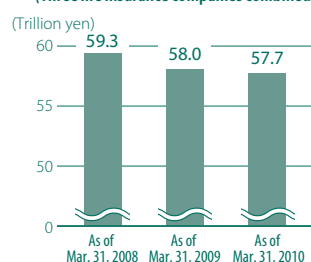
New insurance policies for the Group's three life insurance companies combined (individual insurance and individual annuities) were 6,329.9 billion yen, up 5.7 percent year on year, while surrendered and lapsed policies were 5,112.4 billion yen, down 4.9 percent year on year, bringing the amount of policies in force to 57.7 trillion yen at the fiscal year end, down 0.7 percent year on year.

On a consolidated basis, ordinary revenues was 2,348.9 billion yen, down 7.5 percent year on year, of which income from insurance premiums was 1,898.3 billion yen, up 14.7 percent year on year, and an ordinary profit was 80.5 billion yen, up 264.4 billion yen year on year.

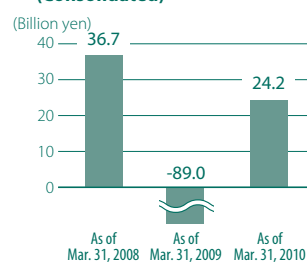
Net income was 24.2 billion yen, increased by 113.3 billion yen year on year.

Core profit, a performance indicator for the mainstay life insurance business, returned to profit at 131 billion yen for the Group's three life insurance companies combined, increased by 158.1 billion compared to the preceding year.

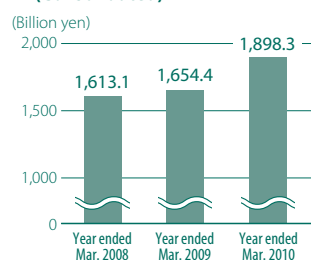
Policy Amount in Force (Three life insurance companies combined)



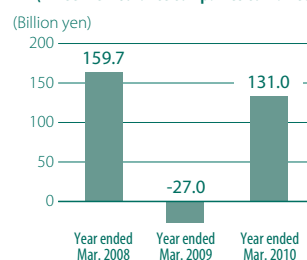
Net Income (Loss) (Consolidated)



Income from Insurance Premiums (Consolidated)



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



Please visit the T&D Holdings website for details of earnings in the most recent account closing period.

Corporate Value (EEV)

EC1

The T&D Life Group has disclosed its embedded value (EV), one of the indicators for assessing the corporate value of a life insurance company, and in fiscal 2006, the Group adopted European Embedded Value (EEV) based on the EEV Principles, which has mainly been prevailing among European insurance companies.

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

Corporate Value of the T&D Life Group

(Billion yen)

	As of Mar. 31, 2009	As of Mar. 31, 2010	Change
EEV	866.5	1,374.9	508.4
Adjusted net worth	535.3	834.6	299.3
Value of in-force business	331.1	540.2	209.0
Value of new business	28.5	51.1	22.5

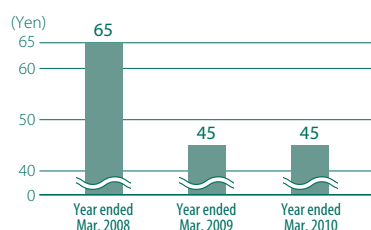
Please visit the T&D Holdings website for details.

Basic Profit Distribution Policy

EC1

T&D Holdings has a policy of maintaining the soundness of its own operations and those of the Group companies, securing retained earnings required by the Group, enhancing shareholder value, and continuing a stable profit distribution. The annual cash dividend for fiscal 2009 was set at 45 yen per share, same as the previous year.

Annual Cash Dividend per Share



Solvency Margin Ratio

EC1

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

Solvency Margin Ratio

(Unit: %)

	As of Mar. 31, 2008	As of Mar. 31, 2009	As of Mar. 31, 2010
Taiyo Life	1,000.6	866.4	1,023.8
Daido Life	1,095.3	820.7	1,120.6
T&D Financial Life	912.4	832.0	643.4
Pet and Family Small-amount Short-term Insurance	17,561.0	4,212.7	683.6

* 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.

Credit Ratings

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

(as of September 16, 2010)

Rating Agency	Taiyo Life	Daido Life	T&D Financial Life
Standard & Poor's (S&P)	A-	A-	
Japan Credit Rating Agency (JCR)	A+	AA-	A
Rating and Investment Information (R&I)	A+	A+	A+
Fitch Ratings		A+	
Moody's Investors Service	A2		

Disclaimer: The above ratings represent the opinions of credit rating agencies and do not guarantee any actual payment of insurance claims. These ratings are based on numerical figures and other data as of a certain date and may change in the future. The rating agencies listed above are designated as such under Japanese Cabinet Office Ordinance, and the definition of ratings is made public by each rating agency. The plus (+) and minus (-) signs or figures (2), etc. following the ratings show relative standings within the major rating categories. All ratings were obtained through formal requests to the rating agencies by the Group's three life insurance companies.

Definition of Ratings

- **Standard & Poor's (S&P)**

<Insurer Financial Strength Ratings>
Rating A: Has strong ability to honor commitments on obligations but is somewhat more likely to be affected by adverse business conditions than insurers with higher ratings.
- **Japan Credit Rating Agency (JCR)**

<Insurance Claims Payment Ability Ratings>
Rating AA: Very strong ability to honor financial commitments on obligations.
Rating A: Strong ability to honor financial commitments on obligations.
- **Rating and Investment Information (R&I)**

<Insurance Claims Payment Ability Ratings>
Rating A: Strong ability to pay insurance claims and excellence in some evaluation factors.
- **Fitch Ratings**

<Insurer Financial Strength Ratings>
Rating A: High level of payment ability. Unlikely to suspend or stop payments and has strong ability to fulfill its obligations to insurance policy holders and other contract obligations without delay. However, faces a stronger possibility of being affected by changes in business or economic conditions than insurers with higher ratings.
- **Moody's Investors Service**

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

Corporate Responsibility Management / T&D Life Group's Corporate Responsibility

Message from Top Management

1.1 1.2

Life insurance, the core business of the T&D Life Group, has a critical public and social mission of providing assurance to support people's lives and society.

To discharge this mission, all the members of the Group are striving to bolster the foundation of their activities by taking full advantage of the strengths of their respective original business models. At the same time, they have mounted approaches to qualitative improvement of products and services anticipating the needs of the times and society, while having each and every one of the executives and employees prize the customer's perspective and give the earnest thoughts to the question of what is currently expected from us.

To achieve sustainable growth, it is essential for enterprises to earn and keep the trust of, and advance with, society at large. To this end, we in the T&D Life Group endeavor to enable our executives and employees to properly execute their duties with a keen sense of mission and pride in their work. At the same time, I believe we must never forget our

indebtedness to the society and global environment as the bases of our activities, and strive to make a positive contribution to a sustainable and better tomorrow through a concerted effort by the entire Group.

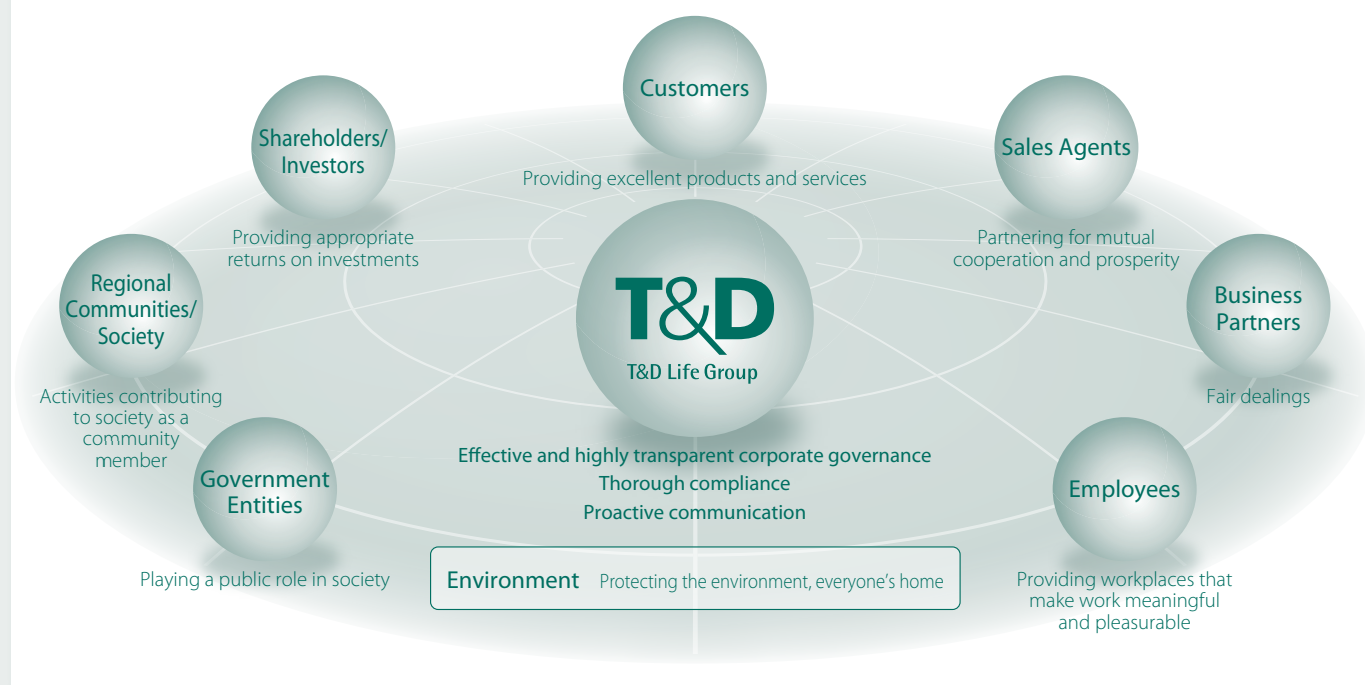
We in the T&D Life Group practice a corporate philosophy advocating contribution to people and society by creating value with our "Try & Discover" motto. If we do not try and take up challenges in keeping with this philosophy, there can be no discovery. We must take this logic as our starting point, and constantly ask ourselves what we can do for further growth, however slight. I intend to see that each and every one of our executives and employees always thinks and acts in his or her own capacity, so that we can live up to the trust placed in us by all the stakeholders.

Naoteru Miyato

Representative Director and President
T&D Holdings, Inc.

The T&D Life Group and its Stakeholders

4.14



Basic Concept of Corporate Responsibility

4.8

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

The Group has set forth its Corporate Philosophy and Management Vision (on the right). Based on them, it has also established the T&D Life Group CSR Charter (below), which comprises the basic policies to further promote its CSR activities. In addition, based on the T&D Life Group Compliance Code of Conduct (p.12), which comprises the basic policies for complying with laws and regulations, the T&D Life Group Basic Policy for Strengthening the Compliance Structure, and the T&D Life Group CSR Charter, the Group has established the T&D Life Group Environmental Policy (p.33), which comprises the basic policies for protecting the environment. Through all these policies, the Group actively promotes CSR activities.

T&D Life Group's Corporate Philosophy 4.8

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

T&D Life Group's Management Vision

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

T&D Life Group CSR Charter

4.8

FS1

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

1. Providing Better Products and Services

The T&D Life Group will offer well-suited and high-quality products that meet customer needs.

2. Strict Compliance

- The T&D Life Group will strictly observe laws, regulations and rules, and act with integrity.
- The T&D Life Group will maintain and promote fair and free competition.
- The T&D Life Group will stand firmly against antisocial forces and groups that may threaten the order or safety of civil society.

3. Respect for Human Rights

- The T&D Life Group will respect human rights, and make efforts to enlighten all its employees on human rights.
- The T&D Life Group will respect the individuality of all its employees, ensure a safe and rewarding work environment, and develop its human resources.

- The T&D Life Group will respect privacy, and will strictly control and protect personal information.

4. Communication

The T&D Life Group will widely disclose its management information in an appropriate and timely manner to the public as well as to its customers and shareholders, and will actively strive to maintain a dialog with all its stakeholders.

5. Contribution to Communities and Societies

The T&D Life Group will implement social action programs as a good corporate citizen, and will make contributions to the sound development of regional communities and society.

6. Global Environmental Protection

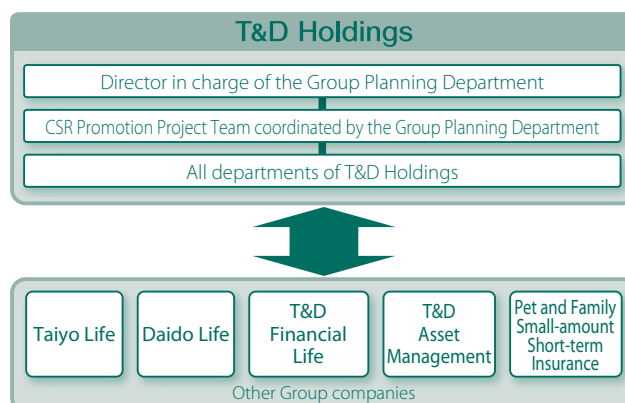
The T&D Life Group will carry out its activities with full awareness of the importance of environmental concerns, and with sufficient consideration given to global environmental protection.

Promotion Structure for the Group-wide Corporate Responsibility

4.9

At the T&D Life Group, all the T&D Holdings departments and the Group companies proactively promote corporate responsibility activities respectively in their business activities. The Group Planning Department at the T&D Holdings coordinates group-wide corporate responsibility activities and reports on the status of activities to management. As a structure designed to steadily promote the Group's corporate responsibility activities, the CSR Promotion Project Team was established and all the department managers in T&D Holdings participate in this team. Discussions on overall directions across all departments, ranging from the Group's core corporate responsibility policies to specific measures, take place at the CSR Promotion Project Team.

Group-wide Corporate Responsibility Promotion System



Corporate Governance

Basic Concept of Corporate Governance

4.1 4.10

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

Based on this concept, T&D Holdings determines the Group's business strategies, appropriately allocates management resources and sets capital policies. In addition, T&D Holdings appropriately identifies the business risks of its five direct subsidiaries (Taiyo Life, Daido Life, T&D Financial Life, T&D Asset Management, and Pet and Family

Small-amount Short-term Insurance) to create a system for supervising Group management by thoroughly managing revenues and risks for the entire Group. Meanwhile, the direct subsidiaries, which have their own business strategies, develop marketing strategies leveraging their strengths, in order to maximize their independence and individuality and increase the Group's corporate value. In this way, the Group is committed to management that clarifies the respective roles and responsibilities of T&D Holdings and its direct subsidiaries.

Corporate Governance Framework

4.1 4.10

● Board of Directors

4.2 4.3 4.5 4.7

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

Director candidates are appointed through assessments of their qualifications by the Board of Directors. External directors are appointed as independent directors, who do not present any risk of creating a conflict of interest with general shareholders. Director remunerations are performance linked and determined by reflecting the performance of the company and the respective department in charge. There is no stock option program in place.

Chairman of the Board of Directors	President
Directors	9
External director	1
External director's role	The Board's external director provides specialist knowledge as a lawyer and offers comments regarding deliberation of the agenda as necessary.

● Executive Officer System

4.2

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

● Board of Corporate Auditors

4.6

T&D Holdings has established a Board of Corporate Auditors. The auditors monitor the operating performance of directors and executive officers by means of attending important meetings, such as those of the Board of Directors, Executive Committee, Group Management Committee, Group Risk Control Committee and Group Compliance Committee, as well as by other means. External corporate auditors are appointed as independent auditors, who do not present any risk of creating a conflict of interest with general shareholders. The Board of Corporate Auditors receives reports from individual auditors on important audit issues, and discusses and makes decisions on the issues.

Auditors	4
External corporate auditors	2
External corporate auditors' role	At meetings of the Board of Directors and the like, from technical standpoints as lawyers or university professors, the external corporate auditors offer necessary comments regarding deliberation of the agenda as necessary.

● Executive Committee and Group Management Committee

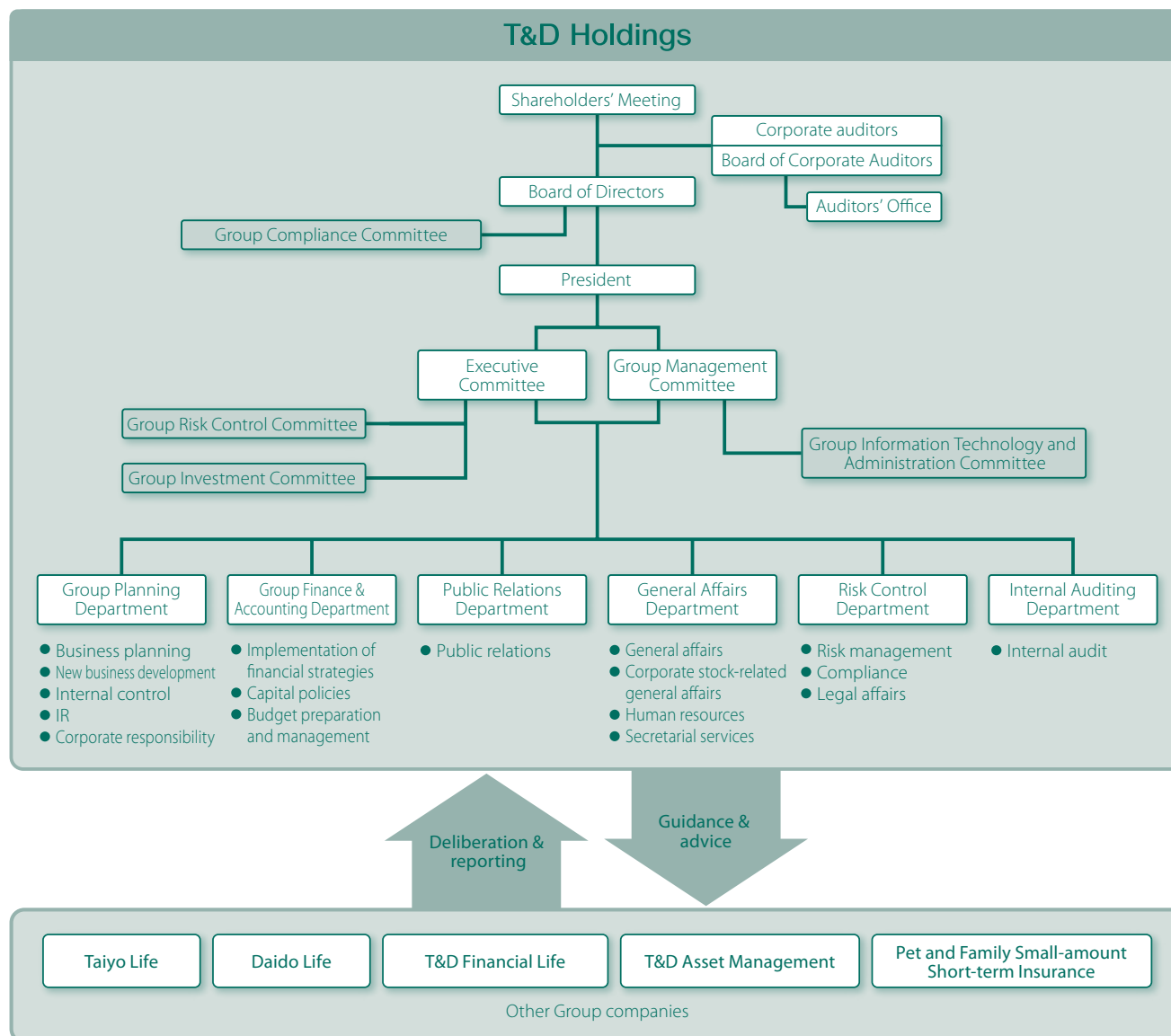
4.2

T&D Holdings has established an Executive Committee and a Group Management Committee. The Executive Committee at T&D Holdings is composed of the President and the executive officers, and it primarily discusses important business and management issues related to T&D Holdings and the Group.

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

Outline of Corporate Governance Structure

4.1 4.10



T&D Life Group Internal Audit System

4.6 4.10 FS9

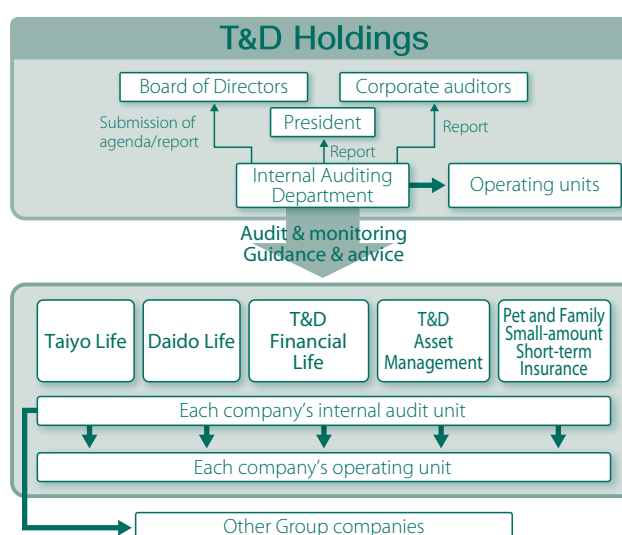
Within the T&D Life Group, T&D Holdings and the direct subsidiaries have established independent internal audit units.

The internal audit units conduct audits of the operating units, examining and assessing the appropriateness and effectiveness of the internal management system and legal and other compliance system, and identifying and raising issues related to them, in order to effectively achieve management objectives. The internal audit units also give advice on possible improvements.

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

Outline of the Group's Internal Audit System

➔: Audit



● Establishment of Internal Control System

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

● The Internal Control Reporting System

Meanwhile, an internal control reporting system was introduced in accordance with enforcement of the Financial Instruments and Exchange Act. This system puts in place the internal controls necessary for ensuring the appropriateness of securities reports and other financial reports. Furthermore, once executive managers have themselves assessed and reported on the validity of those reports, the appropriateness of the assessment is then audited by certified public accountants or other outside auditors.

Compliance

Basic Concept of Compliance

4.11

The T&D Life Group publicly states that we will fulfill our social responsibilities based on high ethical standards and strict compliance practices as part of our management vision, and prioritize compliance in corporate management. Based on the understanding that compliance is the core

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

The T&D Life Group Compliance Code of Conduct

4.8 4.11 FS1

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

employees and directors to support them in complying with laws and rules in their daily business operations.

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

1. Strict Compliance with Laws, Regulations, and Rules

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

2. Maintenance and Promotion of Fair and Free Competition

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

3. Proper Information Disclosure

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

4. Proper Information Management

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

5. Prohibition of Insider Trading

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

6. Response to Antisocial Powers

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

7. Limitations on Business Entertainment

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

8. Distinction between Private and Public Matters

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

9. Respect for Human Rights

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

Responsibility and Duty of Management

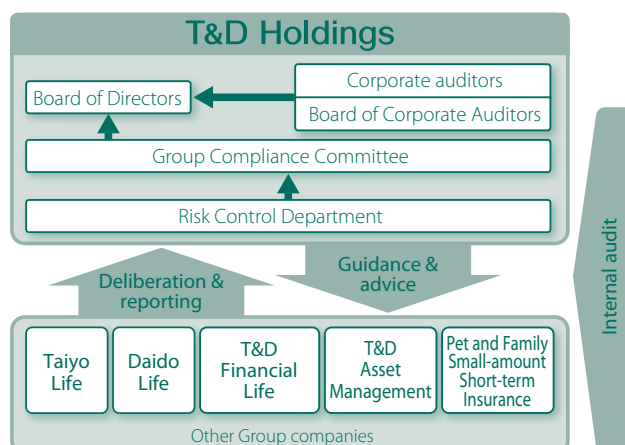
The T&D Life Group management will act while recognizing the observance of the code of conduct as their responsibility and duty and strive to disseminate the code of conduct among Group companies and play a leading role in promoting the observance of the code.

Group Compliance Promotion Structure

4.11 FS4

T&D Holdings has established a compliance promotion structure based on the T&D Life Group Basic Policy for Strengthening the Compliance Structure. The Group Compliance Committee oversees and improves the Group's compliance arrangements. This committee, headed by the President and comprised of all executive officers, examines compliance-related matters and reports findings to the Board of Directors, presenting a detailed report if necessary, to ensure thorough compliance. T&D Holdings also has a Risk Control Department, which has overall responsibility for promoting compliance. In coordination with the compliance units of the Group's three life insurance companies and other Group members, this department performs regular monitoring and provides these companies with guidance and advice. The Group's three life insurance companies and other Group members also have compliance promotion systems consisting of the compliance committees and the departments in charge of compliance.

Outline of the Group Compliance Promotion Structure



Compliance Promotion Activities

4.11 SO3 FS4

● Compliance Program

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

● Compliance Manual

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

● Compliance Card

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

Whistleblower System

4.11

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

● Implementation of the Whistleblower System

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

Risk Management

Basic Concept for Risk Management

4.9

The T&D Life Group has formulated a Group Risk Management Policy setting forth the Group's basic approach to risk management. In light of the social and public nature of the life insurance business, the Group positions risk management as a key management priority

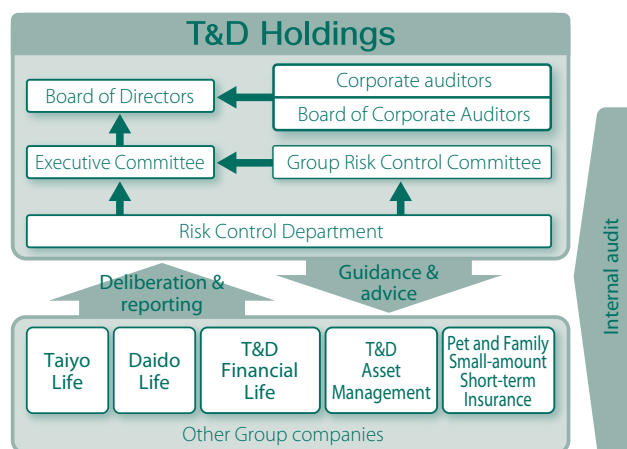
in order to ensure sound and appropriate management. Under the comprehensive management of the holding company, T&D Holdings, each Group company takes responsibility for implementing appropriate risk management based on the principle of self-responsibility.

Risk Management System

4.9 SO2

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

■ Outline of the Group's Risk Management System



Risk Classification and Responses

4.9 4.11 EC2 FS2

The T&D Life Group classifies major management risks as shown below. Risk management policies have been established for each of these risks, and efforts are made to

prevent these risks from occurring or to control them within certain acceptable levels.

■ Risk Classifications

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

Please visit the T&D Holdings website for details of risk classification and responses.

Crisis Management

4.11

The T&D Life Group has formulated Rules on the Group's Crisis Management, which address basic matters related to the Group's response to crisis situations. In the case of major natural disasters and similar events, these rules place priority on the lives and safety of our executives and employees, and taking into consideration support for affected areas and other contributions to society, recognize that continuing or rapidly resuming insurance

claim and benefit payment operations is an important social mission, and therefore set forth basic policies for readying systems to make this possible. The Group has also implemented measures such as a system for confirming the personal safety of the executives and employees and Group-wide practice drills in the event of a major earthquake directly hitting Tokyo, to ensure the effectiveness of the Group's crisis response systems.

Toward Openness in Management

Basic Concept		4.16
<div>● Management Reflecting Stakeholders' Opinions</div> <div>At the T&D Life Group, proactive communication with stakeholders is set out in the T&D Life Group CSR Charter. (See p.9, "4. Communication")</div> <div>The Group's three life insurance companies set up opportunities for direct dialogue with and participation in management by the policyholders, agents and other stakeholders to reflect their opinions in the management of the companies.</div> <div>● Proactive Disclosure</div> <div>The T&D Life Group pursues proactive communication activities and works to provide straightforward information to customers, shareholders, investors, and all other stakeholders.</div> <div>To maintain and even heighten the trustworthiness in the eyes of society, T&D Holdings and the Group's three life</div>		
		<div>insurance companies have formulated Disclosure Rules*. In keeping with the Rules, we are striving to assure the transparency of management by proactive disclosure and to practice well-managed information disclosure on the Group level in a timely, fair and accurate manner in the event of emergency.</div> <div>Each Group company issues disclosure brochures on its management policies, business performance and other matters, and posts product and service information, company news and other information on its website.</div> <div>T&D Holdings informs its shareholders, numbering 295,901 as of March 31, 2010, of the status of Group operations and other matters twice a year, in June and December, through shareholder news bulletins.</div> <div><small>* Based on its Disclosure Rules, T&D Holdings has prepared and makes available a Basic Disclosure Policy.</small></div>

External Participation in Management		4.16
<div>The Group's three life insurance companies work toward appropriate and transparent business management through the participation of outside experts in some internal committees dealing with key management issues.</div>		
<div><div>Payment Assessment Special Committee</div><div>Taiyo Life</div><div><External members> Attorneys, consumer affairs experts, and others</div><div><Main issues considered> Assessment of insurance claims and benefits, payment administration; improvement of insurance claim documents; appropriate insurance claim payment operations</div></div>		
<div><div>Advisory Council for Insurance Payment</div><div>Daido Life</div><div><External members> Attorneys and consumer affairs experts</div><div><Main issues considered> Re-examination of non-payment claims; deliberation on payment complaint responses and dispute settlements; improvement of clarity of notices and documentation provided to the customers</div></div>		
<div><div>Service Supervision Committee</div><div>T&D Financial Life</div><div><External members> Attorneys, consumer affairs experts and media representatives</div><div><Main issues considered> Protection of policyholders' interests by ensuring appropriate payment structure for insurance claims and benefits as well as comprehensive deliberation on activities for improving customer satisfaction</div></div>		

Policyholder Meetings

Taiyo Life

4.16

PR5

FS5

FS16

Taiyo Life holds regular meetings with policyholders called "Taiyo Life Fureai Club" in order to have them gain a deeper understanding about Taiyo Life and life insurance, as well as to ask them for their opinions and requests. In fiscal 2009, the meetings were held at 78 branches, one sales office, and 50 venues in July and attended by 790 people.

We made presentations on our business and services and received 235 opinions from the participants concerning a broad range of our business operations. The feedback from policyholders were shared by the whole company as valuable information and utilized to achieve improvements in various business practices.

Business Partner Meetings

Daido Life

4.16

PR5

FS5

Daido Life builds partnerships with the organizations of tax accountants and certified public accountants aiming at offering life insurance products to the clients of the members of these organizations. These partner organizations and agents are the key stakeholders of Daido

Life. Daido Life holds various meetings and gatherings with the partners to report the latest developments of the business and to hear their views on Daido Life's business operations.

Shareholders' Meetings

4.4

4.16

T&D Holdings views shareholders' meetings as important opportunities for communicating with shareholders, and endeavors to hold accessible and open shareholders' meetings in accordance with our basic policies. When a shareholders' meeting will be held, to allow shareholders enough time to study the agenda, we send a notice of AGM as early as possible, and we also post the notice and a complete English translation on our website.

In addition, we have introduced electronic voting over the Internet to improve shareholders' convenience. At the shareholders meetings, presentations, clarified with a lot of charts and illustrations, by the President are displayed on a large screen to help shareholders better understand the company's operations. These meetings are attended by many shareholders and there is an active question and answer session.

IR Activities

4.16

T&D Holdings proactively engages in IR activities based on the principles of timeliness, fairness and accuracy, and works to provide continuous, straightforward information on the Group's management and financial conditions. More specifically, it holds business results briefings and teleconferences for domestic and overseas investors, visits

key institutional investors, and actively engages in exchanging opinions with securities analysts. Feedback from investors and analysts received through IR activities are regularly communicated to management team to improve management.

Principles for Responsible Investment (PRI) Taiyo Life

4.9 4.12 FS12

In order to further fulfill its social responsibility as an institutional investor, Taiyo Life determined that it was essential to exert more influence on society and the global environment through investment and lending activities to a greater extent than ever and contribute to realization of a sustainable society. In March 2007, Taiyo Life became the first Japanese life insurance company to sign the Principles for Responsible Investment (PRI)*¹, a global investor initiative in partnership with the UNEP Finance Initiative (UNEP FI)*² and the UN Global Compact. Before signing the PRI, Taiyo Life had taken into account profitability, safety, and public nature in making investment of insurance premiums received from the customers, and also, when necessary, took actions to suspend or refrain from business transaction with companies involved in

scandals or social problems.

After signing the PRI, the company has developed its asset management process based on the PRI, and promoted asset management taking into account the issues of the environment (E), society (S), and corporate governance (G). The latest information on our activities concerning PRI is posted on the Taiyo Life website*³.

*¹ The PRI, comprised of six principles, are a code of conduct to encourage institutional investors and the like to take ESG (environmental, social, and corporate governance) issues into account in their investment behavior.

*² The UNEP FI is a broad, close-nit partnership comprised of approximately 190 financial institutions from all over the world. In aiming for balance between economic development and environmental protection, it carries out information exchange and coordination activities with a large number of financial institutions.

*³ Taiyo Life's Principles for Responsible Investment (PRI) Activities
http://www.taiyo-seimei.co.jp/summary/pri.html

The Principles for Responsible Investment and Taiyo Life's Main Activities

The Principles for Responsible Investment	Main Activities
1) We will incorporate ESG issues into investment analysis and decision-making processes	<ul style="list-style-type: none"> The company has adopted the guidelines for investment and lending in due consideration of environment, society, and corporate governance aspects, and has incorporated ESG issues into asset management processes. The company has reflected the PRI concept in its internal rules and regulations for asset management.
2) We will be active owners and incorporate ESG issues into our ownership policies and practices	<ul style="list-style-type: none"> The company has specified the PRI concept in the proxy voting guidelines, and plays a role as a responsible shareholder. Taiyo Life discloses, on the company website, its basic policy on proxy voting for domestic shares.
3) We will seek appropriate disclosure on ESG issues by the entities in which we invest	<ul style="list-style-type: none"> In order to check the latest situation of investees and borrowers in terms of ESG, the company collects and carefully reviews the CSR reports (environmental reports) published by them.
4) We will promote acceptance and implementation of the Principles within the investment industry	<ul style="list-style-type: none"> The company is exchanging information and opinions on PRI with other signatory companies.
5) We will work together to enhance our effectiveness in implementing the Principles	
6) We will each report on our activities and progress towards implementing the Principles	<ul style="list-style-type: none"> Taiyo Life reports the status of its activities on its website and in its corporate communication reports. The company promotes employees' awareness about PRI by means of internal seminars, in-house magazines and e-learning.

Inclusion in SRI Indexes

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

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

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

T&D Holdings is a member of the following SRI Indexes

(as of September 1, 2010)

MS-SRI (Morningstar Socially Responsible Investment Index)



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

FTSE4Good Global Index



FTSE4Good

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

MSCI World ESG Index (Renamed from FTSE KLD Global Sustainability Index)

The MSCI World ESG Index, originally developed by the U.S. company, KLD Research & Analytics, Inc., is a global socially responsible investment index provided by MSCI Inc. since 2010. It is composed of companies, by region and by industry sector, with high comprehensive ratings for environment, society, and governance.

Together with Our Customers

Basic Concept

PR1 FS5

● Obtaining Customer Feedback through Daily Business Activities

In the course of daily business activities, the Group's three life insurance companies receive feedback from their customers. We set up many points of contact with customers, such as sales representatives, agents, call centers (Customer Service Centers), the Internet and so forth, to continually enhance the system for gathering customer feedback. We also conduct regular, as well as ad-hoc, surveys to straightforwardly ask customers about their satisfaction level.

● Reflecting Customer Feedback in Operations

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

Examples of Improvements Based on Customer Feedback

4.17 PR1

	Customer's opinions	How we responded
Taiyo Life	● As I want to increase the coverage of my current insurance a little, I wonder if you can develop an insurance program which can add protection after the contract.	● In October 2009, we started offering of add-on contracts. Customers who have purchased <i>Hoken Kumikyoku Best</i> are now able to add the latest and most appropriate protection depending on the life cycle stages of the customers even after the purchase. Reduced insurance premium for <i>Hoken Kumikyoku Best</i> is also applied to the additional coverage of <i>Hoken Kumikyoku Best</i> .
	● On a payment slip for repayment of a policyholder loan, there was description that I made a loan. I felt ashamed when I made the repayment at a post office service counter.	● In order not to show personal loan information to postal office or convenience store staff, we deleted a description about the loan on payment slips and instead put some symbols understood by our staff only.
Daido Life	● When I made a contract for insurance, I was asked to pay the insurance premium from banks, but I am so busy that I do not have time to visit banks during their operating hours.	● For the first insurance premium payment, payment from convenience stores is now available in addition to payment from banks.
	● It is difficult to judge whether surgery that I underwent when I was hospitalized will be covered by the insurance policy.	● We revised our "Insurance Claims Leaflet (Insurance Benefits)" to make it easier to understand. For approximately 60 types of typical surgeries and parts of body such as digestive system frequently enquired, we indicate if they are subject to benefit payments in consideration of contract date.
T&D Financial Life	● The following matters are important information for policyholders and I wonder if they need to be specified in the documents delivered prior to execution of contract (reminder information). Rights to claim annuities and insurance benefits expire after three years from the occurrence of the event subject to payment; events that trigger insurance payment claims; procedures to make claims; and the cases subject to or not subject to payment of insurance benefits.	● We revised the documents delivered prior to execution of contract (reminder information) by clarifying these points and refining the descriptions so that customers are fully aware of these.
	● It is hard to understand which seal to affix in the insurance policy loss notification section of the "Annuity Claim Form." Also, since the postal code section is small, it is difficult to enter a postal code.	● We have clearly notified that the seal appeared on seal-registration certificate should be affixed in the insurance policy loss notification section of various insurance benefit claim forms. Also we have enlarged the postal code section of the forms for customers to easily enter postal code.

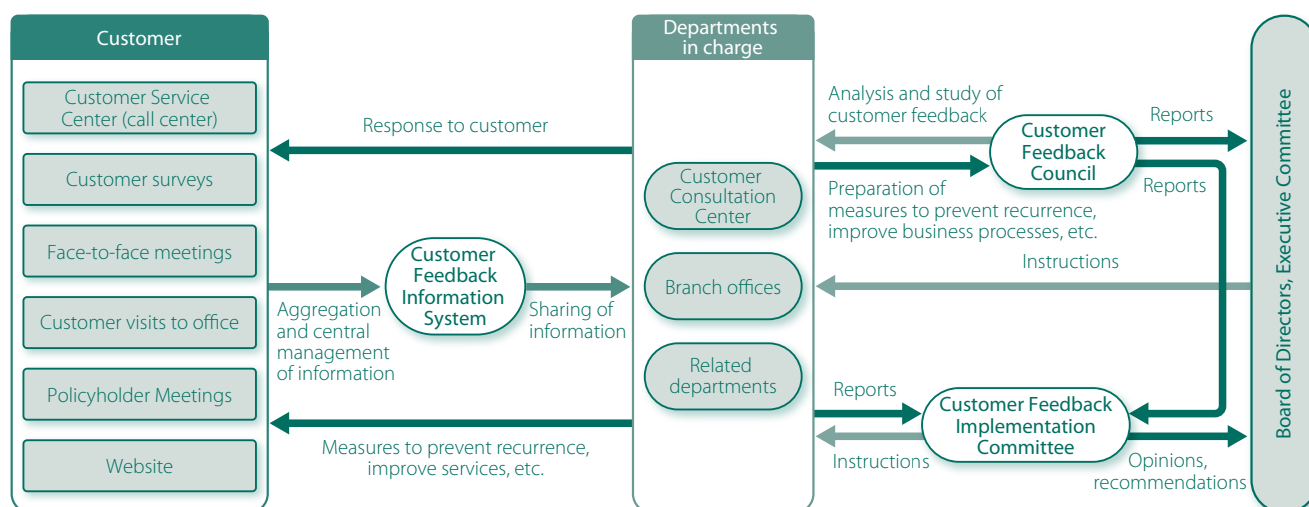
Activities to Respond to the Customer Feedback

Measures Taken by Taiyo Life

PR1

PR5

● System for Reflecting the Customer Feedback in Operations



● “Q-up Campaign”: Company-wide Campaign for Business Process Improvements

At Taiyo Life, a campaign to increase customer satisfaction through business process improvements utilizing the customer feedback is called the Q-up Campaign, and it has been carried out company-wide since fiscal 2007. “Q-up,” an abbreviation for “quality up,” means quality improvements in various areas such as business practices and services.

A distinguishing feature of the Q-up Campaign is that each employee personally thinks and acts from the customers' point of view and works on improving the quality of services. In fiscal 2009, based on the management vision established in April 2008, the theme “Uncompromising Pursuit of Trust and Customer Satisfaction” was set forth as company-wide unified theme.

Every employee at the Head Office and branches has affirmed his or her department's commitment to take concrete action toward improving customer satisfaction, and every employee has worked hard to fulfill the commitment.

As a part of the “Q-up Campaign” activity, once a year, the departments that have achieved excellent results were invited to the awards ceremony. At the award ceremony in 2009, 25 teams consisting of 21 branches and 4 departments at Head Office, made a presentation on their activities and the results achieved during the year, which offered employees a valuable opportunity for mutual learning.

● Obtaining ISO 10002 Certification

Taiyo Life is promoting business practice improvement based on feedback from customers. In March 2008, as a part of such an initiative, Taiyo Life obtained ISO 10002, a third-party certification for Quality management—Customer satisfaction—Guidelines for handling of complaints within organizations, to further promote the establishment of our business improvement activities in the daily operations. Since obtaining its certification, it has undergone regular conformity assessment by a third-party certifying organization once a year.

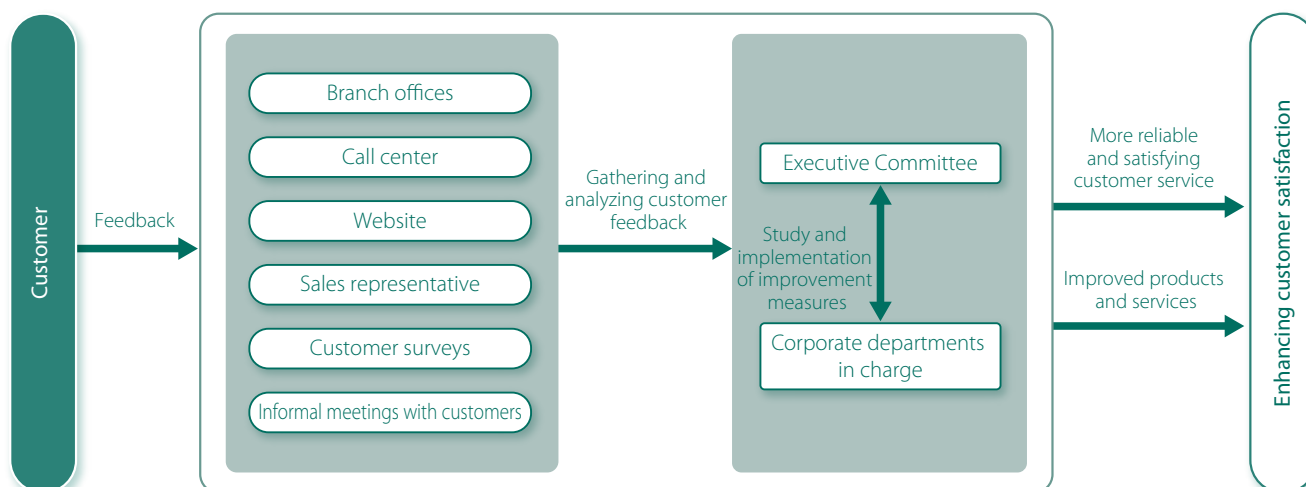
● Breakdown of Customer Feedback Received

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

	FY 2007		FY 2008		FY 2009	
	No. received	%	No. received	%	No. received	%
Complaint*	21,417	44.6	16,207	31.6	14,059	30.7
Comment, request & suggestion	3,714	7.7	5,465	10.6	2,324	5.1
Appreciation & praise	22,904	47.7	29,676	57.8	29,437	64.2
Total	48,035	100.0	51,348	100.0	45,820	100.0

* Complaint refers to expression of customer dissatisfaction

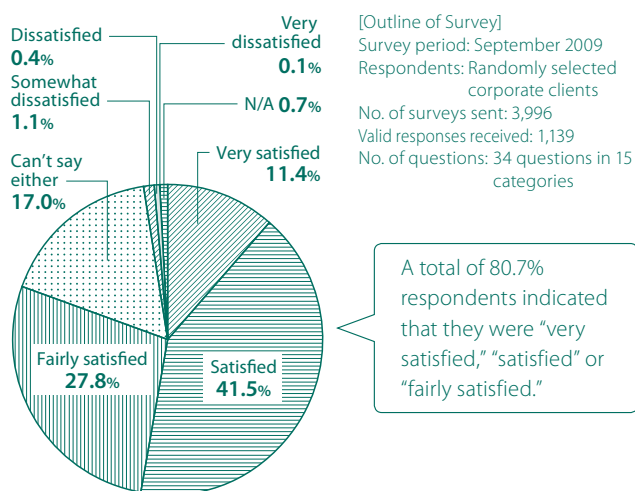
● System for Reflecting Customer Feedback in Operations



● Customer Survey

Daido Life conducts a customer survey in order to extensively collect opinions and requests that are not heard from customers in the ordinary course of business. In addition to a comprehensive satisfaction survey about insurance products, after-sales service, and the like, the company also conducts a satisfaction survey about procedures on the promptness as well as the intelligibility of the application documents with regard to the customers who applied for insurance and benefit claims.

■ Comprehensive Satisfaction Survey (Partial Results)



● Customer Feedback (Analysis of Customer Complaints)

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

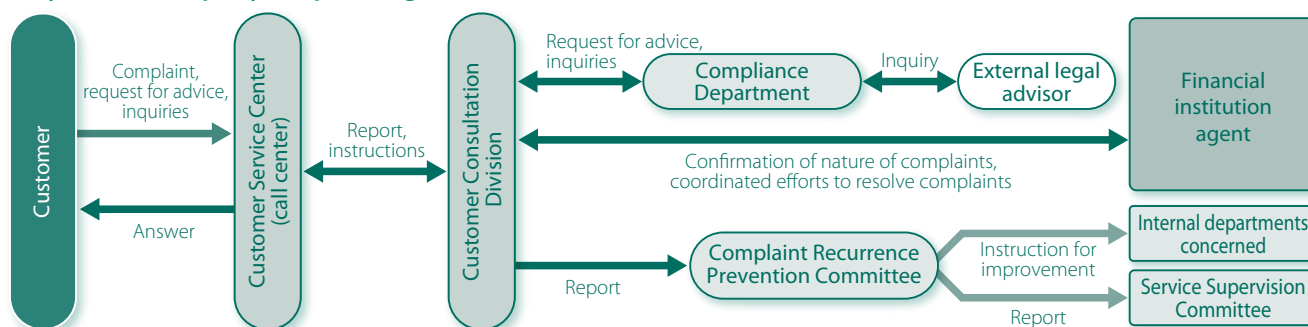
Issue	FY 2007		FY 2008		FY 2009	
	No. received	%	No. received	%	No. received	%
Purchase of life insurance policy	1,288	15.7	1,670	16.7	1,593	15.4
Payment of premiums	910	11.1	1,577	15.8	1,400	13.5
Procedures after making a contract	2,633	32.1	3,268	32.7	3,677	35.5
Payment of insurance claims and benefits	2,173	26.5	2,181	21.8	2,142	20.7
Other	1,191	14.5	1,306	13.1	1,553	15.0
Total complaints	8,195	100.0	10,002	100.0	10,365	100.0

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

Measures Taken by T&D Financial Life

PR1 PR5

● System for Rapidly Responding to Customer Feedback



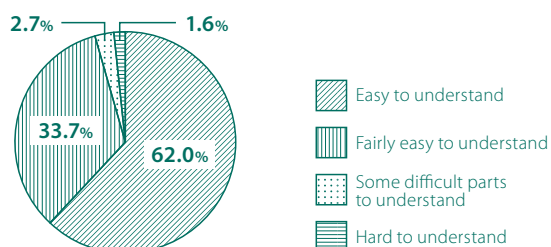
● Customer Survey

T&D Financial Life conducts a customer satisfaction survey to actively reflect customer feedback in its operations. This survey includes questions concerning support by communicators at the Customer Service Center, handling of a series of procedures by our staff, ways of informing customers about products, and so forth.

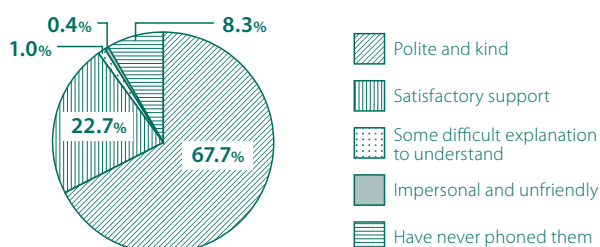
The results of the survey in full are available on our website.

■ Summary of Survey Findings

Q. How did you feel about the form you filled out for the procedures?



Q. How did you feel about support by communicators at the Customer Service Center?



[Outline of Survey]

Methodology: The survey was sent, together with procedure documents, to the customers who purchased insurance policies through financial institution agents, requesting insurance contract maintenance operation.

Survey period: November 2, 2009 to February 26, 2010 (Responses received up to March 31, 2010 were processed)

No. of surveys sent: 1,705 **Valid responses:** 816 **Collection rate:** 47.8%

● Provision of Information on the Internet

T&D Financial Life publishes inquiries, FAQs, complaints, comments and requests from the customers on the website to improve convenience on the part of customers.

● Customer Feedback (Analysis of Customer Complaints)

(Units: no. of complaints)

Item	No. of complaints		
	FY 2007	FY 2008	FY 2009
New contracts	170	143	137
Payment of premiums etc.	52	33	57
Procedures after making a contract	335	168	209
Insurance claims and benefits	189	72	103
Others	79	64	129
Total	825	480	635

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

Striving for Better Products and Services

Offering Insurance Products to the Broader Public

PR1 FS15

Life insurance is a mutual aid system in which costs paid to insured deaths, hospitalizations, nursing care, etc. are covered by premiums statistically calculated by mortality and accident rates according to the law of large numbers. For this reason, life insurance companies are unable to accept every person who wishes to purchase policies regardless of their circumstances. In order to maintain the viability of the life insurance system, some people whose expected mortality rates or insurance accident rates

exceed certain limits are unfortunately either rejected or accepted only under certain conditions such as application of additional premiums and so on.

The Group's three life insurance companies and other Group members respect customers' human rights, develop and offer many unique insurance products which meet a wide variety of customer needs, health conditions, gender, enrollment age and other specific circumstances.

Products Meeting Social Needs

PR1 FS7

The Group's three life insurance companies and other Group members offer high added-value products in response to the issues and needs occasioned by the changing social structure, such as the rapid aging of the population and a low birthrate.

Product Examples

Taiyo Life

- Insurance offering protection against a wide range of needs for medical care and nursing care and allowing renewal or conversion to a whole life insurance even if the policyholder develops an illness during the term of the policy.
 - *Hoken Kumikyoku Best*
- Medical insurance for people with past hospitalization or surgery history, or who are currently under medical treatment
 - Nonparticipating nonselective medical insurance: *Taiyo-seimei no Yasashii Hoken*
 - Nonparticipating semi-selective medical insurance: *Kisei Kanwa*

Daido Life

- Expanded-coverage term insurance providing insurance claims not only in case of death but also if in need of extensive nursing care
 - Nonparticipating age-specific maturity term life insurance (for life security)

T&D Financial Life

- Whole life insurance with a feature that adds a "Premium Bonus (additional amount)" every year throughout the insured's lifetime
 - Nonparticipating whole life insurance (foreign exchange linked/Australian dollar type I): *Lifetime Premium*
- Fixed amount individual annuity offering safety with yield and flexibility
 - Nonparticipating individual annuity (stock market index linked/type I): *Happy Bell*

Pet and Family Small-amount Short-term Insurance

- Insurance offering protection against illness or injury of pets, family members
 - Pet medical insurance: *Genki Number One*

The information concerning insurance products on this page is provided for the purpose of describing corporate responsibility activities in the T&D Life Group, not for that of insurance product offering. For more detailed information on products, please see the product pamphlets and others.

Establishment of Sales Policies

PR1 PR6 FS15

Group's three life insurance companies and other Group members have established Sales Policies as their basic policies to comply with when they try to sell life insurance to customers, and strive to develop and offer appropriate products which meet customers' needs and circumstances.

Sales Policies (Taiyo Life)

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

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

Protection of Personal Information

PR1 PR8

The Group's three life insurance companies and other Group members have formulated Personal Information Protection Declarations (Privacy Policies) and publicly announced them on their websites. In addition, T&D Information Systems, an information system support company in the T&D Life Group, handles various data, including personal information, appropriately and places strict controls on them. In May 2005, T&D Information Systems obtained a Privacy Mark certification, which is awarded to companies that

demonstrate excellent personal information protection. The company obtained ISO 27001 Information Security Management System certification in March 2007.



Efforts to Provide Services from the Customers' Perspectives

PR1 PR6

From making contracts to payment of insurance claims and benefits, the Group's three life insurance companies and other Group members strive to provide services focused on ease of understanding for customers and on gaining their trust.

<At the Time of Making a Contract>

In order to have customers make a contract only after having fully understood the insurance coverage, the companies explain the coverage details by using materials that are easy for customers to understand.

Major Documents

- Clearly worded "Product Pamphlet"
- "Product Summary Sheet" (contract summary) tailored to the life plan of each individual customer
- "Notifications of Important Matters" (reminder Information) calling the customer's attention to particularly important points
- "Policy Leaflet and Policy Provisions" describing the various procedures when making a contract, and the structure of the product
- "Intent Confirmation" as a final measure to ensure that the customer's needs are met by the insurance product offered

<After-sales Services>

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

Examples of Services to Facilitate Making Insurance and Benefit Claims

- Distribution of easy-to-understand pamphlets with examples of payments as well as procedures for making insurance and benefit claims
- Regular notification of contract details
- Company reimbursement of an amount equivalent to the cost of obtaining a medical certificate if a claim requiring the medical certificate is rejected

◆ Winner of the UCDA Award 2010

2.10

In the UCDA Award 2010, Business Forms Division, Comprehensive Notification Category* (sponsored by Universal Communication Design Association), Daido Life

won the "UCDA Award 2010" (first prize) and the "Information Intelligibility Award," and Taiyo Life won the "Special Award."

* The UCDA Award 2010, Business Forms Division, Comprehensive Notification Category, assesses the "Notification of Insurance Policy Details" that life insurance companies forward to all policyholders once a year, and it commends outstanding communication design from the standpoint of intelligibility.

Each of the Group's three life insurance companies has set up various systems in aiming to provide full after-sales service. At the Customer Service Center, professionally trained staff strives to handle inquiries and insurance claims from customers nationwide over the phone in a kind, polite, prompt and accurate manner. Furthermore, each and every one of the companies' employees, including branch counter staff and sales representatives, work wholeheartedly to provide post-contract support to the customers.

At Taiyo Life, not only sales representatives but also customer service staff calls on customers regularly after a contract has been made. The company has approximately 900 customer service staff who arranges various procedures on behalf of customers, such as change of registered address and insurance claims. They also offer other services to customers, such as introducing new products and services, as well as listening to customers' requests.

Other Services

As shown below, the Group's three life insurance companies offer a diversity of services to meet the requests of customers.

● T&D Club Off

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

■ Examples of Services

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

 Please visit each company's website for detailed contents of the services.

● Customer Service Center Open on Saturdays Taiyo Life

Taiyo Life's Customer Service Center (call center) operates on Saturdays as well to provide services to customers who are busy on weekdays.

● Useful Services for SMEs Daido Life

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

■ Examples of Services

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

● Services through the Internet FS14

The Group's three life insurance companies and other Group members provide various kinds of information on their websites. To improve the convenience of our customers, we also offer online services for payment procedures, inquiries and changing registered information. At Pet and Family Small-amount Short-term Insurance, customers can purchase pet insurance on the company's website.

■ Examples of Services

Taiyo Life

- Fund transfer for policyholder loans, accumulated dividends and deferred funds
- Inquiries about insurance policy details, change of address, reissue of life insurance premium payment certificates, requests for sending forms for procedures

Daido Life

- Amendment to contracts and insurance claim formalities
- Web-ATM (loans to policyholders, withdrawal of accumulated dividends, etc.)
- Inquiries about insurance policy details, inquiries about accounts for automatic withdrawal of insurance premiums, and advice on insurance premiums accounting method

T&D Financial Life

- Outline and details of policy (coverage details and change in accumulated funds)
- Transfer of accumulated funds, set up transfer ratio (in the case of contracts with periodic increase)
- Requests for forms for various procedures, change of address, reissue of life insurance premium payment certificates, etc.

Development of Service Staff Skills

PR1 LA11 FS4

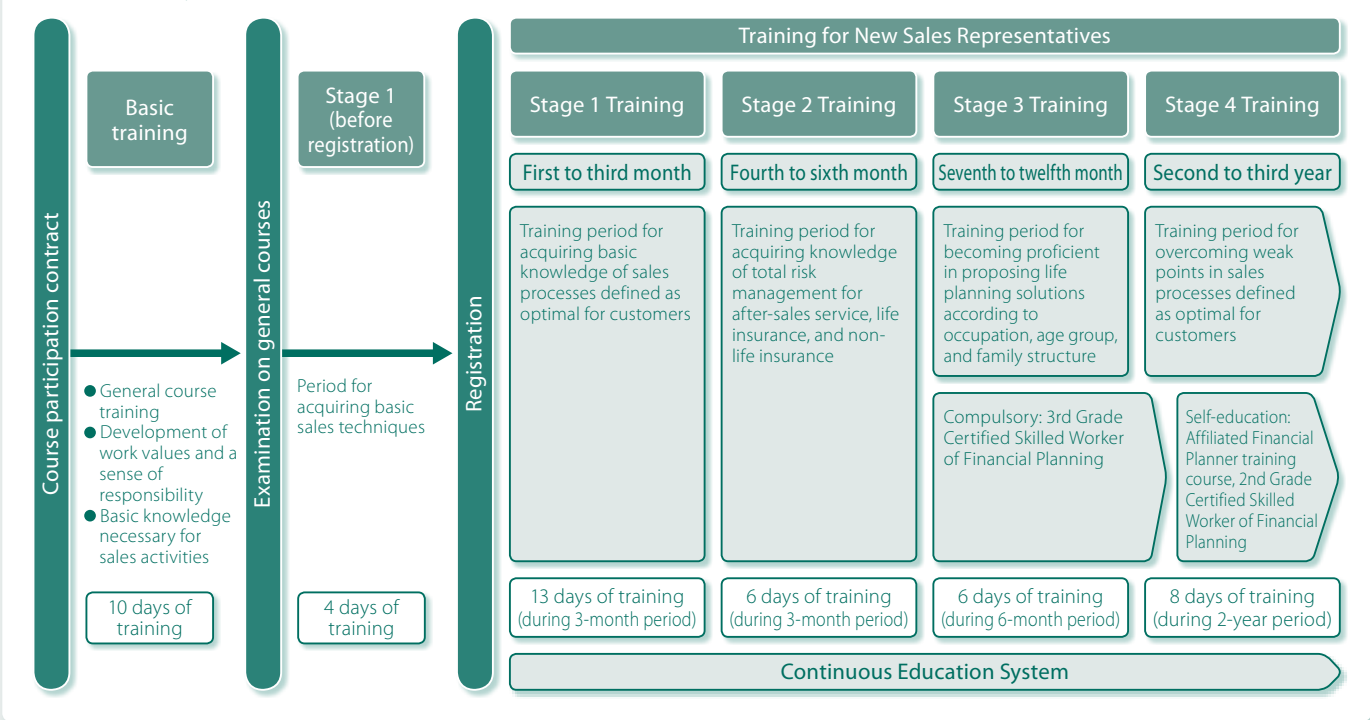
Group's three life insurance companies are working to enhance the skills of their customer service staff to increase customer satisfaction focusing on basic and specialist knowledge of life insurance as well as compliance. According to each business model, the three life insurance companies have diverse staff members such as sales representatives, customer service staff, agents and wholesalers who are engaged in duties to provide most suitable services to customers. We have developed human capital training programs for such diverse staff, and always provide them with the best educational and training program.

Education Program for New Employees (eCompass) Taiyo Life

PR1 LA11 FS4

In order to promptly enable new sales representatives to provide consulting services that customers trust and find satisfying, Taiyo Life has introduced a video educational program showing best practice emulation for consulting activities. In addition, we developed a unique system to identify weakness of individual sales representatives in their sales practice. First, we define exemplary sales processes that would satisfy customers, and then quantify the probability of advancing to the next phase in sales process. By repeating training focusing on the specific sales processes where the system has identified problems, and overcoming the problems, sales representatives can obtain necessary sales skills that will be trusted by customers.

Education System for New Sales Representatives



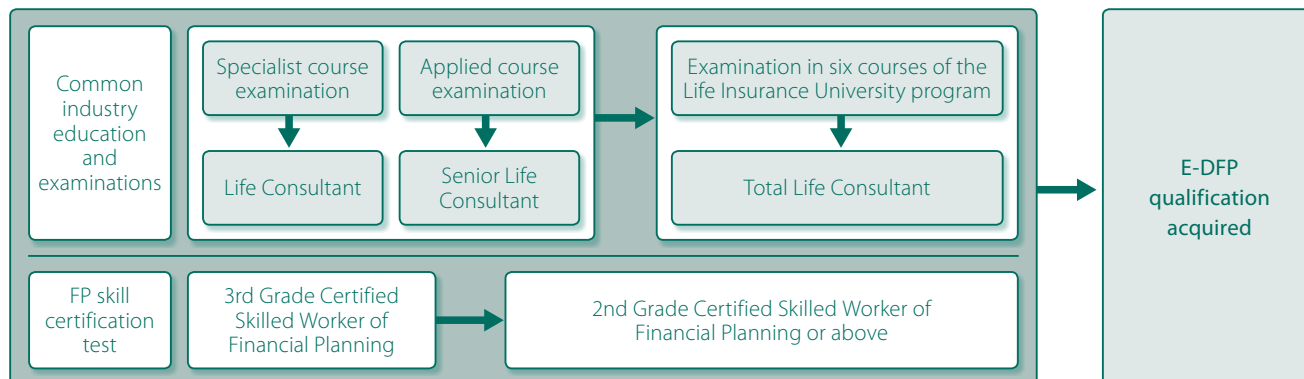
E-DFP (Executive Daido Financial Planner) System Daido Life

PR1 LA11 FS4

Sales representatives must get a firm grasp of customer needs, which are diversifying and becoming more sophisticated, and practice high-quality consulting-oriented sales. For this reason, Daido Life has set up its own

E-DFP (Executive Daido Financial Planner) system whose purpose is enabling its sales representatives a wide range of specialized knowledge in areas including taxation, finance, and financial products.

■ E-DFP System



Agent Training Program Daido Life

PR1 LA11 FS4

At Daido Life, staff at the Head Office, branches and departments in charge work closely together to provide high-quality support for agents enabling them to respond to customers' diversified needs. The company also offers a hands-on training program to them, using such as its own

computer-based training materials and commentary sheets as part of the Agent Training Program, with the aim of ensuring thorough compliance by agents, and helping them learn about the insurance business.

Wholesaler Activities T&D Financial Life

PR1 LA11 FS4

In order to enable them to make the best proposals to customers, T&D Financial Life implements elaborate support activities for banks and other financial institutions, which are its agents, through its wholesalers (staff assigned to assist agents).
In addition, to win the trust of customers and agents, we

offer practical trainings to wholesalers, including knowledge on insurance and other financial products, asset management, laws and regulations, and financial systems as well as presentation skills for accurately explaining features of our products to customers and agents.

Together with Our Employees

■ Use and Development of Diverse Human Resources **LA11** **FS4**

Basic Concept (Human Resources Development Policy)

The T&D Life Group has formulated education and training programs under the basic policy of developing human resources with rich creativity and a solid ability to get things

done as set out in the T&D Life Group's Management Vision, and is working to develop and improve employees' skills.

Employee Education and Training

The Group's three life insurance companies provide employees with education and training through on-the-job training, group training, and supporting self-educational efforts. The Group encourages the personal career improvement

efforts of individual employees by actively supporting their efforts to earn professional qualifications and offering a broad array of courses through correspondence study, e-learning and other educational and training channels.

Initiatives to Offer Employees Opportunities for Growth

The T&D Life Group carries out a systematic job rotation so that employees can enhance their ability to carry out their work with a broad perspective of the entire company by experiencing various jobs within the organization. Young employees are rotated through different positions, for example moving between the Head Office and branches for a certain period after they start working, or moving from sales to administrative jobs, or vice versa, in order to acquire basic knowledge and improve their skills. At the managerial level, employees who have served as Head Office division managers are to serve as branch managers, or branch managerial staff are rotated to Head Office positions in order to strengthen their managerial skills.

In addition, the Group's three life insurance companies furnish employees with opportunities to actively develop their own skills and offer support for their preparation of career plans.

Taiyo Life

Daido Life

T&D Financial Life

● In-house Recruiting System

Under this system, employees can take up various challenges, such as application for positions of their choice and selection for admission to MBA programs.

● Personnel Exchanges

Transferral of personnel among the Group's three life insurance companies allows employees to get involved in work other than that in their regular position. We expect this interchange not only to stimulate communication within the Group but also to heighten competitiveness of the entire Group through sharing of the strengths of each member company.

Taiyo Life

● Working Experience at Different Workplace

By offering employees an opportunity to work at different branches or Head Office, this program enables employees to experience work in other units. As such, it makes for a better understanding of the current nature of work and for fuller in-house communication.

■ Diversity Initiatives

Employment of People with Disabilities

LA13

As of the end of March 2010, employees with disabilities at the three life insurance companies taken together accounted for 1.83 percent of the total employment and numbered 284. The Group is striving to prepare workplaces that are friendly to employees with disabilities.

Reemployment of Seniors

LA11

The Group's three life insurance companies have introduced a reemployment program for employees reaching the mandatory retirement age. Under this program, individuals meeting certain criteria can be re-hired up to the age of 65. In addition, Taiyo Life and Daido Life hold life plan seminars for employees of a certain age before their retirement. The seminars prompt them to think about their future styles of working and living.

Initiatives to Support Women's Careers

LA11

Because it is committed to enabling work with high levels of motivation and enthusiasm by all employees, the Group actively makes full use of all personnel capabilities and makes appointments without regard to gender.

The Group is building workplaces where women can give full play to their skills and engage in extensive activity. The specific steps to this end include the promotion of talented female employees to management positions, provisions for a change of job status from clerical work to career track, and organization of ad-hoc teams for new product development based on a call for members issued to women only, for the purpose of reflecting the female perspective in the development.

● Career Vision Seminars Daido Life

Daido Life holds "Career Vision Seminars" for female administrative staff members in order to give them opportunities to think about their future career plans. At the seminars held during fiscal 2010, an outside lecturer working in a managerial position gave talks on topics including attitudes toward work, job satisfaction as a manager, methods for balancing work and personal life, and approaches to long-term career vision. Participants spoke favorably of the seminars, making comments such as "I was able to grasp a clear image of my career advancement," or "My work motivation increased." Daido Life plans to hold such seminars with even richer contents in the future.

Human Rights Education

HR3

The T&D Life Group holds human rights education sessions for all employees more than twice a year, touching on discrimination due to social class or disability, sexual

harassment and other human rights issues, to deepen employees' understanding of human rights issues.

Data on T&D Life Group Employees LA1 LA2 LA13

Employee Statistics

● Group's Three Life Insurance Companies

	No. of employees		No. of people hired	
	March 31, 2009	March 31, 2010	FY 2008	FY 2009
No. of employees	19,997	20,570	4,417	4,277
Male	4,467	4,417	296	220
Female	15,530	16,153	4,121	4,057
Sales representatives	12,382	12,990	3,792	3,907
Male	644	580	54	44
Female	11,738	12,410	3,738	3,863
Administrative staff	6,811	6,886	614	369
Male (Managers)	3,823 (1,981)	3,837 (1,977)	242	176
Female (Managers)	2,988 (135)	3,049 (141)	372	193
Career track/area career-track employees, others	4,582	4,611	388	268
Clerical employees	2,229	2,275	226	101
Customer service staff	804	694	11	1

● T&D Holdings Consolidated

Business division	No. of employees			
	March 31, 2009	March 31, 2010		
Insurance and insurance-related businesses	20,084	(2,089)	20,595	(2,071)
Investment-related businesses	547	(54)	507	(41)
Administration-related businesses	868	(443)	873	(396)
Total	21,499	(2,586)	21,975	(2,508)

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

Workplace Data (Group's Three Life Insurance Companies)

	FY 2008	FY 2009
Employment rate for persons with disabilities (%)	1.85	1.83
No. of employees taking maternity leave	123	183
No. of employees taking childcare leave	150	201
Male	43	66
Female	107	135
No. of employees taking nursing-care leave	11	8
Male	0	0
Female	11	8
Avg. no. of paid vacation days taken	10.4	10.0

Worker-friendly Work Environment

Work-life Balance Initiatives

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

At a seminar for Group department managers held in December 2009, from the perspectives of organizational theory and leadership theory, an outside lecturer gave a talk

on value creation through work styles that are more humane. Regarding support for the development of the next generation, following the first certification of April 2007, in May 2009 the Group's three life insurance companies received certification for their second-stage action plans as meeting the criteria of the Act on Advancement of Measures to Support Raising Next-Generation Children. Additionally, in April 2008, T&D Information Systems was the first company in Saitama Prefecture to acquire this certification among companies with less than 300 employees and in the information services industry.

Dialogue and Consultations with Labor Unions

4.4

Each of the three life insurance companies in the T&D Life Group has an independent labor union, and the companies and labor unions work together to maintain a sound labor-management relationship based on the spirit of trusting each other. The companies have proactively discussed with the unions on a wide range of issues including business management, corporate policies, wages, working hours,

holidays, personnel management systems, fringe benefits and so forth. We believe that a truly meaningful cooperative relationship between companies and the labor unions can be built only through straightforward discussions based upon their respective viewpoints, and that kind of relationship will motivate employees and bolster the competitiveness of those companies.

Initiatives Reflecting Employee Feedback

4.4

The Group's three life insurance companies conduct employee awareness surveys as needed addressing issues like job satisfaction, working conditions and the personnel evaluation system, and have implemented various measures based on the results. We obtain the views of employees to serve as reference

information for management. The related means include the collection of opinions on matters such as the penetration and operation of the current human resources system, and determination of the degree of employee satisfaction (ES), due to its influence on the degree of customer satisfaction (CS).

Health Care for Employees

Human Resources Department Initiatives **LA8**

The T&D Life Group is also concerned about management of the mental health of its employees. It has concluded contracts with physicians specializing in mental health and made arrangements allowing employees to get consultation and treatment with peace of mind. In addition, the Group's three life insurance companies implement the following measures.

Taiyo Life

To prevent their subordinate staff from experiencing mental disorders and to build a vibrant workplace, all managers are encouraged to take the Certification Test for Mental Health Management (sponsored by the Osaka Chamber of Commerce and Industry).

Daido Life

For newly appointed supervisors and managers, mental health training is conducted by means of outside lecturers and e-learning.

T&D Financial Life

The mental health training by e-learning and stress checks as self-check of mental health are conducted.

Health Insurance Societies **LA9**

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

Growing with Society

Basic Concept

EC8

The T&D Life Group has formulated the T&D Life Group CSR Charter based on the Group's Corporate Philosophy of "With our 'Try & Discover' motto for creating value, we aim to be a group that contributes to all people and societies." The Group regards not only contribution through our main business but also through extra activities of contribution to

communities and society as naturally being a duty that an enterprise must discharge as a member of society. Based on this stance, the Group actively engages in a wide range of activities of social contribution through T&D Holdings, each Group company, and foundations as well as volunteer work by executives and employees.

Activities for Local Communities and Society EC8

Blood Donation Drive

The T&D Life Group cooperates with the Japanese Red Cross Tokyo Metropolitan Blood Center to solicit blood donations.

In a joint group undertaking every year, a blood donation clinic is set up for two days at the Shiodome Head Office Building and executives and employees are encouraged to donate. Beginning in fiscal 2009, the Group holds this activity twice a year, whereupon 374 people donated in total.

Disaster Relief Fund Donations

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

Nationwide Clean Campaign Taiyo Life

As part of its activities for contribution to the community, Taiyo Life began the annual cleaning of the vicinity of its Head Office in 1982. In 2004, it renamed this activity the "Nationwide Clean Campaign," and its branches in all parts of the country, from Hokkaido in the north to Okinawa in the south, began clean-up campaigns in the surrounding community. In fiscal 2009, the Campaign attracted the participation of 8,704 persons (executives, employees and their families) from the Head Office, affiliated firms, and branches.

With the cooperation of Tokyo's Minato Ward Office and

the participation of corporate members of the Minato Eco-conscious Consortium and local residents, the Head Office (in Tokyo's Shiodome district) conducted the "Big Clean-up Project" coordinated with the activity promoting thorough compliance with the Minato Tobacco Rule (prohibition on smoking outside the designated areas, smoking while walking, and littering of cigarette butts). On the day of the project, executive and employee volunteers from the Group companies (including Daido Life, T&D Financial Life, T&D Asset Management, and T&D Holdings and others) took part in the event.

Supporting the National Sports Games for the Disabled Daido Life

In 1992, when the company celebrated its 90th anniversary, the first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in Japan, and Daido Life has been a special supporter of this annual event ever since. It is the largest sports event for people with disabilities in Japan, aimed at helping the disabled experience the joy of sport, deepen public understanding about the disabled and promote greater social participation by the disabled. Every year, Daido Life sets up

a site called Daido Life Corner in the Fureai Plaza where the athletes and others interact. Many executives and employees of Daido Life volunteer at this event. Since 2000, Taiyo Life has also been taken part in volunteer activities at the Games and is thereby widening the circle of participation by the T&D Life Group.

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

Supporting the Japan Down Syndrome Society Taiyo Life

Taiyo Life and Friends of Taiyo Life Goodwill Circles support the Japan Down Syndrome Society and participate in some activities in partnership with them.

<Main Activities>

- The company provides meeting rooms in its buildings for seminars, council and board meetings held by the Society.
- It has also placed advertisements for *Waku Waku Pokke* children's insurance in the Society's monthly letterzine.
- Executives and employees from branches and Head Office departments take part in the Society's activities as volunteers.

<Main Volunteer Participation Achievements in Fiscal 2009>

- A total of eight employees participated as instructors in the Bicycle Riding Course for Children and Adults with Down Syndrome, which was held in Utsunomiya City, Tochigi Prefecture.
- Osaka chapter networking event, Narakita chapter establishment commemorative lecture meeting

* The T&D Life Group is planning to support the Japan Down Syndrome Society National Convention in Osaka in July 2010 and ask employees to participate in it as volunteers.

Open Endowed Lectures at Universities Daido Life

Daido Life began supporting open lectures at universities in fiscal 2002 to mark the centenary of its founding. With support from various universities, the company provides owners of small to medium enterprises with opportunities to acquire knowledge and skills relevant to management and business. As for the contents of the lectures, themes that will contribute to owners of small to

medium enterprises are established for each university, and we have the TKC National Federation dispatch instructors.

In fiscal 2009, open lectures were held at seven universities, and the number of people attending the lectures over the past eight years is approximately 6,700 in total. The open lectures have received very favorable reception from the students who have attended them.

Employees' Voluntary Initiatives EC8

Friends of Taiyo Life Goodwill Circles

The Friends of Taiyo Life Goodwill Circles ("Friends"), which was established in December 2005 and is composed of executives, employees, and others from the company and its affiliates, has 8,801 members as of March 31, 2010. In order to support social charitable activities, the members contribute odd amounts under 100 yen from their monthly take-home salary or remuneration, or a voluntary amount taking 100 yen as a single share (from one to ten shares). At present, the Friends mainly provides support for community-based social charitable activities that branches nationwide and Head Office departments undertake independently; for environmental conservation activities in cooperation with NPOs and other such organizations; and

for educational support activities. The activity details are published in Taiyo Life's in-house magazine as the Friends News, and the company is calling for broader participation by executives and employees.

<Main Activities in Fiscal 2009>

- Contributions to local communities: Provision of beverages to youth athletic meets and similar events; provision of bazaar goods and other such assistance for Setagaya's childcare facility for kids with special needs; collection and donation of pull tabs, aluminum cans, and PET bottle caps; and branch counter displays of pictures and handicrafts made by policyholders and local residents.
- Educational support: Donations of school bags to children in Afghanistan by means of JOICFP (an international cooperation NGO) and contributions to the World Food Programme's school meals program.

Daido Life Employees' Community Contribution Club

The Daido Life Employees' Community Contribution Club, which was established in 1992 as an independent organization for corporate citizen activities and is composed of its executives and employees, works to promote and support fund-raising activities and volunteer activities. Proceeds from donations contributed by executives and employees, from charity bazaars, and from other such sources are used as monetary donations for nationwide residential care facilities and organizations for the disabled, as well as for disaster area recovery in the case of major disasters.

In addition, since 1994, we have been implementing a program of "One-day Outing Volunteer Activity for the Physically Disabled." Under this program, employees use volunteer work leave system to help people with physical disabilities who have few opportunities to go outside take part in an outing. Employees deepen their understanding of disabilities by directly interacting with disabled people through activities such as conversation, dining, wheelchair and walking assistance.

<Main Activities in Fiscal 2009>

- Fund-raising and donation activities: Proceeds from donations contributed by executives and employees and from charity calendar exhibitions were used as funds to make contributions to facilities and groups that support social charitable activities.
- Collection drives for used stamps and pre-paid cards: Used stamps and pre-paid cards collected by Head Office departments, branches nationwide, and affiliates were put to good use in supporting overseas medical cooperation and in giving wells as gifts to areas in Asia suffering from water shortages through organizations supporting social contribution activities. In addition, by collecting PET bottle caps, the Daido Life Employees' Community Contribution Club also assisted the ECOCAP Movement, which works to improve the global environment and to send vaccines to the children of the world.
- Volunteer activities: In addition to participating as volunteers in the "National Sports Festival for the Disabled" and conducting "One-day Outing Volunteer Activity for the Physically Disabled," the Club also participated in clean-up activities in areas surrounding the Osaka Head Office and the Tokyo Head Office.

Activities of Foundations EC8

The Taiyo Life Welfare Foundation

<Purpose of Establishment>

Established in 1984 to commemorate the 90th anniversary of the founding of Taiyo Life. This foundation works to improve social welfare in Japan by sponsoring projects to enhance welfare for the elderly and the disabled.

* In December 2009, the name of the foundation was changed from Taiyo Life Himawari Foundation to the Taiyo Life Welfare Foundation.

<Main Activities>

- Project grants: Grants to projects by volunteer groups and NPOs working to benefit the elderly or the disabled living at home.
- Research grants: Grants for research and surveys regarding lifestyle diseases and the health and welfare of the elderly.

<Cumulative Grants from Establishment to Fiscal 2009>

1,481 grants, 1,053.07 million yen

<Examples of Project Grants in Fiscal 2009>

- Purchase of an air conditioner for an intergenerational forum (Incorporated Nonprofit Organization Friends of Iga, Iga City, Mie Prefecture).
In consideration of the senior citizens, an air conditioner was purchased for an old folk house used as a forum for local senior citizens and young people.
- Purchase of sewing and embroidery machine for disabled employment support (*Satsuki-Kai*, Ojiya City, Niigata Prefecture)
For disabled employment support, a sewing and embroidery machine, which can widen the range of work activity, was purchased.

Daido Life Welfare Foundation

<Purpose of Establishment>

Established in 1974. Based on the idea of "people first," this foundation helps promote health maintenance and improvement of citizens by providing grants to programs for reducing and preventing health hazards due to poor living environments.

<Main Activities>

- Regional health and welfare research grants, volunteer activity grants
 - ◆ Regional health and welfare research grants: Provides grants to people carrying out research while engaged in health or welfare activities oriented to the local community.
 - ◆ Company worker volunteer activity grants: Provides grants to company workers who perform volunteer activities related to welfare for senior citizens or disabled people, or to social interchange for fostering children's healthy minds, on their days off.

- ◆ Senior volunteer activity grants: Provides grants to people aged 60 and over who perform the aforementioned volunteer activities.

[Cumulative Grants for the Aforementioned Activities from Establishment to Fiscal 2009]
2,937 grants, 1,451.4 million yen

- Home nursing consultation and practical training
Provides advice regarding long-term care for the sick and elderly, and practical training for at-home nursing. Held jointly with the Osaka Center of the Japanese Red Cross Society since 1980, with about 4,500 people in total taking the course since then.
- Publication of health brochures
Publishes the "Environment and Health" series brochures with clearly written explanation aimed at promoting health maintenance and improvement and correct understanding of various illnesses and preventive measures. A total of 65 brochures have been published since 1975.

The Daido Life Foundation

<Purpose of Establishment>

The Daido Life Foundation was established in 1985 to mark the company's 80th anniversary. The objective of the foundation is to promote international mutual understanding through cultural exchanges with or grants to other countries, thereby contributing to the internationalization of Japan.

<Main Activities>

- Daido Life Foundation Awards for Area Studies
"Daido Life Foundation Awards for Area Studies" and "Daido Life Foundation Encouragement Awards for Area Studies" are presented to researchers who achieve excellent results in area studies of various parts of the world. In addition, since 1986, "Area Studies Special Awards" have been presented every year to individuals with distinguished works in enhancing international goodwill and international contributions.
- Translation and publication activities
To deepen mutual understanding between Japan and Asian countries, works of contemporary Asian literature are translated and published in Japanese, and Japanese literature and biographies are translated and published in various Asian languages. The translated works are donated to national and public libraries.

- Education support activities
Provide scholarships for students from Southeast Asia, to develop human resources contributing to international mutual understanding. In addition, Japanese literatures are donated to the universities with Japanese language courses (ceased in 2009), and books and school supplies are donated to disadvantaged children.

<Activities since Fiscal 2009: School Building Project>

- As part of the commemorative activities for the centennial of its founding, Daido Life has built 16 schools in five Southeast Asian countries—Myanmar, Thailand, Cambodia, Laos, and Vietnam. This commemorative project has been completed, but more schools will be built in Laos, where the education infrastructure is inadequate, from fiscal 2009 to fiscal 2013 to further advance international mutual understanding.
- Basic policy and approach
 - ◆ Schools suitable for the locale-specific needs will be built after assessing local conditions and receiving input from local residents.
 - ◆ Several schools will be inspected before making decision on where the schools will be constructed.
 - ◆ Foundation officials will attend completion ceremonies, to ascertain that construction has been completed.

Together with the Global Environment

Basic Concept	4.8FS1
In April 2006, the T&D Life Group formulated the T&D Life Group Environmental Policy, to clarify the Group’s stand on the environment and to publicize the policy among executives and employees. The Group also promotes	various activities to reduce our environmental load. The Group has also set out Green Purchasing Standards and gives priority to purchasing environmentally friendly products whenever possible.

T&D Life Group Environmental Policy		4.8FS1
The T&D Life Group will carry out business activities with full awareness of the importance of environmental concerns and will give sufficient consideration to global environmental protection based on the T&D Life Group CSR Charter. The Group will achieve sustainable growth along with the society while fulfilling the public mission of		life insurance and other businesses, and undertaking its corporate social responsibilities. The Group established the following environmental policy and is committed to complying with it in all of its business activities.
1. Environmental Conservation Efforts through Business Activities	4. Promotion of Environmental Awareness-Raising Activities	
We will contribute to the protection of the global environment in all of our business activities.	We will raise environmental awareness among all Group members through awareness-raising activities to promote environmental protection initiatives.	
2. Reduction in Environmental Impact	5. Continuous Improvement in Environmental Initiatives	
Recognizing the environmental burden of resource or energy consumption and waste emissions, we will work toward reducing environmental impact by conserving energy or resources, recycling resources, and promoting green purchasing.	By setting environmental objectives and reviewing them regularly, we will endeavor to continuously improve our environmental performance.	
3. Compliance with Environmental Laws		
We will observe all environmental laws and regulations.		
All members of the T&D Life Group are notified of this environmental policy, which is also publicly disclosed.		

Major Initiatives of the Group	EN7EN18
● “Cool Biz”/“Warm Biz”	
As measures to help mitigate global warming, the T&D Life Group sets room temperatures around 28°C (82.4°F) from June through September for “Cool Biz” and at 20°C (68°F) from November through March for “Warm Biz.”	
● “Lights Down” Campaign	
As an activity to raise the environmental awareness of each of the Group’s executives and employees, the T&D Life Group has been conducting a campaign in which it calls	for a simultaneous light switch-off in offices twice a year, in July and December. This was done in support of the “Reduce CO ₂ : “Lights Down” Campaign” resting on partnership between the Ministry of the Environment and the “Candle Night” movement organized by a private-sector group. The Campaign exhorts business to turn off both indoor and outdoor lights to call more attention to environmental problems, with a view to preventing global warming.

● Forest Conservation and Afforestation Activities

Life insurance companies use vast amounts of paper including office paper, life insurance pamphlets, policy provision and others in its business operations. To restore forest resources and preserve greenery, Taiyo Life conducts afforestation projects. It has established "Forest of Taiyo Life" in Nasu-Shiobara (Tochigi Prefecture) and Takashima (Shiga Prefecture).

● Forest Conservation Initiative Based on Promoting the Use of Timber from Forest-Thinning

As an initiative for reducing waste of resources while promoting sustainable forest conservation, Taiyo Life is doing the following activities in order to achieve the "use it wisely" component of the "plant it, raise it, harvest it, use it wisely" cycle for forests.*1

- "Chopsticks Project" to promote use of disposable chopsticks, made from domestic timber from forest thinning and wood scraps, by employees during lunchtime and other breaks: Started with a recommendation by the environmental NPO Ecology Online.

The company also makes disposable chopsticks to distribute to customers as gifts (five pairs per set), and executives and employees have utilized 427,800 pairs from September 2006 to March 2010.

- Active Use of "3.9 Paper*2": The "Guide to Taiyo Life," which is prepared twice every year for distribution to customers, and chopstick cases for "Wood Thoughtfulness Chopsticks," and others.
- Active use of paper made from timber from forest-thinning: Taiyo Life Communication Report

(Note 1) In Japan, 40 percent of forests are man-made, planted to supply lumber. If the "plant it, raise it, harvest it, use it wisely" approach fails to work properly and forests are not conserved, they will not function effectively to absorb CO₂ or prevent natural disasters.

(Note 2) 3.9 Paper was developed as a structure for promoting use of domestic lumber and timber from forest-thinning. When 3.9 papers are used, printed material users themselves, but not forest managers, bear the transport costs of timbers from forest-thinning to the wood chip company.

T&D Holdings endorses the activities of Associates of the Earth, a Japanese environmental NGO which produces the Japanese edition of *Our Planet* and *TUNZA*, both published by the United Nations Environment Programme (UNEP). These two publications are distributed not only to all companies in the T&D Life Group but also to local junior and senior high schools, public libraries, and other parties, to raise awareness of environmental issues. The Group also supports the UNEP Global Environment

Information Display staged by Associates of the Earth, which was held in fiscal 2009 (July 2009 to March 2010) and continues to support the Display in fiscal 2010 as well. The UNEP Global Environment Information Display is a free exhibition featuring environmentally related photos and information panels taking place at six locations in Japan, including Tokyo Big Sight, Makuhari Messe and Naha Airport.

Group Environmental Performance Data

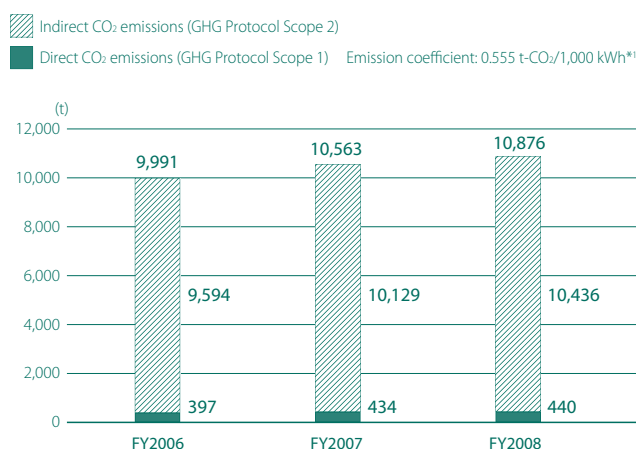
1. CO₂ Emissions

3.9 3.11 EN16 EN18

	FY2009
Indirect CO ₂ emissions (GHG Protocol Scope 2)	57,448 t
Direct CO ₂ emissions (GHG Protocol Scope 1)	2,737 t
Total	60,185 t

- From fiscal 2009, the data measurement scope has been enlarged. (Please see the next page for the scope.)
- CO₂ emissions are calculated in accordance with the provisions of the Ordinance on calculation of greenhouse gas (GHG) emissions due to business activities of specified businesses.

<Reference> Trend until Fiscal 2008



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

2. Electricity Consumption

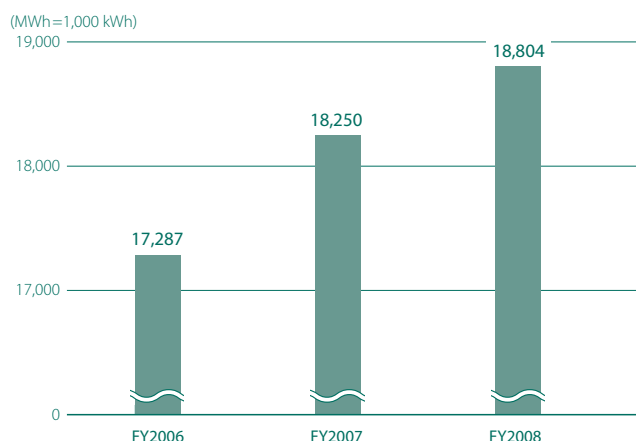
3.9 3.11 EN4

	FY 2009
Electricity Consumption	130,005 MWh

* MWh=1,000 kWh

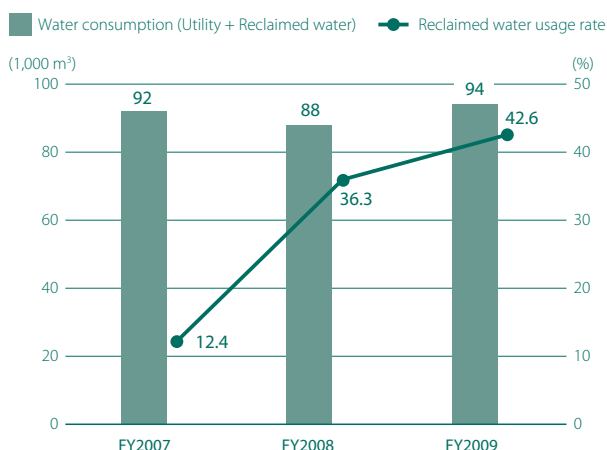
- From fiscal 2009, the data measurement scope has been enlarged. (Please see the next page for the scope.)

<Reference> Trend until Fiscal 2008



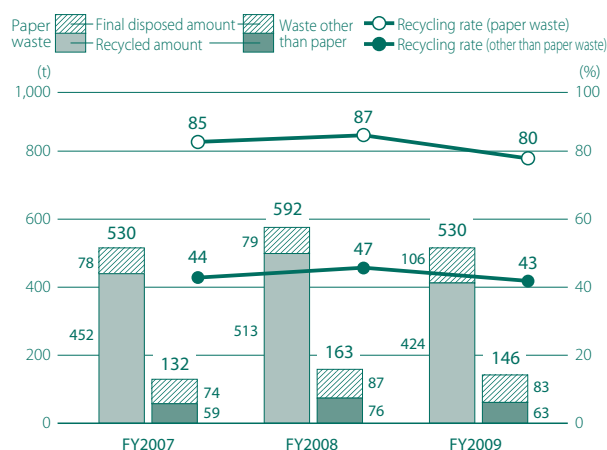
3. Water Consumption and Reclaimed Water Usage Rate

EN8 EN10



4. Waste Generation and Recycling

EN22



Environmental Targets and Achievements

Electricity Consumption

EN4 EN5 EN6

Benchmark: FY2006H2 + FY2007H1

<Long-term Target>

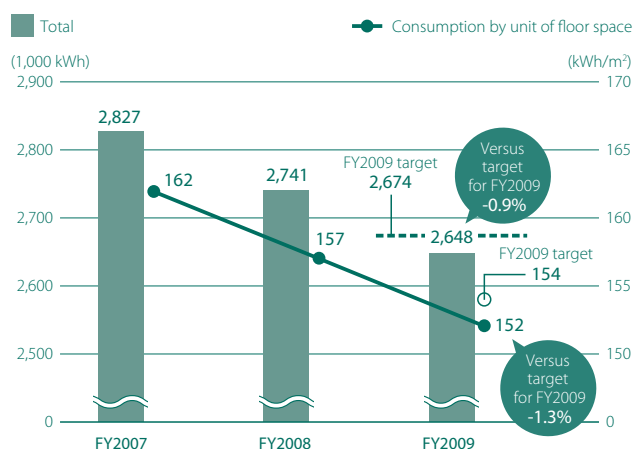
Total: Reduce the five-year average (fiscal 2008-2012) by more than 2% against the base year
Per unit of floor space: Not to exceed base year figures

<Fiscal 2009 Results>

For the whole Shiodome Shiba-Rikyu Building, we achieved a level 0.9% below the target. The target was achieved by taking measures such as turning off the lights during lunch hour, setting PCs to standby mode when away from desks, conscientiously reducing the air conditioning after regular business hours, and turning off copiers and printers.

<Future Efforts>

We will continue to consistently implement the aforementioned measures.



Volume of Office Paper Consumed

EN1

Benchmark: Five-year average until fiscal 2008

<Long-term Target>

Reduce the five-year average (fiscal 2009-2013) by 5% against the base year

	Standard value	FY2009 results	FY2009 target	Versus target for FY2009 (% change)
Total	234 t	203 t	234 t	-13.2%

<Fiscal 2009 Results>

We achieved the target by taking measures including strengthening our management of the number of pages to be copied, reducing materials for meetings, promoting 2-in-1 printing (printing two pages of information on one page), and promoting duplex printing.

<Future Efforts>

We will continue to consistently implement the aforementioned measures.

Green Purchasing Ratio

EN1

Target	FY2009 results
80% or above	90.1%

From fiscal 2009, the scope of applicable entities has been expanded.

<Fiscal 2009 Results>

Beginning in fiscal 2009, an internal system requiring approval for purchases of products other than eco-friendly products was adopted and implemented successfully for all the relevant companies. Due to this system, the target was exceeded to a great extent.

<Future Efforts>

We will continue to consistently implement the aforementioned measures.

Environmental Load Data and Scope of Group-wide Targets

3.6 3.7 3.11

	Group environmental load data				Group-wide targets		
	CO ₂	Electricity	Water	Waste	Electricity	Office paper	Green purchasing ratio
T&D Holdings	○	○	○	○	○	○	○
Taiyo Life, Daido Life, T&D Financial Life							
All companies	From FY2009	From FY2009					From FY2009
Head Office							
All H.O. departments						From FY2009	
Major offices of H.O. departments (*1)	Until FY2008	Until FY2008	○	○ (*2)	○ (*3)		
T&D Asset Management	○	○	○	○	○	From FY2009H2	From FY2009H2
T&D Information Systems	○	○	○				

○ = Applicable (no change from the current fiscal year)

Until FY2008 = Applicable vis-a-vis benchmark effective until fiscal 2008

From FY2009 = Newly applicable beginning with fiscal 2009 benchmark

*1 Waste from the Shiodome Shiba-Rikyu Building means the waste emissions for the whole building, including restaurants, retail stores, and other establishments that are not operated by the Group.

*2 In accordance with the revised Act on the Rational Use of Energy, the data calculation methods for CO₂ emissions and electricity consumption have changed since fiscal 2009.

*1 Major offices	*2 Waste	*3 Setting of electricity target
Shiodome Shiba-Rikyu Building	Applicable	Applicable
Tokyo Daido Life Building	Applicable	Inapplicable
Daido Life Osaka Head Office Building	Applicable	Inapplicable
Taiyo Life Urawa Building	Inapplicable	Inapplicable

Third-party Opinion

Mr. Takaji Hishiyama

Principal, Center for Corporate Behavior

The following observations of mine derive from my wish to see the T&D Life Group achieve sustainable growth and discharge its responsibility to society. I hope the readers share this wish, and urge them to offer constructive opinions when given the opportunity through questionnaires and the like.

Corporate Responsibility Report 2010, this year's report, is divided into the Special Topics and the Data Edition. This may be considered as a new step in the "Try & Discover" process. Further progress appears, I hope, to be in store for next year as well in response to various feedback.

The first page of the Corporate Responsibility Report Special Topics (hereinafter referred to as the "Corporate Responsibility Report") takes up the corporate philosophy, and states that the "Try & Discover" motto is taken to heart by each and every employee. In content, the material in all chapters, right from the first, is presented from the "Try & Discover" perspective. There is something refreshing about this stance of mounting approaches while keeping the corporate philosophy at the basis of all activities. This is because it clearly shows that the "Try & Discover" philosophy is at the core of routine management. To my regret, it is not hard to find companies that put their management philosophies on the shelf and allow their managerial decisions to be swayed by circumstances, with many of them ending up embroiled in financial scandals as a result of blind pursuit of merely higher profits. I would like to reiterate my hope that the T&D Life Group will continue to practice sound and steady management firmly rooted in its philosophy.

The T&D Life Group CSR Charter begins with the following words: "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 corporate philosophy and by achieving sustainable growth along with society." The first item of the Charter is "Providing Better Products and Services." I therefore had no trouble understanding the reason for the emphasis on approaches developed rigorously from the customer's perspective in the first chapter of the Corporate Responsibility Report. Nevertheless, I would have liked to see some general description, even if brief, of the Group's medium- and long-term outlook and strategy for life insurance business as its main line, in order to deliver the peace of minds to stakeholders and contribute to society, given that its contribution to society is made chiefly through this business. Nowadays, there are expectations of a new expansion of the role of finance for protection of the global environment. Cases of investment and lending for environmental projects and environmental rating loan are being cited as examples of corporate responsibility activities through the business operations of financial institutions. There have also been reports about a movement to formulate "Principles of Environmental Financial Behavior" by 25 Japanese financial institutions. The stakeholders of the T&D Life Group would undoubtedly be interested to learn about the kind of action it intends to take as regards the environment-related role of finance. I think it would have been advisable to include a concise account of this area in Chapter 3, entitled "Try & Discover" to protect the global environment." At this point, I would like to offer my opinions and proposals for consideration in preparation of succeeding editions of the Corporate Responsibility Report, referring to both of the Special Topics and the Data Edition.

As an example of content from the Data Edition, I would like to bring up the account of the corporate governance structure at the T&D Life Group. This structure is described in the Group's securities reports and disclosure documents. In addition, reports on corporate governance are submitted to stock exchanges. All of these documents can also be viewed on the Group website. I therefore suggest the approach of confining the description on corporate governance in the Corporate Responsibility Report to a very abbreviated account together with information on where to find more detailed information for readers who want to know more, and providing fuller information of corporate responsibility-related items in the Corporate Responsibility Report.

When I read the description of corporate governance, I felt the need to know about it in a little more detail. I can mention two examples in this connection.

- (1) T&D Holdings has entered the seventh year since its founding. Is it attaining the original aims behind its selection of the holding

[Biography]

Mr. Hishiyama was engaged in a variety of tasks inside and outside Japan as a senior executive before leaving Mitsubishi Oil Co. (current JX Nippon Oil & Energy Corporation). After studying at the Center for Business Ethics at Bentley University in the U.S. as a Visiting Executive Scholar, he established the Center for Corporate Behavior in Japan. He is now engaged in consultancy work for corporations and the operations of a related non-profit organization as its director, as well as teaching at universities as an adjunct instructor, in order to fulfill his mission of disseminating business ethics, corporate social responsibility, and socially responsible investment. He has authored a number of books and articles in these fields.

company system? I realize that the life insurance business requires a long-term perspective, and that rapid growth cannot be anticipated over the short term, but would like to know if and to what extent the holding company system is heightening the Group's coherence and synergy. I would also appreciate some information on intentions, execution, progress, and results in the aspects of formulation of managerial strategy for the Group, such as proper allocation of business resources, sharing of values and reinforcement of human networks through personnel exchange and joint training in the directorial and executive class, and measures for qualitative improvement of Group-level management.

- (2) In keeping with their social mission, life insurance companies must make prompt and full payments to customers even in the event of natural disasters and pandemics on scales exceeding all expectations. The description of arrangements for response to emergencies to safeguard business continuity was reassuring, but I wondered about the situation as regards equity reserves in preparation for huge payouts. The Group presents data indicating that the solvency margin ratio and credit rating are on favorable levels, but is it satisfactory level? What kind of impact does it think would be exerted by instatement of current value accounting in the near future?

The "Frequently Asked Questions" page on the website of T&D Holdings could presumably be expanded to handle questions of this nature. The company could add items that would throw the dynamic activities of management into sharper relief, enrich quantitative data, and fill out the Q&A section while incorporating the corporate responsibility aspect. This would presuppose a positive stance toward dialogue with and information disclosure to stakeholders, and therefore could be expected to heighten the ratings and credibility of the T&D Life Group. Other items occupying a fairly large portion of the Data Edition, and specifically the internal control system, compliance, and risk management, could, I believe, also be handled by similar use of existing corporate information tools. In Europe and the United States, there are rising calls for an integrated report containing both of financial statements and non-financial CSR information. Taking this trend into account as well, the future could very well bring more requests for efforts to order and augment the provision of non-financial information consolidated in the Data Edition, and to furnish a more efficient and effective display of the company portrait on the website.

From a more general perspective, I would like to make two points. The first concerns the attitude toward information disclosure. I get the impression that a progressive, positive-minded one may be faltering. On the whole, it seems to me that conventional discussion of rather safe topics (such as personnel exchange) forms the main part, and that a more hard-hitting disclosure of concrete, quantitative information has reached a plateau. Also recommended is a reappearance of comments by the labor union, which were carried in the Corporate Responsibility Report the year before last. Insofar as companies are living entities, a dynamic description suits them better than a static one.

My second point has to do with the perception of and approaches to corporate responsibility. The T&D Life Group's CSR Charter is an excellent one. The provision of better products and services, contribution to communities and society, and protection of the global environment treated in the Corporate Responsibility Report, as well as rigorous compliance, respect for human rights, and communication—all of these six concerns are taken up in it. If each and every employee solidly embraces the Charter and its spirit and puts these six items into practice, the effects of corporate responsibility activities are bound to surface in corporate behavior in all areas of business and social contribution, and in all the companies making up the Group alike. It will also bolster the synergy effect of the Group and heighten the corporate value more and more. I have high hopes for the Group in this aspect.

Overall, the Corporate Responsibility Report attained the objective of descriptions with higher levels of understandability and legibility. I also like the design (and illustration) on the cover, which are novel and have the special warmth of hand-drawn pictures.

Lastly, I would like to express my gratitude for the opportunity to participate in the Corporate Responsibility Report in this capacity.

Establishing Connections, Fostering Communication in the Group

3.5 4.16 FS4

In the same way that we value communication with our external stakeholders, T&D Holdings sets a high value on communication within the Group itself. While growing with our employees, each one of whom is an important stakeholder, we would like to fulfill the Group's public mission and social responsibility.

The T&D Life Group Corporate Responsibility Report is prepared in order to have our external stakeholders gain an understanding of the Group, as well as a mirror that reflects oneself within the Group. It also serves to raise

awareness of corporate responsibility.

Furthermore, in order to continually improve the report and enhance the Group's corporate responsibility activities, we distribute one copy of the report to each of the Group's executives and employees, and we then conduct a post-reading questionnaire. In fiscal 2009, we made a contribution to the *Satoyama* Revival Project run by the FoE Japan, an international environmental NGO, in proportion to the number of fully answered questionnaires.

[Questionnaire Outline]

(1) Respondents:

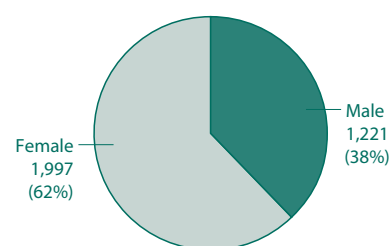
T&D Life Group executives and employees
* Conducted as an anonymous questionnaire

(2) Collection status:

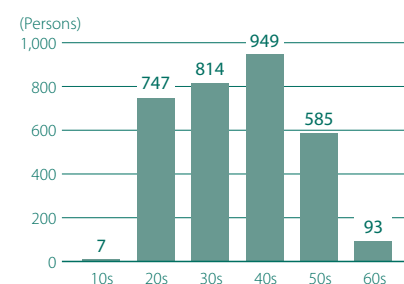
Collected	Distributed	Collection rate
3,286	16,700	19.7%

(3) Respondent attributes:

● Gender



● Age

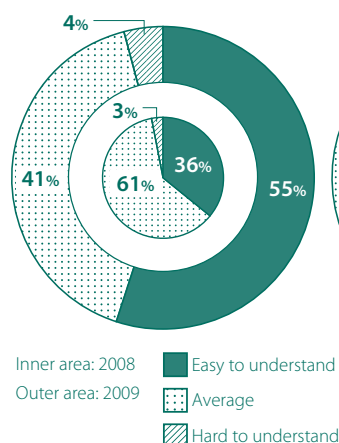


* Questionnaire period:
November 16, 2009 to mid-February 2010

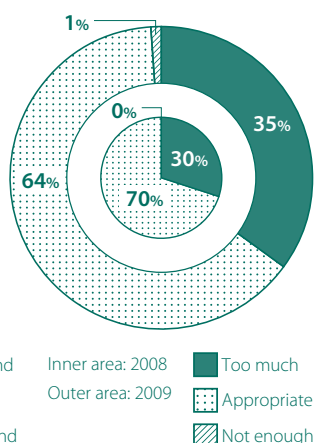
* Since this survey was conducted anonymously and answers regarding age and gender were voluntary, tabulated figures do not match the number collected.

■ Report as a whole

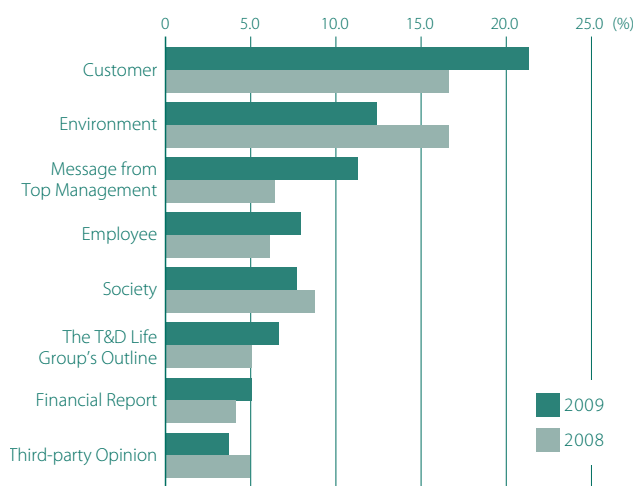
(1) Content



(2) Volume of information



■ Items that made an impression/those that were interesting



Comments and requests received	Our response
I want you to create the report in a simplified form with an amount of information that can all be read.	We have divided the Corporate Responsibility Report 2010 into the Special Topics and the Data Edition, and in the Special Topics, we focused on the information that we would especially like to convey to our stakeholders.
I would like soft contents that attract the eye and visual expressions that create images.	
The task is to communicate information widely and intelligibly, so a simplified version should be prepared.	
I didn't understand corporate responsibility well until now, and I didn't really understand the activities. I'm happy that I learned about the Group's various activities.	We will continue to make good use of the feedback of employees, and, in order to enable each employee to increase his or her understanding and awareness of corporate responsibility through the Corporate Responsibility Report, we will strive to prepare a report that is easily readable and easy to understand.
I would like to do what I myself can do, and the awareness of each person is important, so I want to be conscious of corporate responsibility when I do my work and become involved in the activities.	
My pride in the Group and my work, as well as my trust in the company, increased.	

T&D Life Group Corporate Responsibility Report 2010

G3 GRI Content Index 3.12

Item	Indicator	Pages in this report
1 Strategy and Analysis		
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	8
1.2	Description of key impacts, risks, and opportunities.	8
2 Organizational Profile		
2.1	Name of the organization.	2
2.2	Primary brands, products, and/or services.	4, 5-6
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	4, 5-6
2.4	Location of organization's headquarters.	2
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	4 Activities in Japan only
2.6	Nature of ownership and legal form.	3
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	4, 5-6
2.8	Scale of the reporting organization, including: ● Number of employees; ● Net sales (for private sector organizations) or net revenues (for public sector organizations); ● Total capitalization broken down in terms of debt and equity (for private sector organizations); and ● Quantity of products or services provided.	2, 3
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: ● The location of, or changes in operations, including facility openings, closings, and expansions; and ● Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	Not applicable
2.10	Awards received in the reporting period.	2, 23
3 Report Parameters		
Report Profile		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1
3.2	Date of most recent previous report (if any).	1
3.3	Reporting cycle (annual, biennial, etc.)	1
3.4	Contact point for questions regarding the report or its contents.	1
Report Scope and Boundary		
3.5	Process for defining report content, including: ● Determining materiality; ● Prioritizing topics within the report; and ● Identifying stakeholders the organization expects to use the report.	1, 38
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	1, 4, 36
3.7	State any specific limitations on the scope or boundary of the report.	1, 4, 36
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	35
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	–
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	35, 36
GRI content index		
3.12	Table identifying the location of the Standard Disclosures in the report.	39-42
Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	1
4 Governance, Commitments, and Engagement		
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	10, 11
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	10
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	10
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	16, 29
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	10
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	10, 11, 12
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	10
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	9, 12, 33

—: No information in this report. However, this report does not cover all activities of the Group.

CORE: "Core indicator," meaning an indicator that most stakeholders are interested in.

ADD: "Additional indicator," meaning an indicator for a new theme or a theme important to certain parts of the organization.

Item		Indicator	Pages in this report
4.9		Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	9, 14, 17
4.10		Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	10-12
Commitments to External Initiatives			
4.11		Explanation of whether and how the precautionary approach or principle is addressed by the organization.	12-13, 14
4.12		Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	17
4.13		Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: ○ Has positions in governance bodies; ○ Participates in projects or committees; ○ Provides substantive funding beyond routine membership dues; or ○ Views membership as strategic.	2
Stakeholder Engagement			
4.14		List of stakeholder groups engaged by the organization.	8
4.15		Basis for identification and selection of stakeholders with whom to engage.	—
4.16		Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	15, 16, 38
4.17		Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	18
5 Management Approach and Performance Indicators			
Economic			
		Disclosure on Management Approach	6-7
aspect: Economic Performance			
EC1	CORE	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	6, 7
EC2	CORE	Financial implications and other risks and opportunities for the organization's activities due to climate change.	14
EC3	CORE	Coverage of the organization's defined benefit plan obligations.	—
EC4	CORE	Significant financial assistance received from government.	Not applicable
aspect: Market Presence			
EC5	ADD	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not applicable
EC6	CORE	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Not applicable
EC7	CORE	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	—
aspect: Indirect Economic Impacts			
EC8	CORE	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	30-32
EC9	ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.	—
Environmental			
		Disclosure on Management Approach	33-36
aspect: Materials			
EN1	CORE	Materials used by weight or volume.	36
EN2	CORE	Percentage of materials used that are recycled input materials.	Not applicable
aspect: Energy			
EN3	CORE	Direct energy consumption by primary energy source.	—
EN4	CORE	Indirect energy consumption by primary source.	35, 36
EN5	ADD	Energy saved due to conservation and efficiency improvements.	36
EN6	ADD	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	36
EN7	ADD	Initiatives to reduce indirect energy consumption and reductions achieved.	33
aspect: Water			
EN8	CORE	Total water withdrawal by source.	35
EN9	ADD	Water sources significantly affected by withdrawal of water.	Not applicable
EN10	ADD	Percentage and total volume of water recycled and reused.	35
aspect: Biodiversity			
EN11	CORE	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable
EN12	CORE	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not applicable
EN13	ADD	Habitats protected or restored.	Not applicable
EN14	ADD	Strategies, current actions, and future plans for managing impacts on biodiversity.	—
EN15	ADD	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not applicable

Item		Indicator	Pages in this report
aspect: Emissions, Effluents, and Waste			
EN16	CORE	Total direct and indirect greenhouse gas emissions by weight.	35
EN17	CORE	Other relevant indirect greenhouse gas emissions by weight.	Not applicable
EN18	ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	33, 35
EN19	CORE	Emissions of ozone-depleting substances by weight.	Not applicable
EN20	CORE	NO, SO, and other significant air emissions by type and weight.	Not applicable
EN21	CORE	Total water discharge by quality and destination.	Not applicable
EN22	CORE	Total weight of waste by type and disposal method.	35
EN23	CORE	Total number and volume of significant spills.	Not applicable
EN24	ADD	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not applicable
EN25	ADD	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not applicable
aspect: Products and Services			
EN26	CORE	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Not applicable
EN27	CORE	Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable
aspect: Compliance			
EN28	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Not applicable
aspect: Transport			
EN29	ADD	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	–
aspect: Overall			
EN30	ADD	Total environmental protection expenditures and investments by type.	–
Labor Practices and Decent Work			
		Disclosure on Management Approach	27-29
aspect: Employment			
LA1	CORE	Total workforce by employment type, employment contract, and region.	28
LA2	CORE	Total number and rate of employee turnover by age group, gender, and region.	28
LA3	ADD	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	–
aspect: Labor/Management Relations			
LA4	CORE	Percentage of employees covered by collective bargaining agreements.	–
LA5	CORE	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	–
aspect: Occupational Health and Safety			
LA6	ADD	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	–
LA7	CORE	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	–
LA8	CORE	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	29
LA9	ADD	Health and safety topics covered in formal agreements with trade unions.	29
aspect: Training and Education			
LA10	CORE	Average hours of training per year per employee by employee category.	–
LA11	ADD	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	25, 27, 28
LA12	ADD	Percentage of employees receiving regular performance and career development reviews.	–
aspect: Diversity and Equal Opportunity			
LA13	CORE	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	27, 28
LA14	CORE	Ratio of basic salary of men to women by employee category.	–
Human Rights			
		Disclosure on Management Approach	28
aspect: Investment and Procurement Practices			
HR1	CORE	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not applicable
HR2	CORE	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not applicable
HR3	ADD	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	28
aspect: Non-Discrimination			
HR4	CORE	Total number of incidents of discrimination and actions taken.	Not applicable
aspect: Freedom of Association and Collective Bargaining			
HR5	CORE	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not applicable
aspect: Child Labor			
HR6	CORE	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not applicable
aspect: Forced and Compulsory Labor			
HR7	CORE	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Not applicable

—: No information in this report. However, this report does not cover all activities of the Group.

CORE: "Core indicator," meaning an indicator that most stakeholders are interested in.

ADD: "Additional indicator," meaning an indicator for a new theme or a theme important to certain parts of the organization.

Item		Indicator	Pages in this report
aspect: Security Practices			
HR8	ADD	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not applicable
aspect: Indigenous Rights			
HR9	ADD	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable
Society			
		Disclosure on Management Approach	30-32
aspect: Community			
SO1	CORE	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Not applicable
aspect: Corruption			
SO2	CORE	Percentage and total number of business units analyzed for risks related to corruption.	14
SO3	CORE	Percentage of employees trained in organization's anti-corruption policies and procedures.	13
SO4	CORE	Actions taken in response to incidents of corruption.	Not applicable
aspect: Public Policy			
SO5	CORE	Public policy positions and participation in public policy development and lobbying.	—
SO6	ADD	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	—
aspect: Anti-Competitive Behavior			
SO7	ADD	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	Not applicable
aspect: Compliance			
SO8	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Not applicable
Product Responsibility			
		Disclosure on Management Approach	18-26
aspect: Customer Health and Safety			
PR1	CORE	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	18-26
PR2	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	—
aspect: Product and Service Labeling			
PR3	CORE	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	—
PR4	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	—
PR5	ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	16, 19, 20, 21
aspect: Marketing Communications			
PR6	CORE	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	22, 23, 24
PR7	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not applicable
aspect: Customer Privacy			
PR8	ADD	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	23
aspect: Compliance			
PR9	CORE	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Not applicable
Financial Services Sector Specific Disclosure on Management Approach			
FS1	CORE	Policies with specific environmental and social components applied to business lines.	9, 12, 33
FS2	CORE	Procedures for assessing and screening environmental and social risks in business lines.	14
FS3	CORE	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	—
FS4	CORE	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	13, 25, 27, 34, 38
FS5	CORE	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	16, 18
FS6	CORE	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	5
FS7	CORE	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	5, 22
FS8	CORE	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	—
FS9	CORE	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	11
FS10	CORE	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	—
FS11	CORE	Percentage of assets subject to positive and negative environmental or social screening.	—
FS12	CORE	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	17
FS13	CORE	Access points in low-populated or economically disadvantaged areas by type.	Not applicable
FS14	CORE	Initiatives to improve access to financial services for disadvantaged people.	24
FS15	CORE	Policies for the fair design and sale of financial products and services.	22
FS16	CORE	Initiatives to enhance financial literacy by type of beneficiary.	16

Try & Discover

T&D T&D Life Group

T&D Holdings, Inc.

1-2-3 Kaigan, Minato-ku, Tokyo 105-0022, Japan
<http://www.td-holdings.co.jp/e/> E-mail: csr@td-holdings.co.jp

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

Biodiversity



The T&D Life Group practices green purchasing.



This report was printed on Satoyama Monogatari paper, which contributes to preservation of biodiversity, with 100% vegetable oil (non-VOC) ink. The printing was done by the computer-to-plate (CTP) process, which makes no use of film, and a waterless method that does not generate any hazardous waste liquid.

