

Corporate Responsibility Report 2012

Data Edition



About the Special Topics and the Data Edition (this Document)
of the T&D Life Group Corporate Responsibility Report 2012

The T&D Life Group Corporate Responsibility Report 2012 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

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- Message from President 12
- FY2011 Group CSR Activity Report 13

Data Edition

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

T&D Holdings, Inc.
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<http://www.td-holdings.co.jp/en/> E-mail: csr@td-holdings.co.jp

Change for the future.
Change by Japan.

CHALLENGE 25

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

FOR ALL THE LIFE ON EARTH

We are considerate of biodiversity

3.9 GREENSTYLE

国産材、使って減らすCO2

里山物語

This report was printed on SatoyamaMonogatari 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.

Vegetable INK for waterless printing

Non Volatile Organic Compounds

Waterless Printing. Naturally.

GPN Green Purchasing Network

The T&D Life Group practices green purchasing.

1. T&D Life Group’s Corporate Responsibility

1-1 Message from Top Management 1.1 1.2

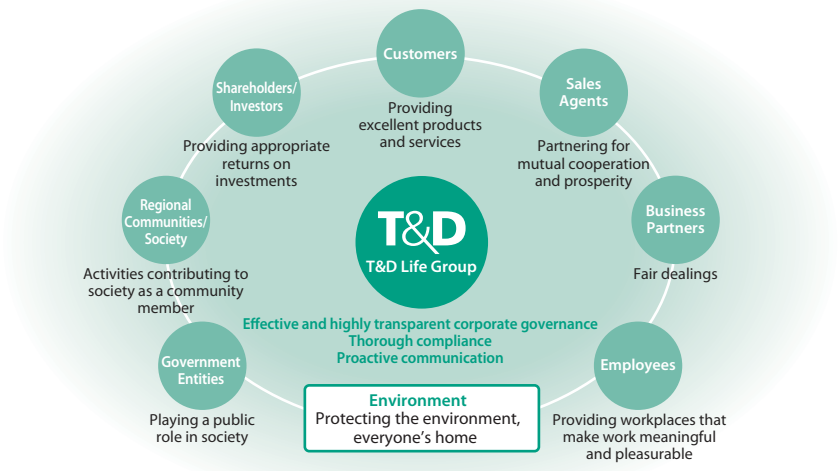
Creating New Value in the Midst of Change Based on the Group’s Breadth and Depth

The T&D Life Group, centered on a collection of companies having more than a century of experience in the life insurance business, has always acted in the belief that fulfilling its social responsibilities through its principal business is of the utmost importance. “Social responsibilities” in this context refers to those responsibilities we bear with respect to customers, shareholders, local communities, employees and all other stakeholders connected with the conduct of our business. As a corporate group hoping to grow perpetually alongside society, we absolutely must be motivated by a self-awareness of our social responsibilities to demonstrate the corporate behavior needed by, and worthy of the trust of, all stakeholders. Our Group shares the Corporate Philosophy, Management Vision, Fundamental Strategies, and CSR Charter. Group companies are presently leveraging their own unique features and distinctive business models to expand their businesses. At the same time these shared beliefs underlie all of their business activities, linking these companies by strong bonds of trust that allow for mutual cooperation. We are convinced that we can become an even stronger Group by recognizing our mutual values, sharing information, improving by learning from each other and occasionally competing while Group companies take maximum advantage of

their respective strengths. Companies wishing to remain going concerns must always be thinking about what should be done to achieve growth five or ten years down the road, and they must adapt to an ever-changing society. Problems deriving from an aging population and declining birthrate as well as changes in employment patterns are becoming increasingly apparent in Japan. We must wholeheartedly face up to the changes in society, transform issues such as the provision of products/services and the utilization of diverse human resources into opportunities for creating new value, and exploit our Group’s breadth and depth to meet the expectations of our stakeholders. Operating on the principle of mutual aid, insurance is inherently a business with an extremely strong public/social nature, and our Group boasted a corporate culture of acting to fulfill its social responsibilities long before the term “CSR” ever caught on. Conscious and very much proud of that fact, the T&D Life Group will continue its unshakable adherence to the “Try & Discover” approach as it lends an ear to the voices of all its stakeholders and transforms together with society.

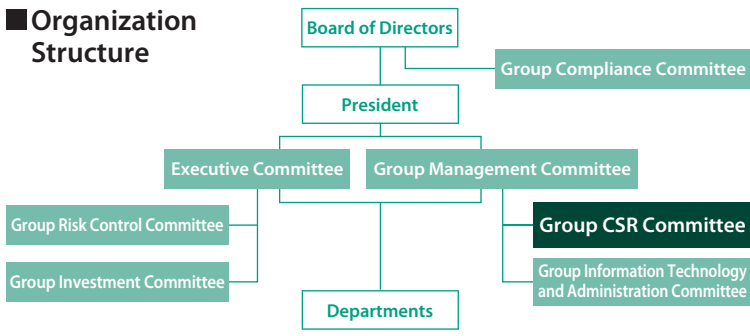
Kenji Nakagome
Representative Director and President
T&D Holdings, Inc.

1-2 The T&D Life Group and its Stakeholders 4.14



1-3 Promotion Structure for the Group-wide Corporate Responsibility 4.9

The T&D Life Group has established the Group CSR Committee, chaired by the president of T&D Holdings, and consisting mainly of directors in charge of CSR in each group company. The CSR promotion system has been reinforced to facilitate coordinated efforts across the Group through discussions at the Group CSR Committee over Group-wide CSR policies and initiatives, while allowing for independent activities at each group company.



About Corporate Responsibility Report 2012

Numbers at the top right of each section (e.g. 3.1) indicate the corresponding number of the G3.1 GRI Guidelines, which can be found at the end of this report.

Report Publication Information

Published in November 2012 (Previous Issue: December 2011; Next Issue: Scheduled for November 2013)
Scope of report All companies and foundations in the T&D Life Group
*Contents of this report are selected taken into account the importance of each item, and we indicate the scope of each item as necessary.
Period covered April 2011 to March 2012 (annual)
*Also includes reports on some significant activities and events having occurred in and after April 2012.

For further information, please contact the following organization

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Third-party Opinion

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, continues to provide a third-party opinion and advice regarding the contents of this report.

Editorial Policy

This report was prepared with the aim of providing stakeholders with a clear picture about the concept and approach to corporate responsibility adopted by the T&D Life Group. In order to help stakeholders better understand the activities of the Group, we have created two versions of our CR report 2012, as we did for the 2011 report: Special Topics and a Data Edition. Special Topics, focusing on issues

and activities of particular interest to stakeholders as well as on information and messages that the Group would particularly like to communicate, is designed to include photos and illustrations to enhance approachability and readability. The Data Edition comprehensively reports on the Group’s activities related to management, society, and the environment, in accordance with the GRI Guidelines as much as possible.

1-4 Basic Concept of our Corporate Responsibilities

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. This concept is set forth in the Group's Corporate Philosophy and Management Vision (on the right), and the Group has drawn up the T&D Life Group Fundamental Strategies (below), which formulates principles aimed at materializing the stated concept. To achieve these management objectives, a set of principles and policies relating to corporate responsibility have been established, specifically: the T&D Life Group CSR Charter (below), which comprises the basic policies to further promote its CSR activities; 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; the T&D Life Group Environmental Policy (p.33), which has been established based on the T&D Life Group CSR Charter and 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.

Group Management Vision

- From the perspectives of customers
- Aiming to be top insurance company in terms of customer satisfaction by providing the best products and services.
- From the perspectives of shareholders, investors and financial market
- Aiming to be a major life insurance group with a strong presence in the market by stable and sustainable increase in the corporate value through new challenges for growth.

Group Fundamental Strategies

1. To provide products and services tailored to customer needs accurately and quickly in a kind and polite manner.
2. To maintain and develop the Group management to maximize the individual strengths of each Group company within the Group.
3. To establish an integrated management system of profit, risk, and capital for stable and sustainable EV growth.
4. To achieve the mid- and long-term growth of the Group by expanding the life insurance business and entering into new business areas through alliances and M&As.
5. To fulfill our public mission as a life insurance business and our corporate social responsibilities for the broader society including customers and shareholders.

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 and services 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.

2. Outline of the Organization

2-1 Outline of the T&D Life Group's Business

2.2

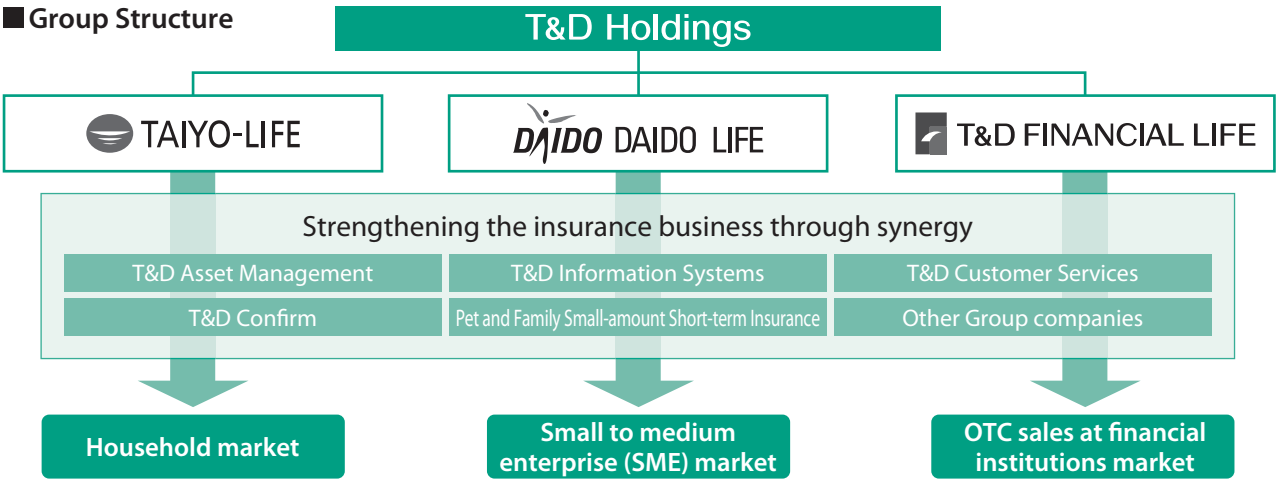
2.3

2.7

4.11

The T&D Life Group is a corporate group mainly comprising 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 the household market, the small to medium enterprise market, and OTC life insurance sales through financial institution agents, respectively. These group companies support our customers' daily lives and business activities by fully utilizing their respective strengths and unique business models.

■ Group Structure



2-2 T&D Life Group Companies and Foundations

2.5

3.6

3.7

<Group companies> As of March 31, 2012, 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 ◆: Equity method affiliate companies)

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

Insurance and Insurance-related Businesses (7 companies)	Insurance	● Taiyo Life Insurance Company ● Daido Life Insurance Company ● T&D Financial Life Insurance Company ● Pet and Family Small-amount Short-term Insurance Company	http://www.taiyo-seimei.co.jp/ http://www.daido-life.co.jp/ http://www.tdf-life.co.jp/ http://www.petfamilyins.co.jp/
	Insurance-related	● T&D Confirm Ltd. ● Toyo Insurance Agency Co., Ltd. ● Daido Management Service Co., Ltd.	http://www.sonpo.co.jp/toyohkdaiko/ http://www.dms-hp.co.jp/
Investment-related Businesses (7 companies)	Investment Management and Advisory	● T&D Asset Management Co., Ltd. ● T&D Asset Management (U.S.A.) Inc.	http://www.tdasst.co.jp/en/
	Others	● T&D Lease Co., Ltd. ● T&D Asset Management Cayman Inc. ● Taiyo Credit Guarantee Co., Ltd. ◆ Alternative Investment Capital Ltd. ◆ AIC Private Equity Fund General Partner, Ltd.	http://www.taiyo-life-lease.co.jp/ http://www.taiyo-sinyo-hosyo.co.jp/ http://www.aicapital.co.jp/english/
Administration-related Businesses (4 companies)	Administration-related	● T&D Customer Services Co., Ltd.	
	General Affairs and Calculation-related	● T&D Information Systems, Ltd. ● Nihon System Shuno, Inc. ● Zenkoku Business Center Co., Ltd.	http://www.td-system.co.jp/ http://www.nss-jp.com/ http://www.zbc-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/

2-3 Description of Companies (as of March 31, 2012)**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	99
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: <ul style="list-style-type: none"> ● 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: 8,886 Customer service: 534 Administrative: 2,833 Total: 12,253

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: 3,904 Administrative: 3,408 Total: 7,312

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	298

Industry association to which the three life insurance companies belong

The Life Insurance Association of Japan

4.13**2-4 Awards Received during the Reporting Period****2.10****● UCDA Award 2012* (Insurance Solicitation Brochure Division, Medical Insurance Solicitation Brochure Category) May 2012, hosted by Universal Communication Design Association**

Taiyo Life's brochure for "Taiyo Life's *yasashiihoken* (medical insurance plan that requires no prior notification of health conditions/history)" won a special prize in the Insurance Solicitation Brochure Division, Medical Insurance Solicitation Brochure Category.

* The UCDA Award aims to provide a third-party evaluation to communication tools, including brochures, created by corporations targeting general consumers, focusing on the quality of being "easy to look, easy to understand and to be infectious." The UCDA expects that the evaluation results will serve as an indicator for improved communication quality and development of design technology, thereby contributing to increased benefit to both enterprises and consumers.

2-5 Performance of the Group Companies**2.8 EC1**

	Year ended March 2010	Year ended March 2011	Year ended March 2012
Consolidated operating results (Billion yen)			
Ordinary revenues	2,348.9	1,993.0	2,104.1
Ordinary profit	80.5	94.9	120.8
Net income	24.2	23.8	26.7
Consolidated balance sheet data (Billion yen)			
Total assets	12,878.7	12,740.7	12,861.0
Net assets	630.4	622.0	685.5
Per share information (Yen)			
Consolidated net income per share	82.95	*1 *2 35.06	39.41
Consolidated net assets per share	1,845.79	*1 *2 910.52	1,013.54
Non-consolidated annual dividend per share	45.00	45.00	*1 22.50
Management indicators (Billion yen)			
Policy amount in force	57,700.0	58,040.8	58,414.6
New policy amount	6,329.9	6,348.2	6,349.6
Core profit (loss)	131.0	107.7	144.9
Consolidated return on equity (ROE) (%)	5.3	3.8	4.1
EEV	1,374.9	1,369.1	1,475.6

* 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.

*1 The company has implemented a 2-for-1 split on its common stock, effective on October 1, 2011.

*2 Net income per share and net assets per share are calculated on the assumption that the above share split was implemented at the beginning of fiscal 2011.

2-6 T&D Holdings, Inc. Shareholders**2.6****Proportion of Shares Held (as of March 31, 2012)**

Shareholder category	Financial institutions	Financial product dealers	Other corporations	Foreign corporations, etc.	Individuals and others	Total
No. of shares held (1,000 shares)	204,750	20,883	156,319	242,156	57,370	681,480
Proportion of shares held (%)	30.04	3.06	22.94	35.53	8.42	100.00

Principal Shareholders (as of March 31, 2012)

Name	No. of shares held (1,000 shares)	Percentage of shares held vs outstanding shares (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	42,258	6.20
The Master Trust Bank of Japan Ltd. (Trust Account)	38,171	5.60
The Bank of New York, Treaty Jasdec Account	23,055	3.38
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	21,049	3.09
RBC DEXIA Investor Services Trust, London - Client Account	16,583	2.43
Japan Trustee Services Bank, Ltd. (Trust Account 9G)	16,407	2.41
OM04 SSB Client Omnibus	9,864	1.45
NIPPONKOA Insurance Company, Ltd.	9,638	1.41
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	8,246	1.21
Komatsu Ltd.	8,167	1.20
Total	193,443	28.39

3. Outline of Businesses

Life Insurance

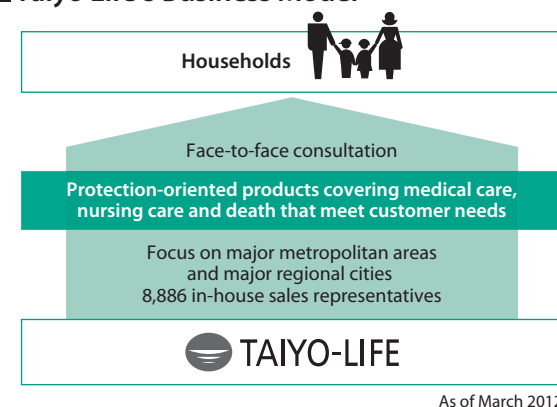
3-1 Taiyo Life Insurance Company

2.2 2.3 2.7 FS6 FS7

Supporting Households through Comprehensive Life Security

In the household market, Taiyo Life is engaged in the sale of comprehensive protection-oriented insurance products covering death, medical care, and nursing care, through its in-house sales representative channel. Our in-house sales representatives call on individual customers to directly ascertain their needs, make suggestions or providing advice for arranging plans that best meet their needs. Customer service staff call on customers on a regular basis to introduce new products and services, assist them with documentation and other necessary procedures as well as receiving and responding to their requests. Aiming to become a trusted and needed lifelong partner for individual customers, we are working to enhance our sales force to offer optimally customized products and services, taking a customer-oriented approach with a focus on face-to-face consultation.

Taiyo Life's Business Model



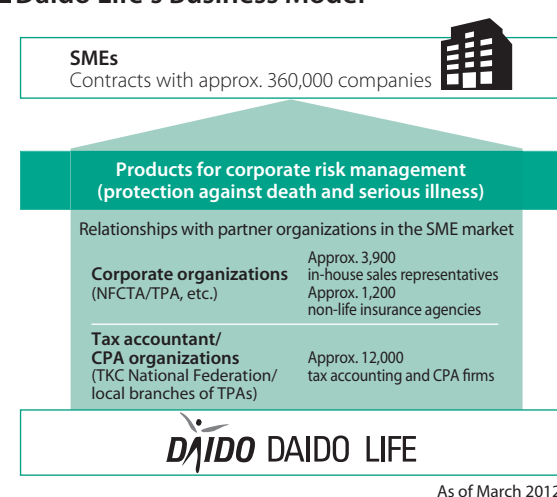
3-2 Daido Life Insurance Company

2.2 2.3 2.7 FS6 FS7

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 to member enterprises of the partner organizations as a benefit program for owners and employees of those enterprises. These products are also introduced by tax accountants and certified public accountants belonging to the partner organizations to their corporate clients as a part of their management advice. In fiscal 2011, 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, 18.7% as of March 31, 2011, 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



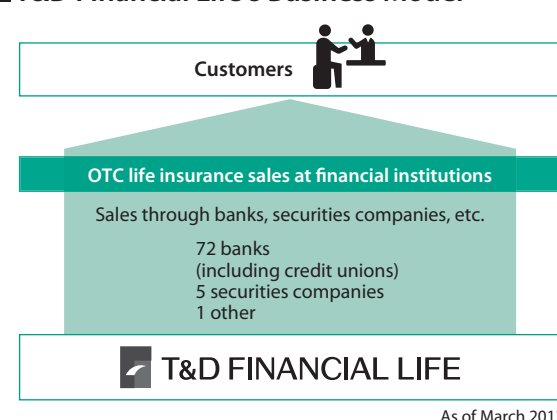
3-3 T&D Financial Life Insurance Company

2.2 2.3 2.7 FS6 FS7

Supporting Customers to Lead a Comfortable Second Life

T&D Financial Life specializes in OTC life insurance sales mainly through financial institution agents, offering products including single premium whole life insurance. The company's basic business policies are: to strengthen our compliance and internal control system to fully protect our customers' interests; to develop and sell new product packages offering plans that can differentiate the company from its competitors, thereby achieving sustainable growth; and to increase the amount of insurance policies in force and improve profitability while maintaining sufficient financial soundness. In accordance with these management policies, we are working to develop new products in a timely manner that can offer bespoke plans to meet diverse individual customer needs and provide quality service, using our "communicators" (call-center agents) who handle inquiries and applications for benefits from customers. Keeping customer-oriented perspectives in mind, we will continue working hard to improve customer satisfaction.

T&D Financial Life's Business Model



Asset Management

3-4 T&D Asset Management Co., Ltd.

2.2 2.3 2.7 FS6 FS7

T&D Asset Management is engaged in asset management for the T&D Life Group. Aiming to become one of the most trusted companies in this sector in Japan, and upholding the slogan "Make a Difference," the company is working to offer unique, valued services in a variety of categories, including investment trust and investment advisory. We are making efforts to strengthen our own asset management capabilities while seeking effective alliances with leading overseas asset management institutions, thereby providing competitive products and services that respond to investors' needs in a timely manner.

Pet Insurance

3-5 Pet and Family Small-amount Short-term Insurance Company

2.2 2.3 2.7 FS6 FS7

Pet and 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 and 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.

4. Business Overview

4-1 Fiscal 2011 (Ended March 2012)

EC1

Total policy amount in force for the Group's three life insurance companies (individual insurance and individual annuities)

The three companies posted a total of 6,349.6 billion yen for new insurance policies, up 0.02 percent year on year, while recording 4,261.6 billion yen for surrendered and lapsed policies, down 5.2 percent year on year, bringing the total amount of policies in force to 58,414.6 billion yen as of the fiscal year end, up 0.6 percent over the previous year.

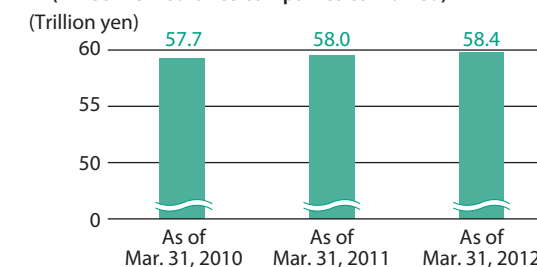
Financial results of T&D Holdings (consolidated)

Ordinary revenues stood at 2,104.1 billion yen, up 5.6 percent year on year, of which income from insurance premiums, etc.

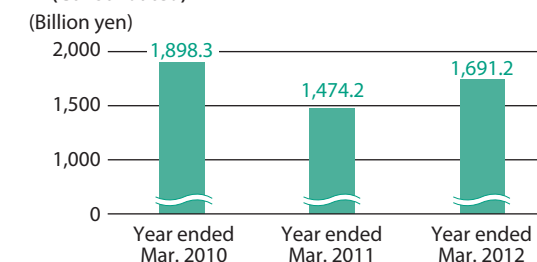
was 1,691.2 billion yen, up 14.7 percent year on year. Ordinary profit and net income stood at 120.8 billion yen, up 27.3 percent, and 26.7 billion yen, up 12.1 percent, from the previous year, respectively. Core profit, a performance indicator for the mainstay life insurance business, stood at a combined 144.9 billion yen (up 34.5% year on year) for the Group's three life insurance companies.

* For financial results for the latest accounting period, please visit the T&D Holdings website: <http://www.td-holdings.co.jp/en/>

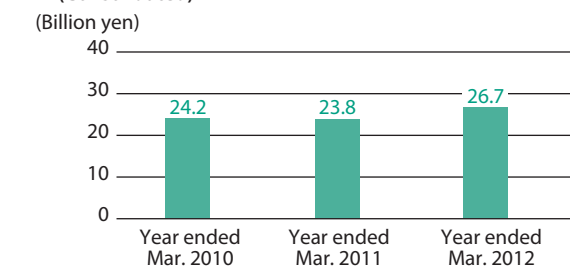
Policy Amount in Force (Three life insurance companies combined)



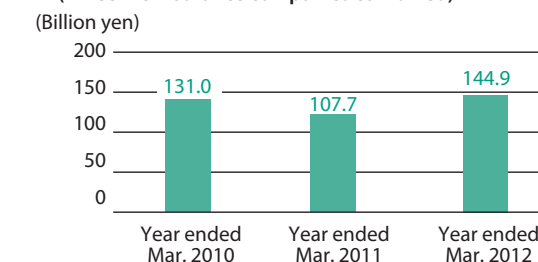
Income from Insurance Premiums, etc. (Consolidated)



Net Income (Loss) (Consolidated)



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




4-2 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 life insurance companies, 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 to the traditional EV approach, and thereby improves the transparency of disclosed information.

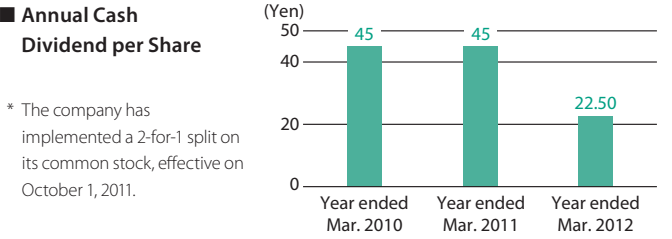
■ Corporate Value of the T&D Life Group (Billion yen)			
	As of Mar. 31 2011	As of Mar. 31 2012	Change
EEV	1,369.1	1,475.6	106.5
Adjusted net worth	861.4	1,036.6	175.1
Value of in-force business	507.6	438.6	(68.6)
Value of new business	54.7	62.3	7.6

 Please visit the T&D Holdings website for details. (URL: <http://www.td-holdings.co.jp/ir/finance/data/>)

4-3 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 2011 was set at 22.5 yen per share, same as the previous year taking into account the 2 for 1 stock split.



4-4 Solvency Margin Ratio

EC1

The Group's solvency margin ratio,* remains at an adequate level.

*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. (The ratios shown in the right table are calculated using the new standard.)

	As of Mar. 31, 2011	As of Mar. 31, 2012
Taiyo Life	670.8	747.3
Daido Life	720.6	851.9
T&D Financial Life	571.1	553.7
Pet and Family Small-amount Short-term Insurance	2,166.1	979.8
T&D Holdings (consolidated)	—	810.6

4-5 Credit Ratings

The three life insurance companies in the T&D Life Group have obtained credit ratings regarding solvency for paying insurance claims. The Group has received high evaluation marks from major rating agencies, as shown below.

Rating Agency	Taiyo Life	Daido Life	T&D Financial Life
Standard & Poor's (S&P)	A-	A-	
Japan Credit Rating Agency (JCR)	A+	A+	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 independent third-party organizations 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 AAA and AA.
- **Japan Credit Rating Agency (JCR) <Insurance Claims Payment Ability Ratings>**
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 policyholders and other contract obligations without delay. However, it may face 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 solid financial soundness. However, some factors may affect the company's ability to pay claims at some point in the future.

Management

1. Corporate Governance

1-1 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 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 subsidiaries, which have their own business strategies, develop marketing strategies leveraging their strengths, and conduct business operations autonomously, thereby increasing 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 subsidiaries.

1-2 Corporate Governance Framework

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4.10

● Board of Directors

4.2

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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. As part of revision of the director remuneration system, provision of retirement benefits for directors was abolished, for which approval was obtained at the general shareholders' meeting held on June 27, 2012. In relation to this abolishment, a stock option program was introduced for directors, excluding external directors.

Chairman of the Board of Directors	President
Directors	10
External director	1
External director's role	The Board's external director provides specialist knowledge as a university professor and offers comments regarding deliberation of the agenda as necessary at the Board of Directors' meetings.

● Executive Officer System

4.2

To improve corporate governance, T&D Holdings and its 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 Compliance Committee, Group Risk Control Committee and Group CSR 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 professional standpoints as lawyers or university professors, the external corporate auditors offer necessary comments regarding deliberation of the agenda as necessary.

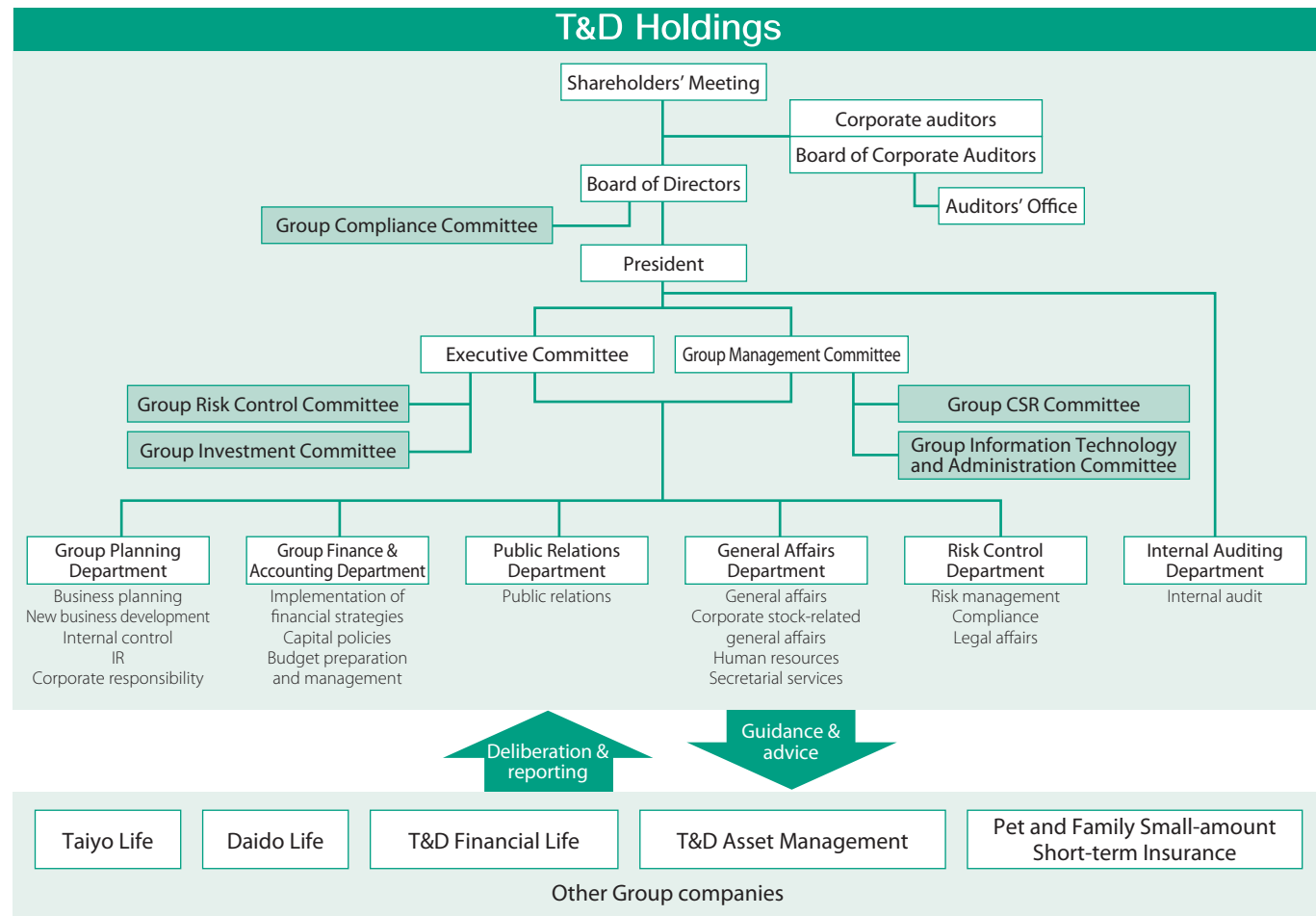
● Executive Committee and Group Management Committee

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 strategically important issues affecting the Group as a whole.

1-3 Outline of Corporate Governance Structure

4.1



1-5 Internal Control

4.6

4.10

● Establishment of Internal Control System

In light of the social and public nature of the Group's core insurance business, the T&D Life Group believes it important to properly control the execution of its business operations and minimize the management impact of unforeseeable events arising out of its operations in order to secure the soundness and appropriateness of the management and respond to the trust and mandate of society. Based on this idea, T&D Holdings and the 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.

2. Compliance

2-1 Basic Concept of Compliance

4.11

The T&D Life Group defines compliance as a key theme of corporate management, publicly stating that we will strictly observe laws, regulations and rules, and act with integrity, as provided in the T&D Life Group CSR Charter. Based on the understanding that compliance is a vital concept indispensable to carry out corporate responsibility activities, the Group promotes compliance by ensuring that all Group executives and employees thoroughly understand the T&D Life Group Compliance Code of Conduct and act accordingly.

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.

1-4 T&D Life Group Internal Audit System

4.6

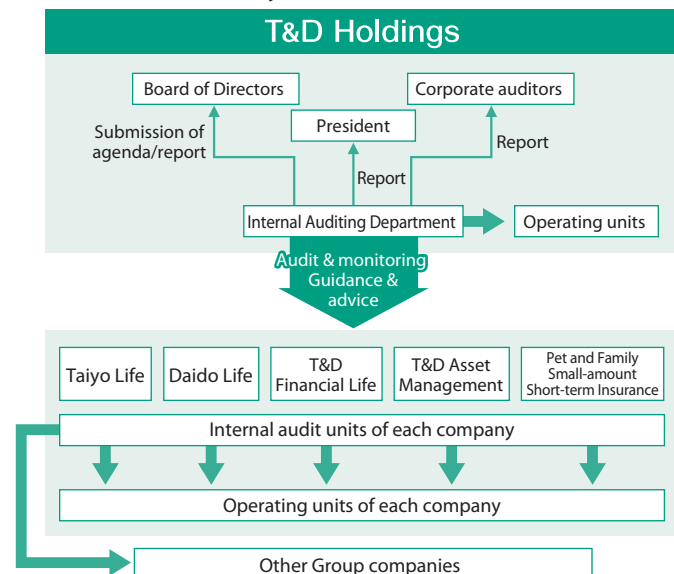
FS9

Within the T&D Life Group, T&D Holdings and its subsidiaries have respective internal audit units. The internal audit units conduct audits of the operating units, examining and assessing the appropriateness and effectiveness of the internal management and 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 on the issues identified. By auditing and monitoring the performance of internal audits by subsidiaries, the Internal Audit Department of T&D Holdings grasps the status of the internal management system of the entire Group and provides guidance and advice as necessary to strengthen the Group's internal audit systems.

- *1 The T&D Life Group's Internal Auditing Department underwent an external review of internal audit quality in July 2011. In the review, we were evaluated as "Generally Conforms," indicating the best in the three-level rating for conformity with IIA Standards.
- *2 IIA Standards refer to the International Professional Practices Framework established by The Institute of Internal Auditors, an international guidance body for internal auditing professionals.

■ Outline of the Group's Internal Audit System

→ : Audit



2-2 Group Compliance Promotion Structure

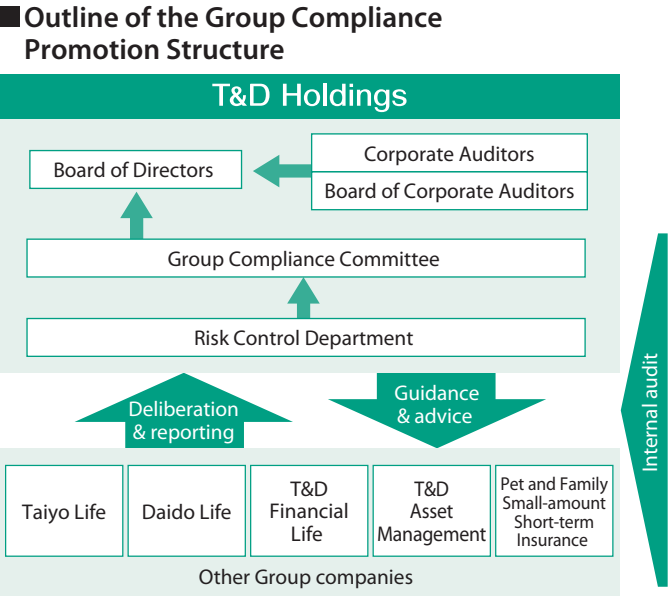
4.11 FS4

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 the Group 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.



2-3 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 in terms of size and characteristics, based on the Group's basic compliance policies, in order to raise awareness of compliance. 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 aiming at having all executives and employees act in compliance with laws and regulations, and compliance training is 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.

2-4 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 website, and through other channels, and to do so anonymously. The Group will continue its efforts to promote compliance through this whistleblower system.

3. Risk Management

3-1 Basic Concept for Risk Management

4.9

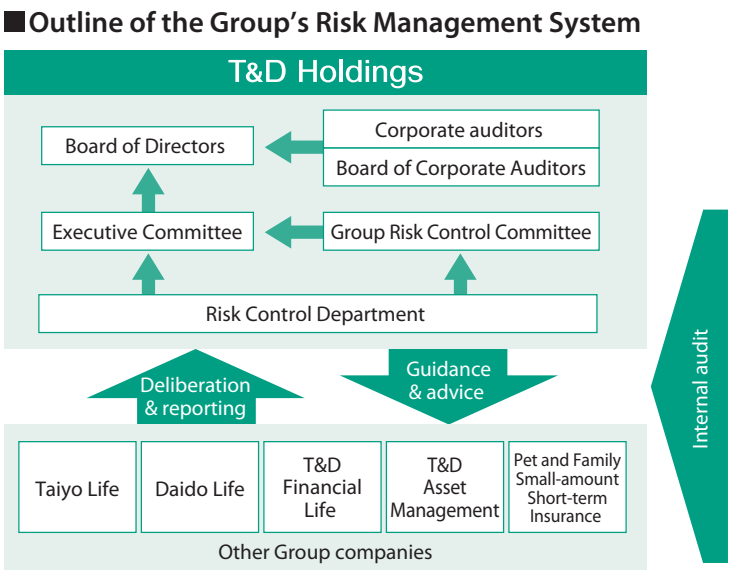
At the T&D Life Group, T&D Holdings has formulated a Group Risk Management Policy setting forth the Group's basic approach to risk management and, based on this policy, the three life insurance companies and other Group members have developed their risk management system that covers their affiliates as well. T&D Holdings has established a Group Risk Control Committee and manages risks within the Group. The Committee receives regular and ad hoc reports on risks assessed using uniform economic

value-based risk management indicators, from the three life insurance companies and other Group members, in order to identify and manage the various types of risks faced by Group companies. Based on the report received, T&D Holdings reports on these risks to the Board of Directors and provides guidance and advice to the Group companies as necessary, thereby ensuring that appropriate risk control is implemented at each company and strengthening risk management system for the entire Group.

3-2 Risk Management System

4.9 SO2 FS2

In light of the social and public nature of the life insurance business, the T&D Life Group positions risk management as a key management priority in order to ensure soundness and appropriateness in the management. Under the management control by the holding company, T&D Holdings, each Group company takes responsibility for implementing appropriate risk management based on the principle of self-responsibility.



3-3 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.



* Among the above classification, risks in five categories (administrative, system, legal, labor and personnel, and hazard) are addressed as Operational Risks collectively.

 Please visit the T&D Holdings website for details of risk classification and measures taken. (URL:<http://www.td-holdings.co.jp/company/group/governance/risk/index.html>)

3-4 Crisis Management

4.11

The T&D Life Group has formulated the Rules on the Group's Crisis Management, which address basic matters related to the Group's response to crisis situations. In case of major natural disasters or similar emergency events, the Rules place top priority on securing the lives and safety of our staff, and then on continuity or early restart of insurance claims and benefit payment operations to support affected people and areas, with the recognition that such efforts are our social mission. To make this possible, the Rules set forth basic policies for developing systems that enable the Group to respond promptly and take appropriate actions.

The Group has also implemented a number of measures to improve the effectiveness of crisis management. These include introducing a system for confirming the safety of our executives and employees individually and Group-wide emergency drills as a preparation for a possible large-scale disaster.

4. Toward Openness in Management

4-1 Basic Concept 4.16

Management Reflecting Stakeholders’ Opinions

At the T&D Life Group, proactive communication with stakeholders is set out in the T&D Life Group CSR Charter. (See p.3, “4. Communication”)

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.

Proactive Information Disclosure

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

To maintain and even heighten the trustworthiness in the eyes of society, T&D Holdings and the Group’s three life insurance companies have formulated Disclosure Rules.* In keeping

with the Rules, we are striving to secure the transparency of management and to practice group-wide and well-managed information disclosure in a timely, fair and accurate manner especially in the event of emergency. 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 their website. T&D Holdings informs its shareholders, numbering 286,483 as of March 31, 2012, of the status of Group operations and other matters twice a year, in June and December, through shareholder news bulletins.

* Based on its Disclosure Rules, T&D Holdings has prepared and makes available a Basic Disclosure Policy.

4-2 External Participation in Management 4.14 4.16

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

Payment Assessment Special Committee Taiyo Life

- <External members> Physicians, attorneys, academic experts, consumer affairs experts, etc.
- <Main issues considered> Assessment of insurance claims and benefits, payment administration; improvement of insurance claim documents; appropriateness in insurance claim payment operations

Consumer Feedback Utilization Committee Taiyo Life

- <External members> Attorneys, secretary generals of consumer groups
- <Main issues considered> Feedback from customers; progress of the initiatives for reflecting customer feedback to improve operations

Advisory Council for Insurance Payment Daido Life

- <External members> Attorneys and consumer affairs experts
- <Main issues considered> Deliberation on payment complaint responses and dispute settlements; re-examination of non-payment claims; improvement of clarity of notices and documentation provided to the customers

Service Supervision Committee T&D Financial Life

- <External members> Attorneys, consumer affairs experts and media representatives
- <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

4-3 IR Activities 4.16

T&D Holdings proactively engages in IR activities based on the principles of timeliness, fairness, and accuracy in information disclosure, and works to provide continuous, straightforward information disclosure on the Group’s management and financial situations. More specifically, we hold business results briefings and teleconferences, visit domestic and overseas institutional investors and actively engage in exchanging opinions with securities analysts. Feedback from investors and analysts received through IR activities is regularly communicated to the management team to improve management performance.

4-4 Communication with Policyholders 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 regarding our products and services. In fiscal 2011, the meetings were held at 73 branches and 39 other venues during five month from August to December and attended by 609 clients. Taiyo Life made presentations on its business and services and received 137 opinions from the participants concerning a broad range of its business operations. The feedback from policyholders were shared by the whole company as valuable information and utilized to achieve improvements in various business practices.

4-5 Business Partner Meetings Daido Life 4.16 FS5

Daido Life has built partnerships with SME industry associations as well as the professional organizations of tax accountants and certified public accountants, aiming at offering life insurance products to association members and the clients of organization members. These partner organizations and agents are key stakeholders of Daido Life. Daido Life holds regular meetings with its partners to report the latest business developments and to hear their views on Daido Life’s business operations.

4-6 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 is 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 President are displayed on a large screen to help shareholders better understand the company’s operations. These meetings are attended by many shareholders and active question and answer sessions follow.

4-7 Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) Taiyo Life 4.12

Taiyo Life endorses the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)*1, and in November 2011, the company signed on to this initiative organized by Japanese financial institutions. Taiyo Life will continue promoting efforts towards creation of a sustainable society through its life insurance business.

*1 This set of principles (see the right column) was drawn up as guidelines for action by financial institutions seeking to fulfill their roles and responsibilities in shaping a sustainable society to the extent possible in light of their business context. The principles have been formulated by the Drafting Committee for Environmental Finance Principles, in which financial institutions from wide-ranging areas within the sector have voluntarily participated. The process of the initiative is supported by the Japanese Ministry of Environment serving as a secretariat.

1. We will recognize our roles and responsibilities, taking into account the precautionary approach, and promote those actions that contribute towards shaping a sustainable society.
2. We will contribute to the formation of a sustainable global society through the development and provision of financial products and services leading to the development and increased competitiveness of “industries contributing to a sustainable society” as represented by the environmental technologies and services sector.
3. From the perspective of regional development and improvement in sustainability performance, we assist the environmental programmes of small and medium enterprises. We will also back activities that will raise environmental awareness amongst citizens and support disaster readiness and community activities.
4. In the formation of a sustainable society we will recognize the importance of cooperation with diverse stakeholders and will not only participate in its activities but will endeavor to take a proactive role.
5. We will not be limited to complying with environmental laws and regulations but will take active steps to reduce our own environmental footprint through resource and energy savings as well as encouraging our suppliers to do likewise.
6. We will recognize activities that will further profile sustainability as a business issue and will endeavor to disclose information on our activities.
7. In order to implement the above actions we will aim to raise the awareness of environmental and societal issues of our own board and support them to take an active role through their normal duties.

4–8 Signing Principles for Responsible Investment (PRI)

4.9 4.12 FS12

T&D Asset Management signed PRI in March 2012 following Taiyo Life.

Taiyo Life

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 has promoted asset management taking into account the environmental (E), social (S), and corporate governance (G) issues. The latest information on our activities concerning PRI is posted on the Taiyo Life website.*³

The Principles for Responsible Investment (PRI) and Taiyo Life’s Main Activities

The Principles for Responsible Investment (PRI)	Main Activities
1) We will incorporate ESG issues into investment analysis and decision-making processes	● The company has adopted the guidelines for investment and lending in due consideration of environmental, social, 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	● The company has specified the PRI concept in the voting guidelines, and plays a role as a responsible shareholder. ● Taiyo Life discloses, on the company website, its basic policy on voting for domestic shares.
3) We will seek appropriate disclosure on ESG issues by the entities in which we invest	● 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	● To promote the PRI, the company explains to corporate pension insurance clients and others about its asset management policies and activities associated with the PRI.
5) We will work together to enhance our effectiveness in implementing the Principles	● To promote the PRI and conduct related activities more effectively, the company holds meetings with other signatory companies on a regular basis to discuss specific promotion measures.
6) We will each report on our activities and progress towards implementing the Principles	● Taiyo Life reports the status of its activities on its website and in its corporate communication reports. ● The company promotes employees’ awareness about the PRI by means of internal seminars, in-house magazines and e-learning.

T&D Asset Management

T&D Asset Management, agreeing with the ideas of the United Nations’ Principles for Responsible Investment (PRI), signed them in March 2012. By doing so, the company pledges to reflect the ESG (Environmental, Social and Governance) factors in its investment process unless contrary to its fiduciary responsibility. T&D Asset Management believes that companies that carry out ESG-conscious business activities are widely respected by society and can achieve a sustainable growth, and it is aiming to improve its long-term investment performance through incorporating the ESG factors into corporate evaluation.

*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 For details about Taiyo Life’s Principles for Responsible Investment (PRI) Activities, please visit its official website at <http://www.taiyo-seimei.co.jp/summary/pri.html>

4–9 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 assessments of companies’ corporate responsibility performance including contributions to the global environment and society. 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 the end of March 2012)

FTSE4Good Global Index

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.



Social Aspects

1. Together with Our Customers

Customer-oriented Business Management

1–1 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 including 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.

1–2 Examples of Improvements Based on Customer Feedback

4.17 PR1

Taiyo Life

Customer’s opinions	How we responded
● As I come home late from work, it is difficult to use the customer service center on weekdays. I hope that the call center would be available on Sundays as well.	● Our customer service center started operations on Sundays as well from March 25, 2012, and offers services to perform various procedures seven days a week.
● When I filed a maturity claim, I noticed that I had lost the insurance policy. I was asked to submit a copy of certificate of my registered seal as a substitute for the missing policy. This made the whole process really bothersome to me.	● We have changed the rule for handling maturity claims to forgo collecting insurance certificates, deferred insurance fund payment certificates, and annuity payment certificates. Accordingly, the impression of officially registered seals and submission of a copy of registered seal certificates, which we previously asked for in case that these certificates were missing, were also abolished. Note: We provide customers filing a maturity claim with a statement to the effect that the related certificates are no longer effective, which is to be destroyed by the customers who do retain the certificate at the time when they confirm payment of claimed insurance.

Daido Life

Customer’s opinions	How we responded
● I have to report asset capitalization figures in filing my company’s financial statements. How can I obtain the current amount information, necessary for the reporting?	● Providing the “cumulative capitalization figures” in the accounting assistance services In order to increase information accessibility and readability for customers, we have reformed the related document format design and included the information of “cumulative capitalization figures” in the new format.
● One of my employees will resign at the end of this month. I need to surrender the related insurance policy on that date, which is usually the busiest time in my company. Could I make a request for surrender in advance?	● Starting to accept advance surrender requests We have started offering service to accept advance request for policy surrender, with the surrender date (our business day) specified within one month from the date of request.

T&D Financial Life

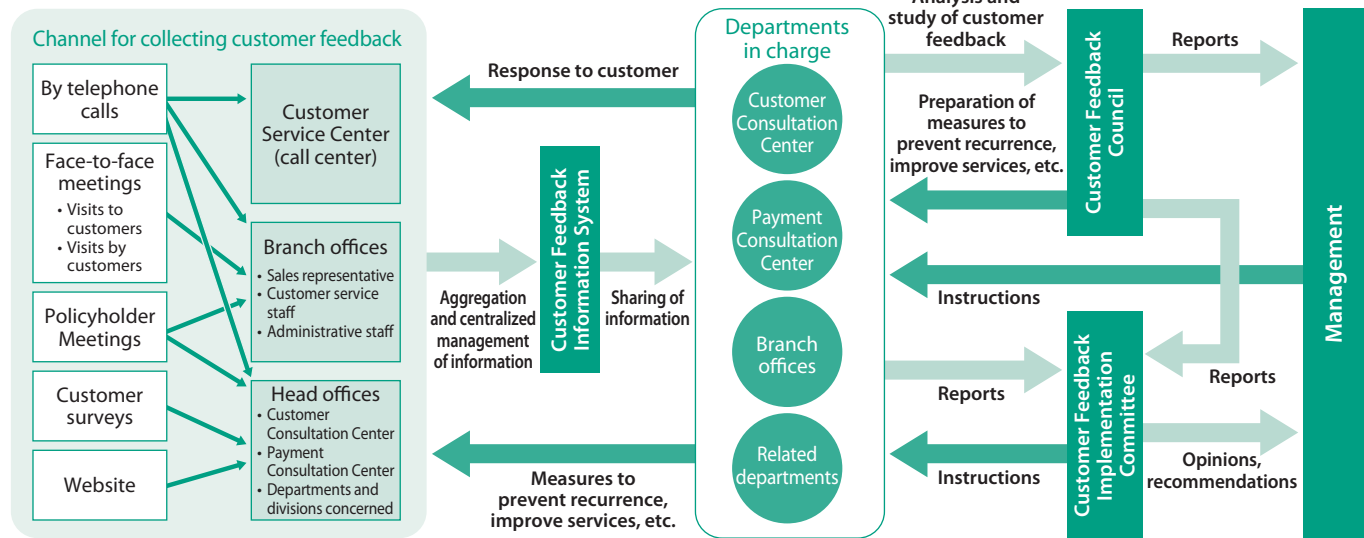
Customer’s opinions	How we responded
● It is bothersome to prepare a notification form for each policy modification or new application.	● We have altered the notification form to a new version with the customer information retained by the company pre-printed, with an aim to prevent faulty documentation, such as incomplete forms, as well as to decrease the paperwork of customers by reducing the number of items requiring their entry.
● I thought that there is no limit on the number of benefit payments for operation.	● There may be a limit on the number of benefit payments for some types of operations. Regarding such information, we have improved the format of the notice sent to customers to provide details on the latest payment as well as previous payments more clearly.

■ Activities to Respond to the Customer Feedback

1-3 Measures Taken by Taiyo Life PR1 PR5

● System for Reflecting the Customer Feedback in Operations

[Workflow for reflecting customer feedback in operations]



● Renewing and Maintaining ISO10002 Certification

Taiyo Life is committed to enhancing customer satisfaction by utilizing customer feedback to improve business process and services. As a part of this effort, we obtained ISO10002 certification, which is for quality management, customer satisfaction and guidelines for handling of complaints within organizations, on March 31, 2008, becoming Japan's first to be accredited for the entire company organization under the international standards, to the best of our knowledge.

Since then, we have implemented annual programs organized to promote better understanding of the ISO10002 standards and the adequate activities across the entire company, including training for managers, internal audits and improvement of operations while

undergoing annual surveillance assessments and triennial renewal assessments.

In February 2011, we went through the first triennial renewal assessment and received the review results stating that our activities were satisfactorily in conformity with the ISO10002 requirements, which supported approved renewal of our ISO certification. For the first annual surveillance assessment after the renewal conducted in January 2012, we received favorable results again which said that we were meeting the requirements.

We will make sincere and persistent efforts to provide enhanced customer-oriented services, thereby increasing customer trust and satisfaction.

● Breakdown of Customer Feedback Received

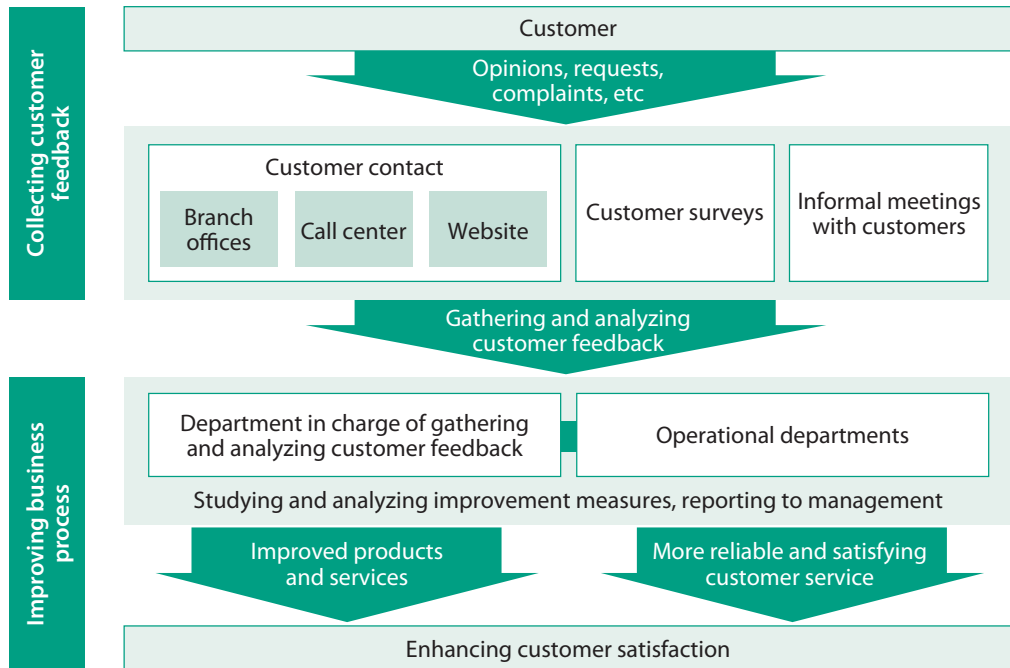
(Units: no. of responses; proportion: %)

Type of feedback	FY 2009		FY 2010		FY 2011	
	No. received	%	No. received	%	No. received	%
Complaint*	14,059	30.7	14,730	35.4	11,935	33.1
Comment, request & inquiry	2,324	5.1	2,114	5.1	2,302	6.4
Appreciation & praise	29,437	64.2	24,785	59.5	21,837	60.5
Total	45,820	100.0	41,629	100.0	36,074	100.0

* "Complaint" refers to an expression of dissatisfaction by customers

1-4 Measures Taken by Daido Life PR1 PR5

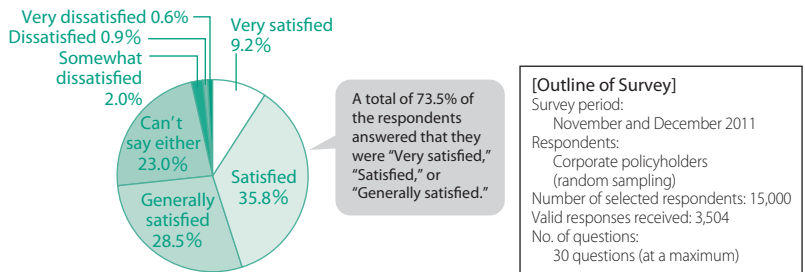
● System for Reflecting Customer Feedback in Operations



● Customer Survey

Daido Life conducts a number of customer surveys, including those regarding our products, services and after-sales services, in a bid to identify hidden issues related to our business that are difficult to capture by merely hearing opinions and requests from our customers passively.

■ Survey of Customer Satisfaction (Comprehensive Analysis)



● Response to Customer Complaints

In our definition, "complaint" means customer dissatisfaction expressed regarding the company's operations. Upon receiving complaints, we immediately respond in a sincere manner, setting out to resolve such issues. At the same time we take these complaints as valuable information to be used for improving our business processes.

■ Customer Feedback (Analysis of Customer Complaints)

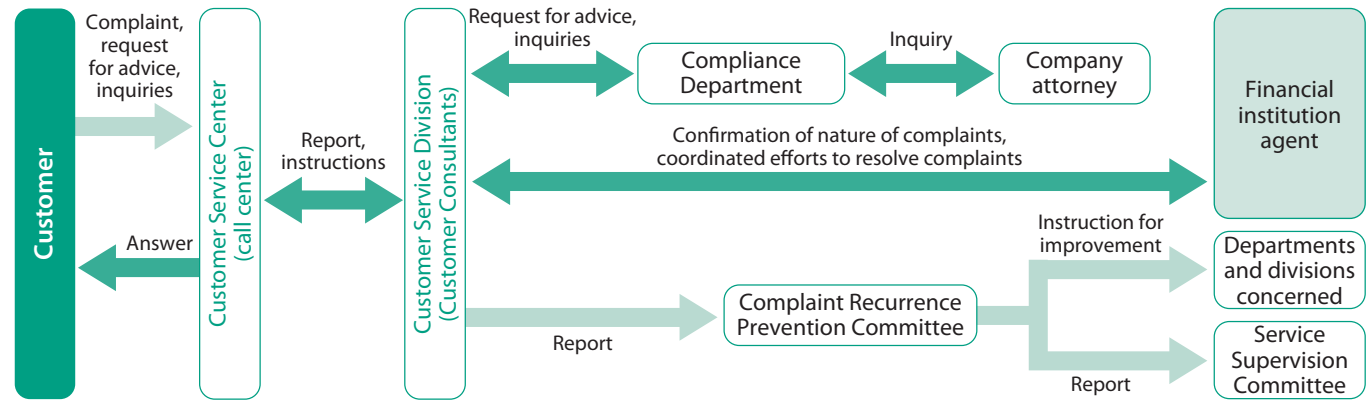
(Units: no. of complaints; proportion: %)

Type of feedback	FY 2011	
	No. received	%
Purchase of life insurance policy	1,760	15.7
Payment of premiums	1,320	11.8
Procedures after making a contract	3,919	35.0
Payment of insurance claims and benefits	2,253	20.1
Other	1,947	17.4
Complaints in total	11,199	100.0

1-5 Measures Taken by T&D Financial Life

PR1 PR5

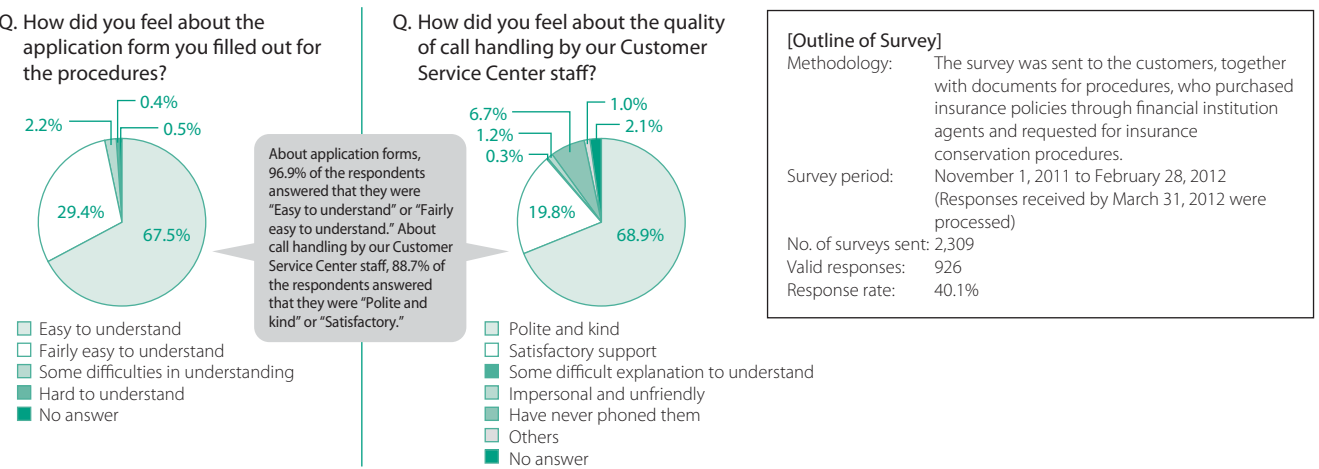
System for Rapidly Responding to Customer Feedback



Customer Survey

T&D Financial Life conducts customer satisfaction survey to proactively reflect customer feedback in its operations. This survey includes questions about the quality of call handling by the Customer Service Center staff, handling of various procedures by the Company, and so forth. For more details about the survey, please refer to our website.

Summary of Survey Findings



Provision of Information on the Internet

T&D Financial Life discloses a summary of customer feedback information such as inquiries, FAQs, complaints, comments and requests on the website

Customer Feedback (Analysis of Customer Complaints) (Units: no. of complaints)

Item	No. of complaints
	FY 2011
New contracts	155
Payment of premiums, etc.	90
Procedures after making a contract	611
Insurance claims and benefits	285
Others	449
Total	1,590

* "Complaints" refers to customers' complaints and dissatisfaction about products and services, and expressions of dissatisfaction.

Providing Wholehearted Reassurance

1-6

Confirmation of the safety of customers after the Great East Japan Earthquake nearly 100% completed (all three life insurance companies)

Steady progress has been made in confirming the safety of customers in the areas afflicted by the Great East Japan Earthquake (Iwate, Miyagi and Fukushima prefectures), and we had nearly completed confirmation of the well-being of our customers by March 2012. We will strive to continue being of help to customers in the afflicted areas through our insurance business.

1-7

Fairness in 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.

1-8

Providing Products and Services that Meet Social Needs

PR5 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/Service Examples

Taiyo Life

- Insurance program that offers a variety of options to be selected and combined flexibly to build plans that meet the needs of individual customers
 - 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*
- Making procedures and consultations "easy, convenient and quick" by introducing new portable terminals (Taiyo Life)

In March 2012 we began to digitize our policy application procedures using new portable terminals carried by sales personnel. We hope thereby to make policy application procedures paperless and initial insurance premium payments cashless, and to reduce the time between the start of application procedures and the start of insurance protection. We are also working to ensure high-quality service by utilizing the videophone functions of these portable terminals to connect customers at home with our specialists at our head office by videophone to respond to the inquiries from customers in real time.

T&D Financial Life

- Whole life insurance plan offering interest return from the selected foreign currency fund, which will be added to the policy value every year throughout the insured's lifetime
 - Nonparticipating variable whole life insurance (foreign exchange linked, currency selected, type I): *Lifetime Premium World*
- Whole life insurance plan offering interest return from the fund managed in the Japanese yen market, which will be added in a fixed amount to the policy value every year throughout the insured's lifetime
 - Nonparticipating whole life insurance (deposit interest rate selected, type I): *Lifetime Premium Japan*

Daido Life

- Expanded-coverage term insurance providing insurance claims not only in case of death but also in need of extensive nursing care
 - Nonparticipating age-specific maturity term life insurance (for life security)
- Critical illness insurance plan with living benefit that covers cancer, acute myocardial infarction, and cerebral stroke. Designed to provide corporations with a strong protection against such risks of employees.
 - Nonparticipating critical illness insurance: *J-Type*
- Corporation-specific medical insurance plan that offers protection for ensuring business continuity in the event of hospitalization of the company owner
 - Nonparticipating comprehensive medical insurance
- Company-wide activities to check up on customer needs
 - Life insurance policies are long-term by nature, and customers' needs may change after purchasing of policies. Since 2011 Daido Life has been making annual company-wide confirmation of the compatibility of customers' current needs with their coverage by briefing policyholders on their current coverage and offering advice on the coverage needed.

Pet and Family Small-amount Short-term Insurance

- Insurance offering protection against illness or injury of pets, as 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 details about products, please see the product pamphlets and so on.

1-9 Establishment of Sales Policies

PR6 FS15

The Group's three life insurance companies and other Group members have established individual Sales Policies for selling life insurance and other products. Under these rules, each Group company strives to develop and offer appropriate products that 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 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 program.
- We will safeguard customer information strictly in confidence.
- We will make continuous efforts to establish an internal structure ensuring appropriate sales activities.

1-10 Protection of Personal Information

PR1

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, a Group company that supports the information management system of the T&D Life Group, handles various data, including personal information, appropriately under strict control. 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 also obtained ISO27001 Information Security Management System certification in March 2007.

Privacy Mark



1-11 Efforts to Offer Customer-Oriented Services

PR6

From contract making and after-sales service to payment of insurance claims and benefits, the three life insurance companies endeavor to provide services with an emphasis on understandability on the part of customers as an approach to earn trust from customers.

<At the Time of Making a Contract>

Major Documents

- Clearly worded "Product Pamphlet"
- "Product Summary Sheet" (contract summary) tailored to the life plan of each individual customer
- "Notifications of Important Matters", as a reminder, for 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
- "Confirmation of Intent" as a final step to ensure that the customer's needs are met by the insurance product offered

◆ Awards for Customer Services
(See page 5 for more details.)

- ☆ UCDA Award 2012, Insurance Solicitation Brochure Division, Medical Insurance Solicitation Brochure Category, Special Prize (Taiyo Life)

2.10

<After-sales Services>

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

Major Information Provision Services

- Notification of policy details
- Notification of account transfer payment
- Accounting method guidance service

Examples of Measures to Facilitate Making Insurance and Benefit Claims

- Distribution of booklets and leaflets that comprehensively describe insurance and benefit claims procedures as well as payable case examples.
- Reimbursement of costs for obtaining medical certificate if the claim requiring the medical certificate is rejected
- Enhancement of Customer Service Center, or call-center, functions
- Recommendation for adding designated proxy application option

1-12 Working toward Better After-sales Service

PR1

The Group's three life insurance companies have each set up various systems aiming at providing quality after-sales services. At the Customer Service Center, professionally trained staff handles inquiries and insurance claims from customers nationwide over the telephone in a considerate, polite, prompt, and accurate manner. Also, all our branch counter staff and sales representatives, fully aware of the importance of post-contract support, attend to individual customers, offering best possible service to each of them.

At Taiyo Life, customer service staff calls on customers regularly after contract. As of the end of fiscal 2011, 534 customer service staff members are offering a range of customer support services, such as changing registered personal information (e.g. addresses), arranging necessary procedures for making insurance claims, introducing new products and services, and receiving diverse requests from customers.

1-13 Other Services

PR1

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.

■ Examples of Services

- Domestic accommodations ● Online reservations for overseas hotels ● Business hotel desk ● Golf desk ● Leisure facilities
- Complimentary telephone advisory service on childcare, nursing care, taxation, pensions, asset management, post-retirement life, etc.
- Services for supporting daily living, full of many useful services



Please visit each company's website for more details of the services.

● Customer Service Center Open on Saturdays and Sundays Taiyo Life

In order to provide services to customers who are busy on weekdays, Taiyo Life's Customer Service Center or call center, operates on Saturdays and Sundays from 9:00 to 17:00 as well. (Sunday operation started on March 25, 2012.)

● Useful Services for SMEs Daido Life

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

■ Examples of Services

- Providing reports on management strategies, industry trends and other useful business information
 - Providing a standard form of company regulations ● Complimentary assessment of employment regulation
 - Providing information on public subsidies and supports ● Health counseling and second-opinion service
- * For more details, please contact the customer service center of Daido Life.

● 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 customers, we also offer online services for payment, 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 Internet Services

Taiyo Life

- Change of information related to contract for change of address, request for adding designated proxy application option, change of PIN
- Sending application forms on request for change of account, change of first/family name
- Convenient service for fund transfer of policyholder loans, withdrawal of accumulated dividends and deferred funds
- Reissue of insurance certificates, such as annuity payment certificates, deferred insurance fund payment certificates, life insurance premium payment certificates
- Inquiries about insurance policy details

Daido Life

- Change in contract and insurance claim such as change of address, account, etc.
- Web-ATM for making 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

- Inquiries about outline and details of policy such as coverage details and change in accumulated funds
 - Transfer of accumulated funds, set up transfer ratio, in case of contracts with periodic increase of amount
 - Requests for various forms for procedures, change of address, reissue of life insurance premium payment certificates, etc.
- * For more details, please contact the respective customer service centers of the Group's three life insurance companies.

Professional training for higher quality service

1-14 Development of Service Staff Skills LA11 PR1 FS4

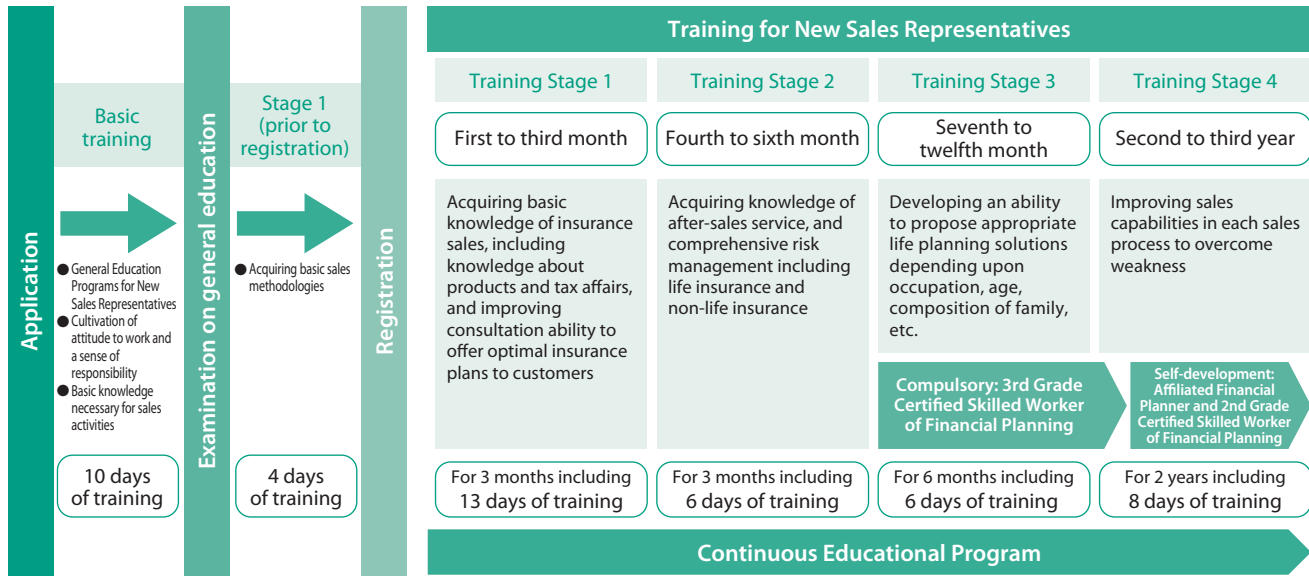
Group's three life insurance companies are working to enhance the skills of their customer service staff to increase customer satisfaction focusing on basic and specialist knowledge about life insurance as well as compliance.

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 the most suitable services to customers depending upon each individual business model. We have developed human capital training programs for such diverse staff, and always work to provide them with the best educational and training opportunities.

1-15 Education Program for New Employees (eCompass) Taiyo Life LA11 PR1 FS4

Taiyo Life has a system in place to train sales representatives to develop their capabilities to design and offer optimal insurance plans that meet each customer with different needs depending on a variety of factors, including family structure, occupation, income, plan for children's education, insurance already purchased and so on, aiming to increase each customer's satisfaction. Our sales personnel undertake internal training programs and work to obtain external qualifications to gain specialist knowledge on insurance products as well as tax affairs and financial planning expertise.

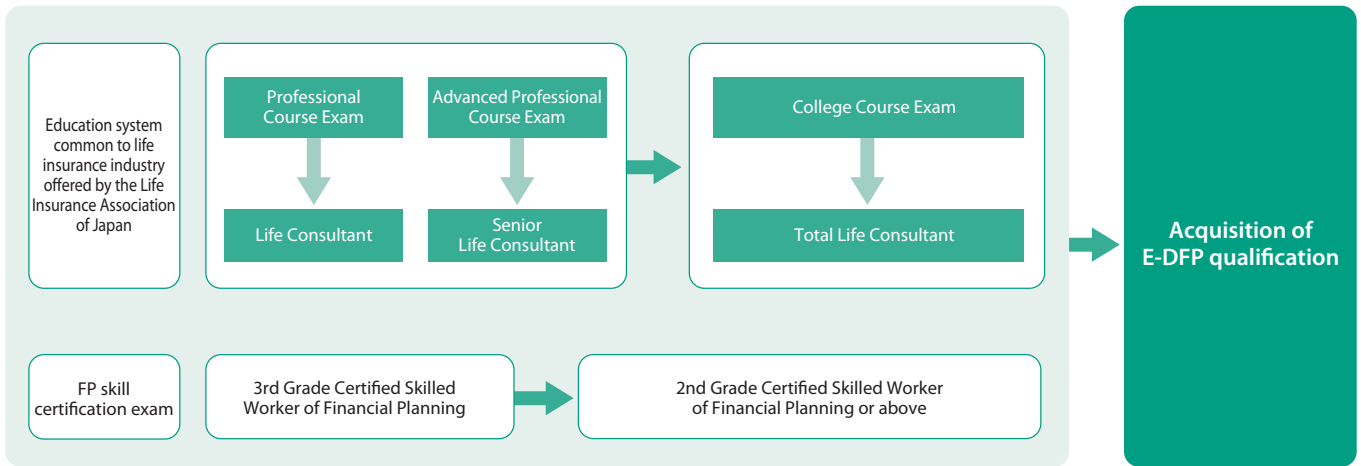
Education Programs for New Sales Representatives



1-16 E-DFP (Executive Daido Financial Planner) Program Daido Life LA11 PR1 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 to obtain a wide range of professional knowledge including taxation, finance, and financial products.

E-DFP Program



1-17 Sales Agent Training Program Daido Life LA11 PR1 FS4

At Daido Life, the head office and branches closely work together to provide high-quality support for sales agents, by assisting them to be able to respond to customers' diversified needs. As a part of the efforts, the company develops programs to offer practical training, using its own e-learning materials and practical guides to help sales agents learn more about insurance business and compliance.

1-18 Wholesaler Activities T&D Financial Life LA11 PR1 FS4

T&D Financial Life carries out elaborate support activities for the sales agents, e.g. banks and other financial institutions, through its staff assigned to assist sales agents called "wholesalers" in order to enable them to make the best proposals to customers.

In addition, in order to win the trust of customers and sales agents, the company provides practical training to wholesalers, covering a broad range of knowledge about insurance and other financial products, overall asset management, related laws and regulations, and financial systems as well as presentation skills for accurately explaining features of our products to customers and sales agents.

2. Together with Our Employees

■ Use and Development of Human Resources

2-1 Basic Concept of Human Resources Development Policy FS4

Human resources development at the T&D Life Group focuses on “development of future leaders” and “creation of corporate culture that encourages demonstration of diverse talents,” as stated in its Medium-Term Management Plan. Under these shared goals, each Group company has formulated its training programs to develop and enhance the skills and capabilities of employees.

2-2 Employee Education and Training LA11 FS4

The Group’s three life insurance companies provide employees with education and training through on-the-job training, group training, and supporting self-educational efforts. The Group encourages 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 so forth.

2-3 Initiatives to Offer Employees Opportunities for Growth LA11 FS4

The T&D Life Group carries out a systematic job rotation so that employees can enhance their ability to 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 MBA programs.

● Personnel Exchanges

Personnel exchange 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 the competitiveness of the entire Group through sharing the strengths of each member company.

Taiyo Life

● Working Experience at Different Workplace

Taiyo Life has developed a personnel program to offer employees an opportunity to work at different branches or at the head office, with a view to assisting employees to gain a wider range of insurance business experience, increasing operational efficiency and facilitating in-house communication.

Daido Life

● Overseas Training Program

Daido Life organizes overseas training programs mainly for young employees, seeking to foster future leaders that are capable of flexibly responding to constantly changing business environments resulting from economic globalization, as well as to help them develop strong leadership and language skills. This project annually invites applications and sends selected applicants abroad to participate in overseas trainee or internship programs hosted by local companies.

■ Diversity Initiatives

2-4 Employment of People with Disabilities LA13

As of the end of March 2012, a total of 307 employees with disabilities, including 54 new recruits for fiscal 2011, worked in the Group’s three life insurance companies, accounting for 1.95 percent of the total number of employees. We will continue working to create a workplace environment that encourages and supports people with disabilities to work comfortably.

2-5 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 offer them opportunities to think about their future styles of working and living.

2-6 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 determines postings regardless of gender. The Group is building workplaces where women can fully utilize their skills and engage in an extensive range of activities. Specific steps taken to this end include the promotion of talented female employees to management positions, provision for a change of job status from clerical work to career track and organization of seminars to encourage female workers to build their careers.

● Group Joint Seminars

On December 14, 2011, the T&D Life Group held a joint Group seminar for women, attended by 190 female executives and employees as well as mid-career professionals from the three life insurance companies, aimed at helping female employees take on challenges and boost their careers. Session 1 of the seminar featured a lecture entitled “Relish Challenges without Self-Imposed Restrictions” given by Mikie

Yumoto, the life insurance industry’s first female executive. Session 2 saw discussions held in groups of two or three on “Tasks We Can Start Tomorrow to Achieve Results and Grow,” followed by presentations offering up recommendations based on these discussions to subordinates and junior colleagues. On February 8, 2012, a joint Group seminar for division managers was held with participation by 223 management personnel, primarily executives and line division-manager level staff from T&D Holdings, the three core life insurance companies and T&D Asset Management, at which Ms. Yumoto gave a talk on the topic of “Diversity Management as a Strategic Issue—Creating an Environment Giving Women More Active Roles.”

● Diversity Promotion Project Team Taiyo Life

In September 2012 Taiyo Life set up the Diversity Promotion Project Team, which promotes activities aimed at giving women more active roles, defining it as part of its primary mission.

2-7 Human Rights Education HR3 FS4

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 the importance of respecting human rights.

■ Data on T&D Life Group Employees

2-8 Employee Statistics LA1 LA2 LA13

● Group’s Three Life Insurance Companies

	No. of employees		No. of people hired	
	March 31, 2011	March 31, 2012	FY 2010	FY 2011
No. of employees	20,451	19,863	4,097	3,767
Male	4,342	4,197	204	182
Female	16,109	15,666	3,893	3,585
Sales representatives	13,056	12,790	3,842	3,610
Male	528	477	52	53
Female	12,528	12,313	3,790	3,557
Administrative staff	6,781	6,539	255	157
Male (Managers)	3,814 (1,946)	3,720 (1,877)	152	129
Female (Managers)	2,967 (152)	2,819 (161)	103	28
Career track/area career-track employees, others	4,569	4,418	205	141
Clerical employees	2,212	2,121	50	16
Customer service staff	614	534	0	0

● T&D Holdings Consolidated

Business division	No. of employees			
	March 31, 2011		March 31, 2012	
Insurance and insurance-related businesses	20,340	(1,999)	19,606	(1,867)
Investment-related businesses	514	(41)	501	(34)
Administration-related businesses	878	(311)	875	(277)
Total	21,732	(2,351)	20,982	(2,178)

* The number of employees shows the number of employed staff excluding executive officers. The number of part-time workers is shown in parentheses as an annual average, which is not included in the number of employees.

2-9 Workplace Data (Group’s Three Life Insurance Companies) 3.11 LA1 LA2 LA13

	FY 2010	FY 2011
Employment rate for persons with disabilities (%)	1.76	1.96
No. of employees taking maternity leave	149	191
No. of employees taking childcare leave	191	235
Male	75	76
Female	116	159
No. of employees taking nursing-care leave	5	6
Male	0	1
Female	5	5
Average number of paid vacation days taken	11.5	11.1

■ Worker-friendly Work Environment

2-10 Work-life Balance Initiatives

The T&D Life Group promotes work-life balance as part of its efforts to create a rewarding workplace that encourages individual employees to demonstrate their capabilities to the fullest. We offer e-learning training on this theme on a continuing basis to explain about the goals the Group aims to achieve through this initiative, encouraging employees to reevaluate their workplaces and work style.
Regarding support for the development of the next generation, in May 2011 the Group's three life insurance companies received certification for their third-stage action plans as meeting the criteria of the Act on Advancement of Measures to Support Raising Next-Generation Children, following the first in April 2007 and second in May 2009.
Additionally, in April 2008, T&D Information Systems became the first company with less than 300 employees in the information services sector in Saitama Prefecture to acquire the same certification. The company received a third-stage certification under the same initiative in May 2012.

2-11 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 the companies.

2-12 Initiatives Reflecting Employee Feedback 4.4

The Group's three life insurance companies conduct employee awareness surveys addressing issues like job satisfaction, working conditions and the personnel evaluation system, and have implemented various measures based on the survey results. We obtain the views from employees as reference information for management, which include opinions about the current personnel system and the operation of the system, as well as the employee satisfaction, a critical element leading to a greater customer satisfaction.

2-13 Health Care for Employees

● Initiatives by Human Resources Department 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 for employees to get consultation and treatment without worry. 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 the 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 outside lecturers and through e-learning.

T&D Financial Life
Training sessions are organized for all managers to learn about measures for mental health care required for managers.

● 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 and 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.

3. Growing with Society

3-1 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 works by executives and employees.

■ Activities for Local Communities and Society

3-2 Blood Donation Drive EC8

The T&D Life Group cooperates with blood drives hosted by the Japanese Red Cross Tokyo Metropolitan Blood Center. In this semiannual joint group project, a blood donation clinic is set up for two days at the Shiodome Head Office Building and executives and employees are encouraged to donate blood. In fiscal 2011, a total of 397 people in the Group contributed their blood to the drive.

3-3 Disaster Relief Fund Donations EC8

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

3-4 Nationwide Clean Campaign Taiyo Life EC8

As a part of its activities for contribution to the community, Taiyo Life began cleaning of the vicinity of its Head Office in 1982. In 2004, it renamed this activity the "Nationwide Clean Campaign," and its branches nationwide, from Hokkaido in the north to Okinawa in the south, began clean-up campaigns in the surrounding community. In fiscal 2011, the Campaign attracted 9,692 participants (executives, employees, and their families) from the Head Office, affiliated firms, and branches. The Head Office, based in Shiodome district in Tokyo, organized a joint street cleanup campaign in cooperation with the Minato Eco-conscious Consortium (mecc) based in Minato Ward in Tokyo. Employee volunteers from Group companies (Daido Life, T&D Financial Life, T&D Asset Management, T&D Holdings) and Taiyo Life's affiliates as well as from mecc member companies participated in the event.

3-5 Supporting the National Sports Games for the Disabled Daido Life EC8

In 1992, when the company celebrated its 90th anniversary, the first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in Japan, and Daido Life has been a special supporter of this annual event since then. It is the largest sports event for people with disabilities in Japan, aiming at helping the disabled experience the joy of playing sport, raising public awareness about their lives, and promoting greater social participation. Every year, Daido Life sets up a company booth in the Fureai Hiroba (Get-Together Plaza), a venue for interacting with participating athletes, where many executives and employees of Daido Life work as volunteers to support this event. Joined by Taiyo Life in 2000, the Group's volunteer activities to support the Games have been expanding since then.

* 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.

3-6 Providing Asset Management Services to Universities T&D Asset Management EC8

Believing that the essence of its corporate responsibility lies in broadly contributing to society through its core business of asset management, T&D Asset Management provides asset management services to universities to help them establish governance over their asset management and strengthen their financial foundations so that they can engage in high-quality education and research.

3-7 Supporting the Japan Down Syndrome Society Taiyo Life

EC8

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 supports activities as a co-sponsor.
- The company provides meeting rooms in its buildings for seminars, council and board meetings held by the Society.
- Executives and employees from branches and Head Office departments take part in the Society’s activities as volunteers.

<Main Volunteer Participation Achievements in FY 2011>

- A total of 11 employees participated as instructors in the Bicycle Riding Course for Children and Adults with Down Syndrome, which was held in Imabari City, Ehime Prefecture.

3-8 Open Endowed Lectures at Universities Daido Life

EC8

Daido Life began supporting open lectures at universities in fiscal 2002 as part of the company’s centenary celebrations. The lectures are organized to provide owners and managers of small- to medium-size enterprises with opportunities to acquire knowledge and skills relevant to business management, by exploring a variety of themes selected for each university using theoretical and practical approaches. In fiscal 2011, the open lectures were held at five universities. Over the past decade, approximately 8,100 people have attended the lectures, which have been favorably received by the participants.

<In fiscal 2011, open lectures were held at:>

Fukushima University, Meiji University, Kwansei Gakuin University, Kansai University, Fukuoka University

■ Employees’ Voluntary Initiatives

3-9 Friends of Taiyo Life Goodwill Circles

EC8

The Friends of Taiyo Life Goodwill Circles (“Friends”), which was established in December 2005 and is composed of executives and employees from the company and its affiliates, has 9,274 members as of March 31, 2012. In order to support social charitable activities, the members contribute every month odd amounts under 100 yen, or any amount from 100 yen to 1,000 yen, integral multiple of 100 yen, from their take-home salary. At present, the Friends mainly provides supports for community-based social charitable activities by branches nationwide and Head Office departments; environmental conservation activities in cooperation with NPOs and the like; and educational activities. The details of the activities are published in Taiyo Life’s in-house magazine titled the Friends News, and the company is calling for broader participation by executives and employees.

<Main Activities in FY 2011>

- Contributions to local communities: Participation in a concert hosted by a childcare facility for kids with special needs in Setagaya Ward in Tokyo; 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 through JOICFP (an international cooperation NGO)

3-10 Daido Life Employees’ Community Contribution Club

EC8

The Daido Life Employees’ Community Contribution Club, which was established in 1992 as an independent organization for corporate citizenship activities and is composed of its executives and employees, works to promote and support fund-raising activities and volunteer activities. In addition, since 1994, we have been implementing a program of “One-day Outing Volunteer Activity for the Physically Disabled.” Under this program, employees take a volunteer work leave to help people with physical disabilities who have few opportunities to go outside take part in an outing. The program offers participants opportunities to deepen their understanding of disabilities by directly interacting with disabled people while talking and dining together, assisting wheelchair users, providing walking assistance, or engaging together in other activities.

<Main Activities in FY 2011>

- Fund raising and donation: Proceeds from donations from executives and employees and revenues from the charity calendar exhibitions were used as funds to make contributions to organizations that support social charitable activities and facilities for the disabled.
- Used stamps and pre-paid cards collection drive: 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 the 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 the areas surrounding the Osaka Head Office and the Tokyo Head Office.

■ Activities of Foundation

3-11 The Taiyo Life Welfare Foundation

EC8

<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 the projects to enhance welfare of 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 the projects by volunteer groups and NPOs working to contribute to the welfare of the elderly and 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 FY 2011> 1,606 grants, 1,097.62 million yen

- Main Activities in FY 2011

In addition to project grants and research grants, the foundation organized a special grant scheme aimed at supporting reconstruction efforts in the wake of the Great East Japan Earthquake. Under the scheme, priority was placed on providing donations to facilities and organizations that were affected by the disaster and to those carrying out activities in the afflicted areas. A total of 5.2 million yen was donated in 13 grants under this special scheme. As a part of its efforts to help disaster victims, the foundation also contributed 1 million yen to the special funds for charitable contributions for the Great East Japan Earthquake & Tsunami organized by the Japan Association of Charitable Organizations (JACO).

3-12 Daido Life Welfare Foundation

EC8

<Purpose of Establishment>

Established in 1974. Upholding its “people first” principle, this foundation aims to contribute to the enhanced health and welfare of people by providing grants to programs designed to address health problems arising from deterioration of living environments and various issues associated with the sharp increase in elderly population.

<Main Activities>

- Regional health and welfare research grants & volunteer activity grants
 - Regional health and welfare research grants: Support research programs conducted by people involved in public health promotion and welfare activities to address issues faced by local communities in the areas of insurance, medical care and social welfare
 - Company worker volunteer activity grants: Support volunteer activities conducted by people who use their days off to work toward enhancing the welfare of senior citizens or disabled people, or fostering the healthy mental development of children through social interchange
 - Senior volunteer activity grants: Support volunteer activities conducted by people aged 60 and over to enhance the welfare of senior citizens or disabled people, or foster the healthy mental development of children through social interchange

<Cumulative Grants from Establishment to FY 2011> 3,152 grants, 1,495.88 million yen

- Home nursing consultation and practical training session

Host home nursing training session jointly with the Osaka Center of the Japanese Red Cross Society where participants can learn about home nursing for the elderly and sick and receive practical training.

Since 1980, about 4,700 people in total have taken the course.

- Publication of health brochures

Publish the “Environment and Health” series brochures, which contain articles written by experts in a compact and reader-friendly style on various issues of particularly high public interest in areas of the environment, health and welfare. Since its launch in 1975, 67 brochures have been published.

3-13 The Daido Life Foundation EC8

<Purpose of Establishment>
The Daido Life Foundation was established in 1985 in celebration of 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**
The foundation organizes an award project to support area studies conducted globally. "Daido Life Foundation Awards for Area Studies" and "Daido Life Foundation Encouragement Awards for Area Studies" are presented to researchers who have achieved superior results in area studies of various parts of the world. In addition, "Daido Life Foundation Area Studies Special Awards" are presented to individuals for distinguished contributions to enhancing international understanding and friendship.

● **Translation and publication activities**
In an effort to promote friendly relationships between Japan and other Asian countries, the foundation translates contemporary Asian literature into Japanese, with the aim of deepening the understanding of Japanese people toward Asian countries. A total of 58 works from 12 countries have been translated and donated to universities and public libraries across Japan. At the same time, Japanese literature and biographies of Japanese people are translated and published in various Asian languages in a bid to help people in the region develop a better understanding about Japan and its culture. A total of 29 Japanese works have been translated into local languages for publication in eight countries, and donated to local universities and libraries.

● **Educational support activities**
The foundation provides scholarships and donates books and school supplies to the students from socially disadvantaged backgrounds in the Southeast Asia as a part of its educational support initiatives to develop young people who will work toward enhancing international mutual understanding.

<Activities since FY 2009: School Building Project>
As a part of the commemorative activities related to the centennial of its founding, the Foundation has built 16 schools in five Southeast Asian countries—Myanmar, Thailand, Cambodia, Laos, and Vietnam. Following the completion of this commemoration project, an additional school building plan was organized to be launched in fiscal 2009 in Laos, where the education infrastructure is inadequate, with a view to further advancing international mutual understanding. The first and second schools were completed under the project in February 2011 and July 2012, respectively.

1. Together with the Global Environment

1-1 Basic Concept 4.8 EN26 FS1

In April 2006, the T&D Life Group formulated the T&D Life Group Environmental Policy, to clarify the Group's stance on the environment and to publicize the policy among executives and employees. The Group also promotes various activities to reduce our environmental impacts. In addition, based on the above environmental policy, the Group has set out its Green Purchasing Standards and Rules, and gives priority to purchasing environment-friendly products, mainly for office furniture, equipment, and consumable supplies (specifically, paper, office machines, stationery, air conditioners, refrigerators, lighting fixtures, television sets, heaters, automobiles, etc.), thereby encouraging pro-environmental behavior within the supply chain.

T&D Life Group Environmental Policy

The T&D Life Group will carry out business activities with full awareness of the importance of environmental concerns and will give sufficient consideration to global environmental protection based on the T&D Life Group CSR Charter. The Group will achieve sustainable growth along with the society while fulfilling the public mission of life insurance and other businesses, and undertaking its corporate social responsibilities. The Group established the following environmental policy and is committed to complying with it in all of its business activities.

1. **Environmental Conservation Efforts through Business Activities**
We will contribute to the protection of the global environment in all of our business activities.

2. **Reduction in Environmental Impact**
Recognizing the environmental burden of resource or energy consumption and waste emissions, we will work toward reducing environmental impact by conserving energy or resources, recycling resources, and promoting green purchasing.

3. **Compliance with Environmental Laws**
We will observe all environmental laws and regulations.

4. **Promotion of Environmental Awareness-Raising Activities**
We will raise environmental awareness among all Group members through awareness-raising activities to promote environmental protection initiatives.

5. **Continuous Improvement in Environmental Initiatives**
By setting environmental objectives and reviewing them regularly, we will endeavor to continuously improve our environmental performance.

All members of the T&D Life Group are notified of this environmental policy, which is also publicly disclosed.

1-2 Major Initiatives of the Group EN7 EN18

● **Energy-Saving Efforts**
Each year the T&D Life Group participates in a "Cool Biz" campaign from June to September (setting thermostats at 28°C) and a "Warm Biz" campaign from November to March (maintaining a room temperature of 20°C) to do its part in preventing global warming. Also, as power-saving measures, the Group reduces illumination during work hours in offices and meeting rooms, hallways, and other areas within the buildings.

● **"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 CO₂: '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, from a standpoint of preventing global warming.

1-3 Forest Conservation and Afforestation Taiyo Life

● **Forest Conservation and Afforestation Activities**
Life insurance companies use vast amounts of paper including office paper, life insurance pamphlets, policy provision and others in the course of 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, etc.

Started with a recommendation by the environmental NPO Ecology Online. Our employees and executives have used 446,685 pairs of chopsticks in total from September 2006 to March 2012 including a gift pack of 5 pairs presented to our customers.

Active Use of "3.9 Paper"*

Chopstick paper cases for "Wood Thoughtfulness Chopsticks" etc.

Active use of paper made from timber from forest-thinning

Taiyo Life Communication Report

*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.

*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.

1-4 Environmental Communications and Educational Activities FS4

T&D Holdings endorses the activities of Associates of the Earth, a Japanese environmental NGO that produces the Japanese edition of "Our Planet" and "TUNZA", both published by the United Nations Environment Programme (UNEP). These two publications are distributed to all companies in the T&D Life Group as well as to local junior and senior high schools, public libraries and others to raise awareness of environmental issues.

■ Group Environmental Performance Data

The Group's CO₂ emissions and electricity consumption significantly declined compared to the previous fiscal year.
For the scope of the Group's environmental impact data, please refer to "1-12 Environmental Impact Data and Scope of Group-wide Targets" on page 36 of this report.

1-5 CO₂ Emissions 3.9 EN16 EN18

	FY 2010	FY 2011	Year-on-year change
Indirect CO ₂ emissions (GHG Protocol Scope 2)	54,921 t	44,366 t	80.8%
Direct CO ₂ emissions (GHG Protocol Scope 1)	3,063 t	2,517 t	82.2%
Total	57,984 t	46,883 t	80.9%

• 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.

1-6 Electricity Consumption 3.9 EN4

	FY 2010	FY 2011	Year-on-year change
Electricity consumption	130,174 MWh	109,570 MWh	84.2%

* MWh=1,000 kWh

1-7 Water Consumption and Reclaimed Water Usage Rate EN8 EN10

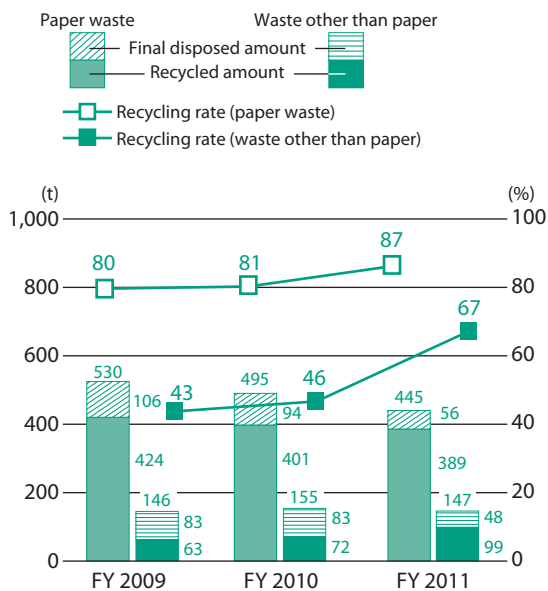
	FY 2011
Water consumption (Utility + Reclaimed water)	79,500 m ³
Reclaimed water usage rate	24.3%

1-8 Waste Generation and Recycling EN22

(1) Paper waste	FY 2010	FY 2011	Year-on-year change
Final disposed amount	94 t	56 t	
Recycled amount	401 t	389 t	
Total amount generated	495 t	445 t	90%

(2) Waste other than paper	FY 2010	FY 2011	Year-on-year change
Final disposed amount	83 t	48 t	
Recycled amount	72 t	99 t	
Total amount generated	155 t	147 t	95%

(3) Recycling rate	FY 2010	FY 2011
Paper waste	81%	87%
Waste other than paper	46%	67%



■ Environmental Targets and Achievements

Targets have been achieved in all three areas of "electricity consumption," "office paper consumption" and "green purchasing ratio."
For the scope of the targets shared within the Group, please refer to "1-12 Environmental Impact Data and Scope of Group-wide Targets" (below).

1-9 Electricity Consumption EN4 EN5 EN6

Baseline: FY 2006 H2 + FY 2007 H1

<Long-term Target>

Total: Reduce the five-year average (fiscal 2008–2012) by more than 2% against the baseline

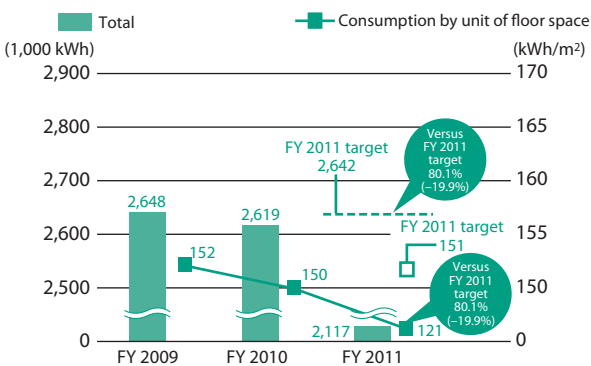
Per unit of floor space (exclusively owned area): Not to exceed the baseline

<FY 2011 Results>

In our main office building, the Shiodome Shiba-Rikyu Building, as a whole, our electricity consumption in fiscal 2011 was below the reduction target by 19.9% through our efforts, by addressing the electricity shortage that occurred in the wake of the Great East Japan Earthquake, and strengthening energy-saving efforts carried out in day-to-day operations, including turning off the lights during lunch hour, setting PCs to standby mode when away from desks, stricter air conditioning control after regular business hours and turning off copiers and printers when not in use.

<Future Efforts>

We will continue to implement the above measures to further enhance energy conservation.



1-10 Office Paper Consumption EN1

Baseline: Five-year average until FY 2008

<Long-term Target>

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

	Baseline	FY 2011 target	FY 2011 results	Versus FY 2011 target (% change)
Total	234 t	222 t	184 t	–17.1%

<FY 2011 Results>

We achieved the target by restricting a number of pages to be copied, reducing meeting materials in hard copy, 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.

1-11 Green Purchasing Ratio

Target	FY 2011 results
80% or above	95.9%

<FY 2011 Results>

In fiscal 2010, the Group launched a system that requires internal approval for the purchase of products other than eco-friendly products like stationery and office supplies. As a result of implementation of this system, the target was well-exceeded in fiscal 2011.

<Future Efforts>

We will continue implementing the aforementioned measures consistently.

1-12 Environmental Impact Data and Scope of Group-wide Targets 3.6 3.7 3.11

	Group environmental impact 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	Since FY 2009	Since FY 2009					Since FY 2009
Head Office							
All departments at headquarters						Since FY 2009	
Major offices at headquarters*1	Up to FY 2008	Up to FY 2008	○	○*2	○*3		
T&D Asset Management	○	○	○	○	○	Since FY 2009 H2	Since FY 2009 H2
T&D Information Systems	○	○	○				

○ = data covered (unchanged)

Up to FY 2008 = the data covered up to FY 2008

Since FY 2009 = the data covered in FY 2009 and subsequent period

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

• 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.

• Tokyo Daido Life Building is not included in the major offices, as the building has been demolished under a redevelopment project.

*1 Major offices	*2 Waste	*3 Setting of electricity target
(1) Shiodome Shiba-Rikyu Building	Covered	Covered
(2) Daido Life Osaka Head Office Building	Covered	Not covered
(3) Taiyo Life Urawa Building	Not covered	Not covered

Third-Party Opinion

Mr. Takaji Hishiyama
Principal, Center for Corporate Behavior

Enhancing “Breadth and Depth”
for further Growth

I appreciate being given the opportunity to provide my observations and suggestions on the T&D Life Group Corporate Responsibility Report 2012 (Data Edition). These comments may include excessive expectations, but I hope they will serve to further enhance the report in the future.

1. Confirming shared concepts and philosophy

I appreciate that the report begins by clarifying the T&D Life Group’s key concepts and views that underpin the Group management—specifically, shared philosophy and vision, strength based on organizational “breadth and depth,” and the basic stance of fulfilling CSR through core businesses and acting toward this goal. These have been stated in previous CR reports, and still now such repetition is irrefutably important and effective in deeply instilling the fundamental ideas within the Group as well as widely disseminating them among stakeholders.

2. Recognizing employee contributions

Despite the occurrence of massive disasters and their adverse impact on the economy, the Group saw favorable business performance over the past year. This is, I believe, attributable to individual employees’ persistent efforts that contributed to elevating the Group’s reputation. Supported by their dedicated efforts, the Group accomplished considerable results in diverse activity areas ranging from introducing innovative products, services and ICTs to meet customer needs, to conducting a variety of training and personnel programs and environmental initiatives, particularly those intended to reduce CO₂ emissions, electricity consumption and office paper and supplies use. I perceive that these environmental efforts resulted in substantial contributions to the Group’s energy conservation and cost reduction.

3. Summarizing the disaster response

In response to the Great East Japan Earthquake, the insurance sector promptly took action to offer the highest levels of support to people that were affected. Due to sincere industry-wide efforts, the security of approximately 2.93 million policyholders was confirmed (confirmation rate: 99.97%), a total of 155.7 billion yen was paid to 20,437 insurance claims and the premium payment grace period was extended for 230,517 policies, according to Social Responsibility Report 2012 of the Life Insurance Association of Japan. The T&D Life Group was also part of this industrial action and publicized detailed stories on its group-wide efforts in the 2011 CR report. Given the scale of the disaster that has imparted unprecedented, prolonged damage to people’s lives, a final summary report on the Group’s related activities might well be included in this report, as I believe this remains a historic topic of much public interest and it would be an opportunity for the Group to provide readers with valuable advice together with useful information preparing for a possible emergency.

4. Working for sophistication of risk management

Governments worldwide have recently begun to take a vigorous stance toward stricter financial risk management. In Japan , the Financial Services Agency is promoting corporate-wide centralized enterprise risk management, and is checking on corporate risk governance, recent trends and issues regarding risk appetite, and managerial status of risk and core capitals. Outside Japan, the EU will launch the Solvency II Directive in January 2014, and the US government plans to introduce their own risk and solvency self-assessment scheme promoted by the International Association of Insurance Supervisors. In response to this global movement toward enhanced financial soundness, I understand the T&D Life Group is also working to develop a multifaceted risk management system that accommodates risk appetite, and integrated management of assets and liabilities, and so on. Such efforts of the Group toward sophisticated risk management would be worthwhile topic to be described in the CR report.

Profile

Mr. Hishiyama has been engaged in a variety of tasks inside and outside Japan as a senior executive before leaving Mitsubishi Oil Co., Ltd. (currently JX Nippon Oil & Energy Corporation). After studying at the Center for Business Ethics at Bentley University in the US as a Visiting Executive Scholar, he established the Center for Corporate Behavior in Japan. He is now engaged in consultancy work for corporations and in operating three related non-profit organizations as director as well as teaching at universities as an adjunct instructor, in order to fulfill his mission of disseminating business ethics, corporate responsibility, and socially responsible investment. He has authored a number of books and articles in these fields, and recently collaborated on “ISO26000: A Practical Guide” (Chuokeizai-sha, Inc. 2011).

5. Utilizing financial functions to fulfill social responsibility

The financial services sector, given its inherent public nature, is expected to address societal issues and contribute to solve them through applying its core functions, namely using investment and loan programs and other financial tools toward the greater sustainable society. As these expectations have been intensifying globally, major financial institutions have begun to sign a series of relevant initiatives including the Principles for Responsible Investment, the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century), and Principles for Sustainable Insurance (backed by the UNEP Financial Initiative and launched in June 2012 by a group of the world’s leading insurers), thereby publicizing and solidifying their commitment to CSR. I would like to read more in the CR report how the T&D Life Group is utilizing its financial functions in this respect to fulfill CSR.

6. Exhibiting Board members’ leadership in the CSR

Governance has recently become a focal issue for effective corporate management. The Board of Directors is expected to demonstrate adequate leadership in these fields of CSR, compliance and risk management as well. I hope this responsibility be explicitly defined and presented in the figures (on pages 13 and 14 of the T&D Life Group CR Report) and an arrow be added to exhibit the Board’s responsibility for leading sections under its supervision.

7. Disclosure of challenges for the future

The relationship between enterprises and stakeholders has been moving closer and becoming more dynamic. In the past, “Trust us,” was all that companies had to tell the parties concerned. Then, companies would begin to take a few steps closer by saying “We will tell you,” or even “We will show you”; however, such actions are no longer sufficient these days. Now companies are expected to more actively communicate with a range of stakeholders, telling “we would like to involve you”, from employees, customers, shareholders and investors to business partners and students, in order to help them develop a better understanding of the companies, and corporate reports are among the key tools used for that purpose. Hopefully, the CR report features intended efforts or aims the Group is advancing towards further growth by responding to changing times. Enriched reports can inspire interest in the reported entity, thereby helping to increase the number of its supporters.

8. In conclusion

We are in a time of dynamic change. In the General Principles Concerning Measures for the Aging Society (formulated by Cabinet Office), the Japanese government suggests that it is necessary to re-create social systems that will meet the needs of a society with an average life expectancy of 90 years. Japan faces, in addition to a super-aging population, shrinking market as well as swollen national debt and vulnerable social security systems. Reflecting such a situation, the life insurance industry should and will play a more important role in building a sustainable society. It will be expected for the industry to foster stable social security by offering proper life insurance merchandise to the public, which will supplement the weak function of governmental welfare systems and bring in greater security for the society. I hope that the T&D Life Group develops and offers appropriate products and services that will help address these social needs. While, there is another fact that populations and markets are expanding in emerging economies. Noting that societal changes provide opportunities for growth, I would like to see the Group continue growing by enhancing its breadth and depth.

Establishing Connections,
Fostering Communication in the Group

3.5

4.16

FS4

T&D Holdings places as much importance on fostering communication within the Group as with our external stakeholders. Viewing each one of the Group employees as a vital stakeholder, we encourage them to work both for their own individual growth and for the growth of the Group, aiming to fulfill our public mission and social responsibility. While the primary purpose of the T&D Life Group Corporate Responsibility Report is to help our external stakeholders gain a better understanding of the Group, the report is also intended as a tool for employees to learn and think more about their own groups, as well as to raise awareness of corporate responsibility.

In order to improve the report and enhance the Group’s corporate responsibility activities, we provide the report (Special Topics version) to all individual executives and employees in the Group, and conduct a post-reading questionnaire. As a part of such efforts, we have made donations to environmental volunteer groups, to an amount that matches the number of full response to the questionnaire, starting in fiscal 2009. In fiscal 2011, the charitable contribution was offered to Satoyama Hozen Saisei Network, an environmental NPO working on the conservation and revival of local woodlands.

[Questionnaire Outline]

(1) Respondents:

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

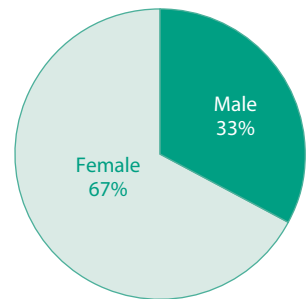
(2) Survey response:

No. of respondents	Response rate
8,061	32.2%

* Survey period: from November 2011 to January 2012

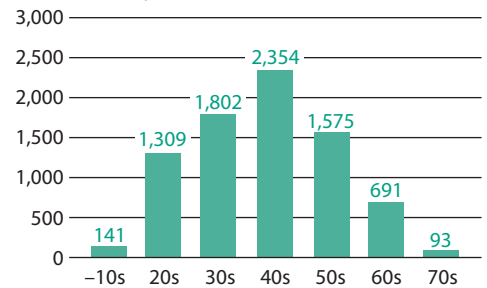
(3) Breakdown of respondents:

● Gender



● Age

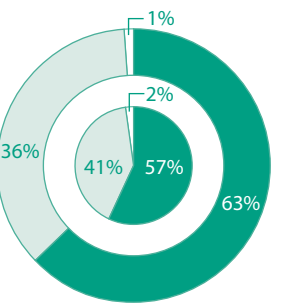
(number of responses)



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

[About the Report as a whole]

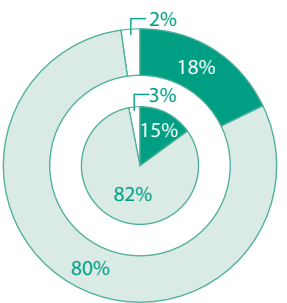
(1) Contents



Inner area: 2010
Outer area: 2011

■ Easy to understand
■ Average
■ Hard to understand

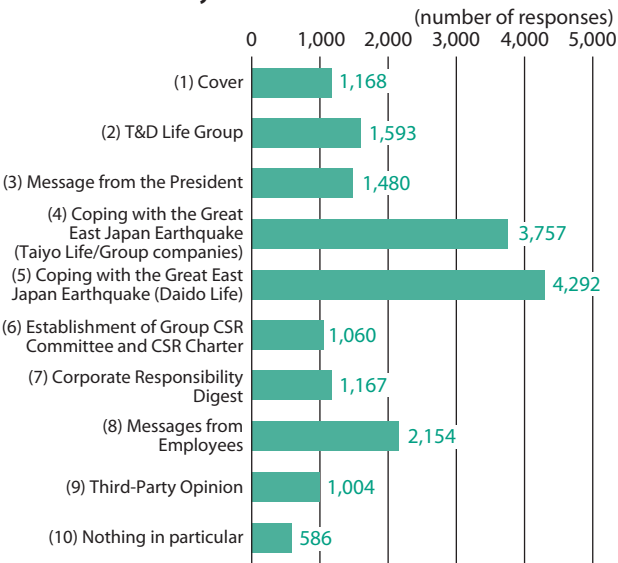
(2) Volume of information



Inner area: 2010
Outer area: 2011

■ Too much
■ Appropriate
■ Not enough

■ Sections favorably received



Comments and requests received

Compared to the previous year, a larger percentage of respondents answered that the volume of information is “Too much” or “More than enough.”

Our response

The Special Topics version of the 2012 report has been designed to include many photos and illustrations while selecting fewer topics, aiming to improve readability and accessibility of the report.

T&D Life Group Corporate Responsibility Report 2012

G3.1 GRI Content Index 3.12

Item		Indicator	Pages in this report
1. Strategy and Analysis			
1.1		Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	2
1.2		Description of key impacts, risks, and opportunities.	2
2. Organizational Profile			
2.1		Name of the organization.	5
2.2		Primary brands, products, and/or services.	4, 7–8
2.3		Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	4, 7–8
2.4		Location of organization's headquarters.	5
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.	6
2.7		Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	4, 7–8
2.8		Scale of the reporting organization, including: <ul style="list-style-type: none">• Number of employees• Number of operations• 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)• Quantity of products or services provided	5, 6
2.9		Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none">• The location of, or changes in operations, including facility openings, closings, and expansions• 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.	5
3. Report Parameters			
Report Profile			
3.1		Reporting period (e.g., fiscal/calendar year) for information provided.	1
3.2		Date of most recent previous report (if any).	1
3.3		Reporting cycle (annual, biennial, etc.)	1
3.4		Contact point for questions regarding the report or its contents.	1
Report Scope and Boundary			
3.5		Process for defining report content, including: <ul style="list-style-type: none">• Determining materiality• Prioritizing topics within the report• 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.	28, 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 and gender 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.	10–12
4.7		Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	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.	3, 12, 33
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.	2, 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

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ADD: “Additional indicator,” meaning an indicator for a new theme or a theme important to certain organizations.

Item		Indicator	Pages in this report
Commitments to External Initiatives			
4.11		Explanation of whether and how the precautionary approach or principle is addressed by the organization.	4, 12–14
4.12		Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	16–17
4.13		Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none">• Has positions in governance bodies• Participates in projects or committees• Provides substantive funding beyond routine membership dues• Views membership as strategic	5
Stakeholder Engagement			
4.14		List of stakeholder groups engaged by the organization.	2, 15
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	3, 8–9
Economic			
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, 8–9
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 by gender 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.	30–33
EC9	ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.	–
Environmental			
		Disclosure on Management Approach	3, 33–36
Environmental			
Aspect: Materials			
EN1	CORE	Materials used by weight or volume.	36
EN2	CORE	Percentage of materials used that are recycled input materials.	–
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.	34
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
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.	–
EN18	ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	34–35
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

Item		Indicator	Pages in this report
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.	33
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.	-
Social			
Labor Practices and Decent Work			
		Disclosure on Management Approach	3, 27–29
Labor Practices and Decent Work			
Aspect: Employment			
LA1	CORE	Total workforce by employment type, employment contract, and region broken down by gender.	28
LA2	CORE	Total number and rate of new employee hires and 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.	-
LA15	CORE	Return to work and retention rates after parental leave, by gender.	-
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 and gender.	-
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 gender and 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.	25–28
LA12	ADD	Percentage of employees receiving regular performance and career development reviews by gender.	-
Aspect: Diversity and Equal Opportunity			
LA13	CORE	Composition of governance bodies and breakdown of employees per employee 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	3,28
Human Rights			
Aspect: Investment and Procurement Practices			
HR1	CORE	Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.	Not applicable
HR2	CORE	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken.	Not applicable
HR3	CORE	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 corrective actions taken.	Not applicable
Aspect: Freedom of Association and Collective Bargaining			
HR5	CORE	Operations and significant suppliers 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 and significant suppliers identified as having significant risk of 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 and significant suppliers identified as having significant risk of incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not applicable
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

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Item		Indicator	Pages in this report
Aspect: Indigenous Rights			
HR9	ADD	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable
HR10	CORE	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	-
HR11	CORE	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	-
Society			
		Disclosure on Management Approach	3, 30–33
Society			
Aspect: Local Communities			
SO1	CORE	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	-
SO9	CORE	Operations with significant potential or actual negative impacts on local communities.	-
SO10	CORE	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	-
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	3, 18–26
Product Responsibility			
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.	Not applicable
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.	Not applicable
PR5	ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	16, 19–22
Aspect: Marketing Communications			
PR6	CORE	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	23
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.	Not applicable
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.	3, 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	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	13, 25–28, 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.	7–8
FS7	CORE	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	7–8, 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 voting 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.	22–23
FS16	CORE	Initiatives to enhance financial literacy by type of beneficiary.	16